



Service
Integrity
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Regular Meeting of the Board of Commissioners

Date: Monday, August 24, 2020

Time: Noon

The meeting will be held via Zoom videoconference as an emergency measure to decrease the spread of the COVID-19 coronavirus. Please use the following information to access the meeting:

To login using your computer's audio, please click on this link:

<https://us02web.zoom.us/j/673982739?pwd=WDVWK2FFVXNZOVRwaVJkbkszNUcxdz09>

OR

If you prefer to call into the meeting, please dial: (253) 215-8782. Then use meeting code **673-982-739** and password *514202*. There are no participant IDs so please press # to enter the meeting.

-NOTE: Due to the high volume of remote work/meetings, there could be a chance that the phone number is busy. Please be patient and call again after a few seconds.

Since many people will be on this remote meeting, we'd like everyone to follow two guidelines:

1. Put your phone or microphone on mute if you are not talking.
2. When you speak, please introduce yourself every time.

Roll Call

Public Comment

Communications

1) Reports from Resident Councils:

Broadway Plaza Apartments

2) Other Communications

Executive Director's Report

Approval of Minutes

Regular Meeting Held on June 22, 2020

1-5

Consent Agenda

- | | |
|---|------------------------|
| 1) Section 8 Payments for the Month of May 2020 | Distributed Separately |
| 2) Summary of Vouchers for the Month of May 2020 | Distributed Separately |

Policy Discussion

New Agency Mission Statement

Items for Individual Consideration

- | | |
|--|---------|
| 1) Resolution No. 1494 Adopting and Implementing New Agency Mission Statement | 6-10 |
| 2) Resolution No. 1495 Approving Agency Policy on E Signatures | 11-15 |
| 3) Resolution No. 1496 Adopting Revisions to the HCV Administrative Plan | 16-145 |
| 4) Resolution No. 1497 Authorizing Amendment No. 25 to the Interagency Agreement w/Housing Hope Relating to the Commerce Building SRO Units | 146-148 |
| 5) Resolution No. 1498 Approving Second Version of Updated FSS Policy/Plan | 149-164 |

Executive Session

To Discuss the Performance of the Executive Director

Adjournment

Everett Housing Authority does not discriminate on the basis of disability in the administration of, or access to, its programs or activities. Requests for assistance or accommodations can be arranged by contacting Chris Neblett at (425) 303-1186, or chrisn@evha.org.



**Minutes of the Regular Meeting
of the Board of Commissioners of the
Housing Authority of the City of Everett**

June 22, 2020

Meeting Called to Order

The Regular Meeting of the Board of Commissioners of the Housing Authority of the City of Everett was called to order by Chair Allison Warren-Barbour at 12:04 p.m. on Monday, June 22, 2020. This meeting was held via Zoom videoconference as an emergency measure to prevent the spread of the COVID coronavirus.

Commissioners Present at Roll Call:

Chair Allison Warren-Barbour
Vice- Chair George Perez
Commissioner Chip Burgess

Commissioner Koren Smith
Commissioner Tammy Williamson
Commissioner Benjamin Young

Commissioners Absent:

None

Also in attendance were:

Staff:

Ashley Lommers-Johnson, Executive Director
John Forsyth, Director of Housing Operations
Wendy Abbey, Director of Finance
Jason Morrow, Director of Development
Linda Manning, Director of Human Resources and Administration
Steve Yago, Deputy Director of Development
Wendy Westby, HCV Program Director
Tony Nabors, Director of Diversity, Equity, Inclusion
Brenda McLeod, Asst. Director of Procurement and Contracts
Janinna Richardson, Senior Policy Analyst
Chris Neblett, Hearing Officer/Administrative Coordinator
Jaysen Garcia, Executive Assistant

Guests:

Becky Ableman McCrary, City of Everett
Liz Vogeli, City of Everett

Public Comment

None

Communications

None

Executive Director's Report

Executive Director Lommers-Johnson began his report by noting there was nothing new to report on the status of the agency's Strategic Plan, but a slide showing progress to date in this area was included in the presentation deck for today's meeting. He then introduced the newest member of the senior staff, Senior Policy Analyst Janinna Attick. Ms. Attick previously worked for over ten years at the Housing Authority of Snohomish County, and the Executive Director said her high level of skill and knowledge in the fields of housing policy and quantitative analysis were a welcome addition to our agency.

As a first topic, the Executive Director discussed his recent statement to Housing Authority staff on systemic racism and police violence against minority communities. This emphasized the Housing Authority's long-term commitment to undoing institutional racism, its alignment with organizations that share this commitment, and its support of staff who choose to exercise their individual right to political expression. The Executive Director said he was contemplating sending a letter to the Mayor about police department policies that affect the communities served by the Housing Authority, and if he chose to do this, the Board would be asked to review it.

Moving to the next topic in his report, the Executive Director said staff town hall meetings and other means of communicating with employees during this time of working remotely have demonstrated the Housing Authority's commitment to diversity, equity, and inclusion as a key operating principle. These town halls have been held via Zoom videoconference, and subjects covered to date have included the sick leave plan during the pandemic, current development projects, revised work guidelines during the pandemic, and the issue of systemic racism. The Executive Director said between 65 and 85 employees have attended each town hall, and follow-up surveys have shown unanimous support among staff for their content and delivery.

Additional surveys have shown that almost all employees have been able to work at home productively; this was attributed to the agency's significant investment in software and technology, as well as regular meetings between department directors and their staff. The Executive Director concluded this segment by addressing the topic of future work planning, a topic he originally intended to address at the end of his report. Preliminary efforts have taken the form of a staff work group led by Senior Policy Analyst Janinna Attick, which has been tasked with developing a plan on how the Housing Authority will do business in the future. This will include recommendations on how to improve business processes based on what has been learned during the emergency shift to remote work caused by the pandemic.

The Executive Director concluded his report by highlighting some of the Housing Authority's accomplishments over the course of the fiscal year ending June 30. These included but

were not limited to the following: success in maintaining most operations remotely during the pandemic while providing for resident and staff safety; 30 consecutive years without an audit finding from the State Auditor; the successful relocation of all Baker Heights and most Scattered Sites residents, a total of 270 households, without incident; successful initial implementation of efforts to become a more diverse and effective anti-racist organization; and excellent fiscal health, including growing financial reserves. Concerning the last point, the Executive Director said the Housing Authority has quadrupled its total assets (including net assets) and its cash reserves over the past eight years.

Consent Agenda

Chair Warren-Barbour called for approval of the Consent Agenda, containing the following items:

1. Section 8 Payments for the Month of April 2020
2. Summary of Vouchers for the Month of April 2020
3. Approval of Minutes of the Regular Meeting Held on May 26, 2020

Commissioner Perez moved for approval of the Consent Agenda. Commissioner Young seconded and the motion carried unanimously.

Item for Individual Consideration

Resolution No. 1493 Adopting Budgets for FY 2020-21 for EHA Programs

Introducing this resolution, Finance Director Wendy Abbey noted each commissioner received a digital copy of the complete budgets for the Housing Authority's programs effective July 1 ahead of today's meeting. She further noted that she and her team had met with the Board's Finance Committee and the Executive Director the previous week to review these detailed budgets, which were developed with the Housing Authority's strategic goals and objectives in mind. Director Abbey presented the budgets in summary form at this meeting, a format that divided properties and programs into three main categories (Supporting Programs, Federally Funded Programs, Non-Federal Programs), with subcategories under each (e.g., Federally Funded Programs subdivided into Public Housing, Section 8/Mod Rehab, FSS Grant). In total, budgets reflected a positive net cash flow of \$337, 234. This did not account for proceeds from the sale of Baker Heights and the Scattered Sites, anticipated to be around \$21-22 million. Director Abbey said sale proceeds will be earmarked as non-operating funds for the purchase of replacement housing for these former Public Housing properties.

The commissioners thanked Director Abbey and her team for their good stewardship of the Housing Authority's funds during challenging times. Before a vote was called, Director Abbey called attention to an important provision within the resolution: pursuant to section two, these budgets are subject to an increase in spending of up to 5% in aggregate without the need for further approval by the Board. The budgets up for adoption kept most spending at the same level as the previous year as a cautionary measure, given uncertainty about the amount of Federal funding that will be available as a result of the pandemic; however, in the event things stabilize over the coming months, management was requesting authority for additional spending that will allow it to commence with some Strategic Plan activities. Clarifying the last point further, Executive Director Lommers-

Johnson said the Federal government's budgetary stalemates over the past couple of decades have resulted in an expected level of uncertainty surrounding the budget writing process, but the COVID pandemic has significantly increased this level of uncertainty. He was hopeful that developments over the next six months will provide room for some adjustment to the budgets up for adoption, as these kept operations spending at current levels and only provided for an increase of one percent to employee salaries.

As a final point, Director Abbey said the proposed budgets included CARES Act grants from the Federal government for COVID-related costs -- in the amounts of \$81,186 for the Public Housing program and \$581,992 for HCV and Project-Based Voucher properties. This grant funding will be used primarily to reimburse the Housing Authority for time its employees allocated to COVID related activities, and to cover expenses related to purchases of equipment that enable staff to work remotely. This money was available from March 27 through the end of the year, although HUD may extend it further. In conclusion, Executive Director Lommers-Johnson said he was expecting another disbursement of CARES Act funding within the next couple of months, which will require developing a detailed plan to show how this money will be spent once it is received.

Commissioner Young moved to adopt the resolution. Commissioner Smith seconded, and the motion passed unanimously.

Policy Discussion

EHA's Mission Statement

Executive Director Lommers-Johnson said he had originally hoped to have a new agency mission statement for the Board's consideration at today's meeting, but it has taken longer than expected to get this into final draft form, given its importance in framing the Housing Authority's mission over the long-term. He recounted the steps that have been followed in developing a new mission statement through dedicated work groups and meetings with senior staff, an effort that began at the direction of the Board of Commissioners during a retreat with senior management in Spring 2019. At that time the Board called for the creation of a new agency mission statement consisting of three core components: 1) the development of affordable housing with an emphasis on new housing; 2) a focus on fostering success among the Housing Authority's tenants and program participants; 3) ending systemic racism by pursuing equitable housing policies.. The Executive Director said that several attempts have been made to turn these elements into a cohesive statement, but this has been challenging because these components are complex in and of themselves and do not directly relate to one another.

The Executive Director shared some of the draft mission statements developed to date for the Board's review and comment. He suggested any feedback received at today's meeting could merit further discussion at an upcoming meeting of the Board's Policy and Programs Committee, which could then aid in the development of one or two refined drafts for the Board to consider for adoption at the August regular meeting. Following a discussion along those lines, it was agreed that an effective way of structuring the new mission statement may be to present the desired outcome (i.e., overcoming systemic racism) first, then to present pursuing equity as the means for achieving this outcome, and finally to state the development of affordable housing and healthy and vibrant communities as byproducts of this effort.

Adjournment

There being no further business, Chair Warren-Barbour called for a motion to adjourn the meeting. Commissioner Burgess made such a motion, Commissioner Smith seconded, and the meeting adjourned at 1:27 p.m.

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Chair, Board of Commissioners

ATTEST:

Secretary

Resolution No. 1494
Adopting and Implementing a New Mission Statement for the Agency

WHEREAS, the effects of centuries of systemic racism in United States systems, including housing systems, continue to persist to this day, excluding communities of color from access to opportunity and accumulation of wealth; and

WHEREAS, mindful of the connection between systemic racism and housing, Everett Housing Authority's Board of Commissioners has determined that a key component of the Housing Authority's mission is a commitment to undoing systemic racism; and

WHEREAS, in order to best express this commitment, the Board of Commissioners has provided Housing Authority staff with direction in the creation of a new mission statement with a focus on undoing systemic racism; and

WHEREAS, the Board desires for the new mission statement to be an actionable statement that guides the actions and positions of the agency; and

WHEREAS, the Board further desires that the Housing Authority as an agency, acting through agency officials and staff, take specific nonpartisan actions in support of or in opposition to issues that further the agency's work in accomplishing its mission;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF EVERETT:

Section 1: The Board of Commissioners adopts the official mission statement of the Everett Housing Authority attached as Exhibit A.

Section 2: The Board of Commissioners further directs the agency to take nonpartisan stances and actions in support or opposition to issues that are directly aligned with furthering the Housing Authority's new mission statement on behalf of the Housing Authority.

Section 3: The Board of Commissioners adopts the policy attached as Exhibit B.

Section 4: The Board of Commissioners directs the Executive Director to adopt any necessary procedures to implement the policy attached as Exhibit B, including but not limited to identifying specific criteria to determine whether a stance or an activity regarding a particular issue is consistent with the agency's mission and the policy.

Section 5: This Resolution shall take effect immediately.

Adopted by the Board of Commissioners of the Housing Authority of the City of Everett, Washington, this 24th day of August, 2020.

Chair, Board of Commissioners

Attest:

Secretary

Exhibit A

[To be distributed prior to Board meeting]

Exhibit B

Policy No.	POL-G-01-2020
Policy	Actions Furthering the Agency's Mission
Date Enacted	8/24/2020
Updated	N/A
Approved By	See Resolution No. 1494

1. Purpose

- 1.1 Establish a policy for the Everett Housing Authority (EHA) to adopt positions on issues in furtherance of the agency's mission.
- 1.2 Delegate authority to the Executive Director or their designee to identify issues that are relevant to the agency's mission and take actions to support or oppose issues in furtherance of the agency's mission.
- 1.3 Affirm the rights of EHA employees to exercise their rights to free speech and participate in civil actions on their own time and not acting as representatives of the agency.

2. References and Sources

- Resolution No. 1494
- 2 CFR 200.450: Lobbying
- 5 CFR Part 151 (15 USC 1501): Political Activity of State or Local Officers or Employees [Hatch Act]
- RCW 41.06.250 (State Civil Service Law): Political Activities
- RCW 42.17A.635: Legislative Activities of State Agencies, Other Units of Government, Elective Officials, Employees
- Office of Special Counsel memo dated July 14, 2020, "Black Lives Matter and the Hatch Act"

3. Scope

This policy applies to actions of the Board of Commissioners, the Executive Director and all EHA staff

4. Authority and Responsibility

The Executive Director or their designee is responsible for implementing, updating, and retiring the policy as needed.

Authority to approve the policy is with the Board of Commissioners

5. Definitions

N/A

6. Associated Forms

N/A

7. Policy

- 7.1 While EHA is prohibited from taking partisan actions, activity that is nonpartisan, in alignment with EHA's mission, and not otherwise prohibited by law, is permissible.
- 7.2 Activity by the agency may include taking stances on issues or constellations of ideas, taking policy positions, or other allowable nonpartisan actions taken by the Board of Commissioners and/or agency leadership representing the agency in furtherance of the agency's mission.
- 7.3 The Executive Director is charged with operating EHA in accordance with Board policies, which includes interpreting and making judgments about policies and directives from the Board.
- 7.4 EHA leadership may use the Board's Policy and Program subcommittee as a resource when staff need guidance on a particular course of action, acknowledging that the Board does not direct operations.
- 7.5 To mitigate the risk of using federal funding for non-allowable costs, EHA will use non-federal funding if it undertakes any agency action that may be deemed to be political.
- 7.6 EHA affirms the rights of EHA employees to lawfully exercise their right to free speech, take positions on issues, and to participate in civil actions, including demonstrations, without risk of retaliation, on their own time, acting as individuals and not as representatives of EHA.
- 7.7 The Executive Director or their designee must provide advance approval of any action taken or issue statement made by an EHA employee in furtherance of the agency's mission, when that employee is doing so as a representative of EHA and not as an individual on their own time.

8. History

8/24/2020 Policy adopted.

TO: Board of Commissioners
FROM: Ashley Lommers-Johnson, Executive Director
SUBJECT: Policy for Use of Electronic Signatures
DATE: August 24, 2020

Background

Beginning in 2016, local agencies were specifically authorized to use electronic signatures by Chapter 19.360 RCW, and effective June 11, 2020, Chapter 19.360 RCW was repealed and replaced by the Uniform Electronic Transactions Act (UETA).

UETA provides for essentially the same authority as Chapter 19.360 RCW with respect to a local agency's use of electronic signatures: Unless state or federal law requires a "wet" (ink) signature, an electronic signature can be used and must be given the same legal effect as a wet signature. Therefore, typical agency records requiring a signature can utilize electronic signatures in lieu of wet signatures if the agency adopts a local policy for use of electronic signatures.

During the current public health emergency, the Executive Director has been granted broad authority under Resolution No. 1486, adopted on March 9, 2020, to implement any emergency measures and/or contingency plans deemed necessary to respond to COVID-19 while minimizing potential interruptions in service to EHA clients and the community.

To facilitate social distancing, staff have been using the Adobe Sign platform to electronically sign certain documents. However, EHA does not currently have a policy specifically addressing the use of electronic signatures. This resolution ratifies the use of electronic signatures by the agency to sign documents as a public health measure to limit the spread of COVID-19 before this resolution was adopted.

Using electronic signatures where possible will further the agency's ongoing efforts to reduce the use of paper documents and processes and builds on efforts already taken by the HCV and Housing Management departments to move many client and resident processes online. Adoption of the proposed policy would provide staff with clear authority to use electronic signatures and would allow the Executive Director to develop appropriate procedures for their use.

Staff recommend adopting the proposed policy for use of electronic signatures by the agency.

Recommended Action

Adopt Resolution No. 1495, which authorizes the agency to use electronic signatures, adopts the policy attached to the resolution as Exhibit A, ratifies the prior use of electronic signatures as a public health measure to limit the spread of COVID-19, and instructs the Executive Director to develop and maintain procedures implementing the electronic signature policy, including identifying minimum standards for any electronic signature provider the agency uses.

Resolution No. 1495

Establishing a Policy for Use of Electronic Signature Technology and Ratifying Prior Use of Electronic Signatures

WHEREAS, the Uniform Electronic Transactions Act allows a public agency to permit the use of electronic signature technologies, and requires agencies who wish to use electronic signatures to establish the manner, format, and processes for such use; and

WHEREAS, using electronic signature technologies can benefit the Everett Housing Authority (the "Authority") by decreasing the Housing Authority's reliance on paper transactions and physical documents, thereby saving time and reducing the costs associated with conducting Authority business; and

WHEREAS, the Housing Authority has considered how the use of electronic signatures may impact or improve our customers' access to and ability to participate in our programs and agency affairs, and reliance on Housing Authority business conducted electronically;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF EVERETT:

Section 1: It is in the public interest to allow the use of electronic records and electronic signatures for Housing Authority business to the fullest extent allowed by law.

Section 2: The Board of Commissioners adopts the Electronic Signatures policy attached as Exhibit A.

Section 3: The Board of Commissioners directs the Executive Director to adopt any necessary procedures to implement the policy attached as Exhibit A, including but not limited to identifying the minimum standards for any electronic signature platform for Housing Authority use.

Section 4: The Board of Commissioners ratifies the use of electronic signatures by the agency to sign documents prior to the effective date of this resolution, which was done as a public health measure to limit the spread of COVID-19.

Section 5: This Resolution shall take effect immediately.

Adopted by the Board of Commissioners of the Housing Authority of the City of Everett, Washington, this 24th day of August, 2020.

Chair, Board of Commissioners

Attest:

Secretary



Policy No. ADM-01-2020
Policy Electronic Signatures
Date Enacted 8/24/2020
Updated N/A
Approved by See Resolution No. 1495

1. Purpose

- 1.1 Establish an electronic signature policy for the Everett Housing Authority (EHA) that is consistent with the intent of Washington State law to promote electronic transactions and remove barriers that might prevent the use of electronic transactions by government entities

- 1.2 Reduce EHA’s reliance on paper-based transactions, thereby improving information security and sharing, allowing faster approval of and access to documents, and reducing costs and environmental impact

2. References and Sources

- Resolution No. 1495
- Uniform Electronic Transactions Act (ESSB 6028)
- 15 U.S.C. Ch 96, Electronic Signatures in Global and National Commerce Act

3. Scope

Applies to all documents signed by the Board of Commissioners or EHA staff as otherwise authorized.

4. Authority and Responsibility

The Executive Director is responsible for implementing the policy, and identifying when the policy needs to be updated or retired.

Authority to approve the policy and any updates lies with the Board of Commissioners.

5. Definitions

Electronic Signature An electronic sound, symbol, or process attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign the record

Record Information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form, except as otherwise defined for the purpose of agency record retention, preservation, or disclosure

Wet Signature A signature created when a person physically marks a document with the intent to sign the record

6. Associated Forms

None

7. Policy

- 7.1 EHA encourages electronic transactions and the use of electronic signatures and recognizes electronic signatures as legally binding and equivalent in force and effect as a wet signature.
- 7.2 The Executive Director or designee is authorized to set minimum standards for any electronic signature platform(s) to be used to affix electronic signatures to EHA records that are consistent with applicable laws, and to select the electronic signature platform(s) that EHA will use, consistent with the minimum standards.
- 7.3 Electronic signatures may be used on EHA records requiring execution by a third party.
- 7.4 All Commissioners and staff authorized to sign documents on behalf of EHA are also authorized to affix electronic signatures to any documents they are otherwise authorized to sign on behalf of EHA. This policy does not modify who is authorized to sign documents on behalf of EHA.
- 7.5 Electronic signatures cannot be applied using another employee's name. Records signed on behalf of the authorized signatory by a designee shall use their own electronic signature.
- 7.6 An electronic signature is an acceptable substitute for a wet signature on records requiring the signature of any record whenever the use of a wet signature is authorized or required, except as provided herein or if otherwise prohibited by applicable law or regulations.
- 7.7 If an electronic signature is used for interstate transactions or for documents required by the Federal Government, the electronic signature shall comply with the requirements of the Electronic Signatures in Global and Electronic Commerce Act.

8. History

8/24/2020 Policy adopted.

Resolution No. 1496

Adopting Revisions to the Administrative Plan for the Housing Choice Voucher Program

WHEREAS, pursuant to 24 C.F.R. 982.54, the U.S. Department of Housing and Urban Development ("HUD") requires the Housing Authority of the City of Everett ("EHA") to have an Administrative Plan ("Admin Plan") that establishes local policies for the administration of the Housing Choice Voucher (HCV) Program; and

WHEREAS, EHA's Board of Commissioners most recently adopted an updated Admin Plan effective May 1, 2017; and

WHEREAS, changes to HUD rules and regulations, the addition of Mainstream Vouchers to EHA's program, the availability of additional web-based resources and development of remote work processes in response to the COVID-19 pandemic, and the need for additional policies that will facilitate the administration of the Project-Based Voucher program make it necessary to revise the Admin Plan at this time;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF EVERETT:

Section 1: That revisions to the HCV Administrative Plan—appearing in excerpt form as contained in Exhibit "A," are attached hereto.

Section 2: This revised Administrative Plan for the HCV Program shall be effective October 1, 2020.

Adopted by the Board of Commissioners of the Housing Authority of the City of Everett this 24th day of August, 2020.

Chair, Board of Commissioners

Attest:

Secretary

Page #	Section	Type of Change	Description	Source
Intro-i to Intro -iv	Introduction	Replaced chapter	Updated links and reference	Nan Mckay Model
1-15	Updating and Revising the Plan	Policy update	Changes "at least once a year" to "as needed"	Nan Mckay Model
2-4	Nondiscrimination	Policy update	Adds "subjecting anyone to sexual harassment."	Nan Mckay Model
2-5	Nondiscrimination	Language change. Formatting correction.	Changes "HUD requires" to "the PHA should"	Nan Mckay Model
3-9	Return of Permanently Absent Family Members	Policy update	Remove requirement that permanently absent family members who return must enhance economic status of family	EHA Policy amended to align with Nan Mckay model
3-15 to 3-16	Social Security Numbers	Updated reference	Updated PIH notice	Nan Mckay Model
3-23	Denial of Assistance	Added text	Updates guidance on denying for criminal activity	Nan Mckay Model
3-25 to 3-26	Mandatory Denial of Assistance	Policy update	Reduces timeframe for criminal activity for 5 years to 3 years. Changes definition of "Currently engaged in" from past 6 months to past 3 months.	Nan Mckay Model
3-27	Previous Behavior in Assisted Housing	Policy update. Added text.	Reduce barriers to eligibility by allowing for payment plans on PHA debt or for PHA debts to be paid during eligibility process. Reduces timeframes on previous behavior from 5 years to 3 years.	EHA Policy and Nan Mckay Model
3-28	Screening for Eligibility	Policy update. Added text.	Updated to reflect use of Yardi Screening	EHA Policy and Nan Mckay Model
3-31	Consideration of Circumstances	Language change		Nan Mckay Model
4-3 to 4-4	Applying for Assistance	Policy update	Updated to reflect primary use of Rentcafe	Nan Mckay Model
4-10	Purging the Wait List	Policy update	Changes wait list update from "annually" to "as needed." Updated to reflect primary use of Rentcafe. Adds "email" to response options for those without Rentcafe accounts.	Nan Mckay Model and EHA Policy
4-13	Targeted Funding	Policy update	Added Mainstream vouchers	EHA Policy
4-14	Local Preferences	Policy update	Added rent burden and homeless preferences in line with application for Mainstream vouchers	EHA Policy
4-16	Notification of Selection	Policy update	Updated to reflect primary use of Rentcafe	EHA Policy
4-16	The Application Interview	Updated reference	Updated PIH Notice	Nan Mckay Model
5-17	Expiration of the Voucher Term	Added text	Specifies "when the waiting list is open"	Nan Mckay Model
6-5	Joint Custody of Dependents	Added text	Adds "school records" to documents	Nan Mckay Model
6-13	Earned Income Disallowance	Deleted text	Deletes original EID Calculation Method	Nan Mckay Model
6-18	Imputing Income From Assets	Policy update	Changes "February 1 following the December review" to "at the time of the review"	Nan Mckay Model
6-22	Equity in Real Property or Other Capital Investments	Added text	Added "minus the balance of the loan"	Nan Mckay Model
6-24	Periodic Payment	Updated reference	Updated PIH Notice	Nan Mckay Model
6-32	Additional Exclusions from Annual Income	Policy update	Added distributions and interest from ABLE accounts to exclusions	Nan Mckay Model
6-44	Necessary and Reasonable Costs	Policy Update	Changes "a local welfare agency" to a "qualified local entity that either subsidizes child care costs or licenses child care providers. "	Nan Mckay Model
6-48	Implementation of Hardship Exemption	Example updated		Nan Mckay Model
6-57 to 6-58	Applying Utility Allowances	Language change	Deleted "PHA"	Nan Mckay Model

7-1 to 7-8	General Verification Requirements	Updated references/Policy Updates	Updated PIH notice. Adds IVT.	Nan McKay Model
7-6	Written Third Party Verification	Policy update	Allows PHA to request additional paystubs	Nan mckay Model
7-11	Verification of Legal Identity	Policy Update	Added "government" and "with picture"	Nan Mckay Model
7-12	Social Security Numbers	Updated reference	Updated PIH Notice	Nan Mckay Model
7-21	Business and Self-Employment Income	Policy update	Streamlined verification requirements for self-employment income	EHA Policy
7-27	Student Financial Assistance	Added reference	Added PIH Notice	Nan Mckay Model
8-21	How Comparability is Established	Updated reference	Updated PIH Notices	Nan Mckay Model
9-10	Tenancy Approval	Policy update	Added how corrections to RFTA will be accepted	Nan McKay Model
10-6	Zero HAP Families Who Wish to Move	New Policy	Added section	Nan Mckay Model
11-2	Streamline Annual Reexaminations	Language change		Nan Mckay model
11-10	New Family and Household Members Requiring Approval	Policy correction	Corrected policy to align with definition of guest in Chapter 3	EHA Policy
11-11	Departure of a Family or Household Member	Policy Update	Model plan change	Nan Mckay Model
11-16	Subsidy Standards	Deleted text	Removed reference to 2015 Admin Plan standards	EHA Policy
11-16	Notification of New Family Share and HAP Amount	Language change		Nan Mckay Model
12-3	Failure to Disclose and Document Social Security Numbers	Updated reference	Updated PIH Notice	Nan Mckay Model
12-5	Use of Illegal Drugs and Alcohol Abuse	Policy update	Changes definition of "Currently engaged in"	Nan Mckay Model
12-6	Drug Related and Violent Criminal Activity	Language change		Nan Mckay Model
12-7	Other Authorized Reasons for Termination of Assistance	Policy Update	Removed termination by another PHA from list of authorized reasons for termination	Nan Mckay Model
12-12	Use of Criminal Conviction Records after Admission	Policy update	Added section	Nan Mckay Model
12-12	Consideration of Circumstances	Language change		Nan Mckay Model
12-20	Other Good Cause	Policy update	Added paragraph	Nan Mckay Model
12-23	Exhibit 12-1 Statement of Family Obligations	Policy update	Added types of evidence	Nan Mckay Model
13-3	Owner Recruitment and Retention	Policy Update	Added policies from HCV Landlord Strategy Guidebooks for PHAs	Nan Mckay Model
13-22	Foreclosure	New Policy	Added Policy	Nan Mckay Model
14-10	Prohibited Owner Actions	Policy update	Added sexual harassment	Nan Mckay Model
16-6	Updating Payment Standards	Language change		Nan Mckay Model
16-7	Exception Payment Standards	Updated reference and policy	Added 24 CFR text to reference	Nan Mckay Model
16-7	Voluntary Use of Small Area FMRs	New Policy	Added policy	Nan Mckay Model
16-12	Decision Subject to Informal Review	Added references. Policy update	Removed "or suspension" of a voucher term	Nan Mckay Model
16-14	Remote Informal Reviews	Added section	Allows for remote informal reviews	Nan Mckay Model
16-17	Informal Hearings for Participants	Policy update. Added section	Removed "or suspension" of a voucher term. Allows for remote informal hearings	Nan Mckay Model
16-18	Informal Hearing Procedures	Policy update	Added remote hearings	Nan Mckay Model
16-19	Scheduling an Informal Hearing	Added text	Added language about failure to appear	Nan Mckay Model
16-20	Pre-Hearing Right to Discovery	Policy update	Allows for remote informal reviews	Nan Mckay Model
17-3	Overview	Policy update	Added reference to exhibits. Changed text.	Nan Mckay Model

17-7	Units Selected Non-Competively	Policy update	Updated to align with Nan Mckay model	Nan Mckay Model
17-8	PHA Requests for Proposals for Rehabilitated and Newly Constructed Units	Language change		Nan Mckay Model
17-11	PHA Owned Units	Policy update	Adds Non-competitive selections	Nan Mckay Model
17-14	Subsidy Layering Requirements	Policy Update	Added guidance from new FR, updated references	Nan Mckay Model
17-16	Projects not Subject to a Project Cap	Policy update	Added text to make more specific	EHA Policy
17-16	Promoting Partially Assisted Projects	Policy update	Added exceptions for families receiving supportive services	Nan Mckay Model
17-23	Inspecting Units	Policy update	Updated reference and text	Nan Mckay model
17-23	Annual/Biennial Inspections	Policy update	Added alternative inspection methods for PBV properties	EHA Policy
17-40	Preferences	Policy update	Updated list to reflect current PBV contracts	EHA Policy
17-49	Overcrowded, Under-Occupied, and Accessible Units	Policy Update	Updated order	EHA Policy
Exhibit 17-1	Exhibit 17-1	Added Exhibit		Nan Mckay Model
Exhibit 17-2	Exhibit 17-2	Added Exhibit		Nan Mckay Model
Chapter 18	Project Based Vouchers (PBV) Under the Rental Assistance Demonstration (RAD) Program	Replaced chapter	Replaced with Nan Mckay Model	Nan Mckay Model
18-6	Tenant Based vs Project Based Voucher Assistance	Policy update	Added reference to exhibits.	Nan Mckay Model
18-13	PHA-Owned Units	New Policy	Added HASCO as Independent Entity	Nan Mckay Model
18-20	Alternative Inspections	New Policy	Added alternative inspection methods for PBV properties	Nan Mckay Model
18-29	Organization of the Waiting List	Policy update	Added policies on discrimination and VAWA	Nan Mckay Model
18-30	Preferences	Policy Update	Removed Baker Heights relocation preference	EHA Policy
18-41	Overcrowded, Under-Occupied, and Accessible Units	Policy update	Updated order	EHA Policy
Exhibits 18-1	Exhibit 18-1	Added Exhibit		Nan Mckay Model

EHA Administrative Plan Policy Revisions

The following catalogues major policy changes made by the Everett Housing Authority to the administrative policies of the Section 8 program. Each change will show the page the policy can be found on, as well as the differences between the old and new policies. In changes where policy language was added, the added language will be highlighted in the NEW policy section. In changes where language was eliminated from old policies, the subtracted language will be highlighted in the OLD policy section. These policy changes are also tracked and can be cross-referenced with an excel cataloging all the policy changes undertaken by the Everett Housing Authority this year.

1-III.D. UPDATING AND REVISING THE PLAN

The PHA 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 board of commissioners of the agency, the pertinent sections included in the Agency Plan, and a copy provided to HUD.

EHA Policy

The PHA will review and update the plan **at least once a year, and more often if** needed, to reflect changes in regulations, PHA operations, or when needed to ensure staff consistency in operation.

1-III.D. UPDATING AND REVISING THE PLAN

The PHA 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 board of commissioners of the agency, the pertinent sections included in the Agency Plan, and a copy provided to HUD.

PHA Policy

The PHA will review and update the plan **as needed,** to reflect changes in regulations, PHA operations, or when needed to ensure staff consistency in operation.

Old Policy

2-I.B. NONDISCRIMINATION

Federal regulations prohibit discrimination against certain protected classes and other groups of people. State and local requirements, as well as PHA policies, can prohibit discrimination based on other factors.

The PHA shall not discriminate because of race, color, sex, religion, familial status, age, disability or national origin (called “protected classes”)

Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18.

The PHA will not discriminate on the basis of marital status, gender identity, or sexual orientation [FR Notice 02/03/12].

EHA Policy

The PHA does not identify any additional protected classes.

The PHA will not use any of these factors to:

- Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate in the housing choice voucher program
- Provide housing that is different from that provided to others
- Subject anyone to segregation or disparate treatment
- Restrict anyone's access to any benefit enjoyed by others in connection with the housing program
- Treat a person differently in determining eligibility or other requirements for admission
- Steer an applicant or participant toward or away from a particular area based any of these factors
- Deny anyone access to the same level of services
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program
- Discriminate in the provision of residential real estate transactions
- Discriminate against someone because they are related to or associated with a member of a protected class
- Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class

New Policy

2-I.B. NONDISCRIMINATION

Federal regulations prohibit discrimination against certain protected classes and other groups of people. State and local requirements, as well as PHA policies, can prohibit discrimination based on other factors.

The PHA shall not discriminate because of race, color, sex, religion, familial status, age, disability or national origin (called “protected classes”)

Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18.

The PHA will not discriminate on the basis of marital status, gender identity, or sexual orientation [FR Notice 02/03/12].

PHA Policy

The PHA does not identify any additional protected classes.

The PHA will not use any of these factors to:

- Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate in the housing choice voucher program
- Provide housing that is different from that provided to others
- Subject anyone to segregation or disparate treatment
- **Subject anyone to sexual harassment**
- Restrict anyone's access to any benefit enjoyed by others in connection with the housing program
- Treat a person differently in determining eligibility or other requirements for admission
- Steer an applicant or participant toward or away from a particular area based any of these factors
- Deny anyone access to the same level of services
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program
- Discriminate in the provision of residential real estate transactions
- Discriminate against someone because they are related to or associated with a member of a protected class
- Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class

Old Policy

Discrimination Complaints

If an applicant or participant believes that any family member has been discriminated against by the PHA or an owner, the family should advise the PHA. HUD requires the PHA to make every reasonable attempt to determine whether the applicant's or participant's assertions have merit and take any warranted corrective action. In addition, the PHA is required to provide the applicant or participant with information about how to file a discrimination complaint [24 CFR 982.304].

New Policy

Discrimination Complaints

If an applicant or participant believes that any family member has been discriminated against by the PHA or an owner, the family should advise the PHA. **The PHA should make every reasonable attempt** to determine whether the applicant's or participant's assertions have merit and take any warranted corrective action. In addition, the PHA is required to provide the applicant or participant with information about how to file a discrimination complaint [24 CFR 982.304].

Old Policy

Return of Permanently Absent Family Members

EHA Policy

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

In order for the PHA to approve the additional family member returning to the unit, the individual(s) returning to the home must enhance the family's economic status, and not result in an increase in the family's HAP, unless the individual being added to the household is necessary to provide care to an elderly or disabled member of the family.

New Policy

Return of Permanently Absent Family Members

EHA Policy

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

Old Policy

3-III.A. OVERVIEW

A family that does not meet the eligibility criteria discussed in Parts I and II, must be denied assistance. In this section we will discuss other situations and circumstances in which denial of assistance is mandatory for the PHA, and those in which denial of assistance is optional for the PHA.

New Policy

3-III.A. OVERVIEW

A family that does not meet the eligibility criteria discussed in Parts I and II, must be denied assistance. In this section we will discuss other situations and circumstances in which denial of assistance is mandatory for the PHA, and those in which denial of assistance is optional for the PHA.

While the regulations state that the PHA must prohibit admission for certain types of criminal activity and give the PHA the option to deny for other types of previous criminal history, more recent HUD rules and OGC guidance must also be taken into consideration when determining whether a particular individual's criminal history merits denial of admission.

When considering any denial of admission, PHAs may not use arrest records as the basis for the denial. Further, HUD does not require the adoption of "One Strike" policies and reminds PHAs of their obligation to safeguard the due process rights of applicants and tenants [Notice PIH 2015-19].

HUD's Office of General Counsel issued a memo on April 4, 2016, regarding the application of Fair Housing Act standards to the use of criminal records. This memo states that a PHA violates the Fair Housing Act when their policy or practice has an unjustified discriminatory effect, even when the PHA had no intention to discriminate. Where a policy or practice that restricts admission based on criminal history has a disparate impact on a particular race, national origin, or other protected class, that policy or practice is in violation of the Fair Housing Act if it is not necessary to serve a substantial, legitimate, nondiscriminatory interest of the PHA, or if that interest could be served by another practice that has a less discriminatory effect [OGC Memo 4/4/16].

PHAs who impose blanket prohibitions on any person with any conviction record, no matter when the conviction occurred, what the underlying conduct entailed, or what the convicted person has done since then will be unable to show that such policy or practice is necessary to achieve a substantial, legitimate, nondiscriminatory interest. Even a PHA with a more tailored policy or practice that excludes individuals with only certain types of convictions must still prove that its policy is necessary. To do this, the PHA must show that its policy accurately distinguishes between criminal conduct that indicates a demonstrable risk to resident safety and property and criminal conduct that does not.

Old Policy

3-III.B. MANDATORY DENIAL OF ASSISTANCE [24 CFR 982.553(a)]

HUD requires the PHA to deny assistance in the following cases:

- Any member of the household has been evicted from federally-assisted housing in the last 3 years for drug-related criminal activity. HUD permits, but does not require, the PHA to admit an otherwise-eligible family if the household member has completed a PHA-approved drug rehabilitation program or the circumstances which led to eviction no longer exist (e.g., the person involved in the criminal activity no longer lives in the household).

EHA Policy

The PHA will admit an otherwise-eligible family who was evicted from federally assisted housing within the past 3 years for drug-related criminal activity, if the PHA is able to verify that the household member who engaged in the criminal activity has completed a supervised drug rehabilitation program approved by the PHA, or the person who committed the crime, is no longer living in the household.

- The PHA determines that any household member is currently engaged in the use of illegal drugs.

EHA Policy

Currently engaged in is defined as any use of illegal drugs during the previous six months.

- The PHA has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

EHA Policy

In determining reasonable cause, the PHA will consider all credible evidence, including but not limited to, any record of convictions, arrests, or evictions of household members related to the use of illegal drugs or the abuse of alcohol. A conviction will be given more weight than an arrest. The PHA will also consider evidence from treatment providers or community-based organizations providing services to household members.

- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing
- Any household member is subject to a lifetime registration requirement under a state sex offender registration program

III.C. OTHER PERMITTED REASONS FOR DENIAL OF ASSISTANCE

HUD permits, but does not require, the PHA to deny assistance for the reasons discussed in this section.

Criminal Activity [24 CFR 982.553]

HUD permits, but does not require, the PHA to deny assistance if the PHA determines that any household member is currently engaged in, or has engaged in during a reasonable time before the family would receive assistance, certain types of criminal activity.

EHA Policy

If any household member is currently engaged in, or has engaged in any of the following criminal activities, within the past five years, the family will be denied assistance.

Drug-related criminal activity, defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug [24 CFR 5.100].

Violent criminal activity, defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage [24 CFR 5.100].

Criminal activity that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; or

Criminal activity that may threaten the health or safety of property owners, management staff, and persons performing contract administration functions or other responsibilities on behalf of the PHA (including a PHA employee or a PHA contractor, subcontractor, or agent).

Immediate vicinity means within a three-block radius of the premises.

Evidence of such criminal activity includes, but is not limited to:

Any conviction for drug-related or violent criminal activity within the past 5 years.

Records of arrests for drug-related or violent criminal activity within the past 5 years, although a record of arrest(s) will not be used as the basis for the denial or proof that the applicant engaged in disqualifying criminal activity.

Any record of eviction from public or privately-owned housing as a result of criminal activity within the past 5 years.

A conviction for drug-related or violent criminal activity will be given more weight than an arrest for such activity.

In making its decision to deny assistance, the PHA will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, the PHA may, on a case-by-case basis, decide not to deny assistance.

New Policy

3-III.B. MANDATORY DENIAL OF ASSISTANCE [24 CFR 982.553(a)]

HUD requires the PHA to deny assistance in the following cases:

- Any member of the household has been evicted from federally-assisted housing in the last three years for drug-related criminal activity. HUD permits, but does not require, the PHA to admit an otherwise-eligible family if the household member has completed a PHA-approved drug rehabilitation program or the circumstances which led to eviction no longer exist (e.g., the person involved in the criminal activity no longer lives in the household).

EHA Policy

The PHA will admit an otherwise-eligible family who was evicted from federally assisted housing within the past 3 years for drug-related criminal activity, if the PHA is able to verify that the household member who engaged in the criminal activity has completed a supervised drug rehabilitation program approved by the PHA, or the person who committed the crime, is no longer living in the household.

- The PHA determines that any household member is currently engaged in the use of illegal drugs.

EHA Policy

Currently engaged in is defined as any use of illegal drugs during the previous **three** months.

- The PHA has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

EHA Policy

In determining reasonable cause, the PHA will consider all credible evidence, including but not limited to, any record of convictions, arrests, or evictions of household members related to the use of illegal drugs or the abuse of alcohol. A conviction will be given more weight than an arrest. **A record or records of arrest will not be used as the sole basis of determining reasonable cause.** The PHA will also consider evidence from treatment providers or community-based organizations providing services to household members.

- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing
- Any household member is subject to a lifetime registration requirement under a state sex offender registration program

III.D. OTHER PERMITTED REASONS FOR DENIAL OF ASSISTANCE

HUD permits, but does not require, the PHA to deny assistance for the reasons discussed in this section.

Criminal Activity [24 CFR 982.553]

HUD permits, but does not require, the PHA to deny assistance if the PHA determines that any household member is currently engaged in, or has engaged in during a reasonable time before the family would receive assistance, certain types of criminal activity.

EHA Policy

If any household member is currently engaged in, or has engaged in any of the following criminal activities, within the past **three** years, the family will be denied assistance.

Drug-related criminal activity, defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug [24 CFR 5.100].

Violent criminal activity, defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage [24 CFR 5.100].

Criminal activity that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; or

Criminal activity that may threaten the health or safety of property owners, management staff, and persons performing contract administration functions or other responsibilities on behalf of the PHA (including a PHA employee or a PHA contractor, subcontractor, or agent).

Immediate vicinity means within a three-block radius of the premises.

Evidence of such criminal activity includes, but is not limited to:

Any conviction for drug-related or violent criminal activity within the past three years.

Records of arrests for drug-related or violent criminal activity within the past three years, although a record of arrest(s) will not be used as the basis for the denial or proof that the applicant engaged in disqualifying criminal activity.

A conviction for drug-related or violent criminal activity will be given more weight than an arrest for such activity.

In making its decision to deny assistance, the PHA will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, the PHA may, on a case-by-case basis, decide not to deny assistance.

Old Policy

Previous Behavior in Assisted Housing [24 CFR 982.552(c)]

HUD authorizes the PHA to deny assistance based on the family's previous behavior in assisted housing. Per the alternative requirements listed in the Federal Register notice dated December 29, 2014, PHAs are no longer permitted to deny assistance to a family because the family previously failed to meet its obligations under the Family Self-Sufficiency (FSS) program [FR Notice 12/29/14].

EHA Policy

The PHA **will** deny assistance to an applicant family if:

The family does not provide information that the PHA or HUD determines is necessary in the administration of the program.

The family does not provide complete and true information to the PHA.

Any family member has been evicted from federally-assisted housing in the last **three** years.

Any PHA has terminated assistance under the program for any member of the family in the last **three** years.

Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.

The family owes rent or other amounts to any PHA in connection with the HCV, Certificate, Moderate Rehabilitation or public housing programs, unless the family repays the full amount of the debt prior to being selected from the waiting list.

If the family has not reimbursed any PHA for amounts the PHA paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease, unless the family repays the full amount of the debt prior to being selected from the waiting list.

The family has breached the terms of a repayment agreement entered into with the PHA, unless the family repays the full amount of the debt covered in the repayment agreement prior to being selected from the waiting list.

A family member has engaged in or threatened violent or abusive behavior toward PHA personnel.

Abusive or violent behavior towards PHA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to deny assistance, the PHA will consider the factors discussed in

Section 3-III.E. Upon consideration of such factors, the PHA may, on a case-by-case basis, decide not to deny assistance.

New Policy

Previous Behavior in Assisted Housing [24 CFR 982.552(c)]

HUD authorizes the PHA to deny assistance based on the family's previous behavior in assisted housing. Per the alternative requirements listed in the Federal Register notice dated December 29, 2014, PHAs are no longer permitted to deny assistance to a family because the family previously failed to meet its obligations under the Family Self-Sufficiency (FSS) program [FR Notice 12/29/14].

EHA Policy

The PHA **will** deny assistance to an applicant family if:

The family does not provide information that the PHA or HUD determines is necessary in the administration of the program.

The family does not provide complete and true information to the PHA.

Any family member has been evicted from federally-assisted housing in the last five years.

Any PHA has terminated assistance under the program for any member of the family in the last five years.

Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.

The family owes rent or other amounts to any PHA in connection with the HCV, Certificate, Moderate Rehabilitation or public housing programs, unless the family repays the full amount of the debt **or has entered into a payment agreement and made regular payments prior to voucher issuance**

If the family has not reimbursed any PHA for amounts the PHA paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease, unless the family repays the full amount of the debt prior to being selected from the waiting list.

The family has breached the terms of a repayment agreement entered into with the PHA, unless the family repays the full amount of the debt covered in the repayment agreement prior to being selected from the waiting list.

A family member has engaged in or threatened violent or abusive behavior toward PHA personnel.

Abusive or violent behavior towards PHA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

Threatening refers to oral or written threats or physical gestures that

communicate intent to abuse or commit violence.

In making its decision to deny assistance, the PHA will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, the PHA may, on a case-by-case basis, decide not to deny assistance.

Old Policy

III.C. SCREENING

Screening for Eligibility

PHAs are authorized to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the HCV program. This authority assists the PHA in complying with HUD requirements and PHA policies to deny assistance to applicants who are engaging in or have engaged in certain criminal activities. In order to obtain access to the records the PHA must require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903].

EHA Policy

The PHA will perform a criminal background check through local law enforcement for every adult household member.

If the results of the criminal background check indicate that there may be past criminal activity, but the results are inconclusive, the PHA will request a fingerprint card and will request information from the National Crime Information center (NCIC).

PHAs are required to perform criminal background checks necessary to determine whether any household member is subject to a lifetime registration requirement under a state sex offender program in the state where the housing is located, as well as in any other state where a household member is known to have resided [24 CFR 982.553(a)(2)(i)].

EHA Policy

The PHA will use the Dru Sjodin National Sex Offender database to screen applicants for admission.

New Policy

3-III.D. SCREENING

Screening for Eligibility

PHAs are authorized to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the HCV program. This authority assists the PHA in complying with HUD requirements and PHA policies to deny assistance to applicants who are engaging in or have engaged in certain criminal activities. In order to obtain access to the records the PHA must require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903].

PHA Policy

The PHA will perform a criminal background check **Yardi Screening** for every adult household member.

If the results of the criminal background check indicate that there may be past criminal activity, but the results are inconclusive, the PHA will request a fingerprint card and will request information from the National Crime Information center (NCIC).

While a PHA has regulatory authority to use criminal conviction records for the purpose of applicant screening for admission, there is no corresponding authority to use these records to check for criminal and illegal drug activity by participants, and therefore, PHAs may not use records for this purpose.

PHAs are required to perform criminal background checks necessary to determine whether any household member is subject to a lifetime registration requirement under a state sex offender program in the state where the housing is located, as well as in any other state where a household member is known to have resided [24 CFR 982.553(a)(2)(i)].

PHA Policy

The PHA will use **Yardi Screening** to screen applicants for admission.

Additionally, PHAs must ask whether the applicant, or any member of the applicant's household, is subject to a lifetime registered sex offender registration requirement in any state [Notice PIH 2012-28].

If the PHA proposes to deny assistance based on a criminal record or on lifetime sex offender registration information, the PHA must notify the household of the proposed action and must provide the subject of the record and the applicant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to a denial of admission. [24 CFR 5.903(f) and 5.905(d)].

Old Policy

Consideration of Circumstances [24 CFR 982.552(c)(2)]

HUD authorizes the PHA to consider all relevant circumstances when deciding whether to deny assistance based on a family's past history except in the situations for which denial of assistance is mandatory (see Section 3-III.B).

EHA Policy

The PHA will consider the following facts and circumstances prior to making its decision:

The seriousness of the case, especially with respect to how it would affect other residents' safety or property

The effects that denial of assistance may have on other members of the family who were not involved in the action or failure to act

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or (as discussed further in section 3-III.G) a victim of domestic violence, dating violence, sexual assault, or stalking

Whether the family is applying for a Project-Based voucher unit which has supportive services appropriate to the applicant

The length of time since the violation occurred, including the age of the individual at the time of the conduct, as well as the family's recent history and the likelihood of favorable conduct in the future

While a record of arrest(s) will not be used as the basis for denial, an arrest may, however, trigger an investigation to determine whether the applicant actually engaged in disqualifying criminal activity. As part of its investigation, the PHA may obtain the police report associated with the arrest and consider the reported circumstances of the arrest. The PHA may also consider:

Any statements made by witnesses or the applicant not included in the police report

Whether criminal charges were filed

Whether, if filed, criminal charges were abandoned, dismissed, not prosecuted, or ultimately resulted in an acquittal

Any other evidence relevant to determining whether or not the applicant engaged in disqualifying activity

Evidence of criminal conduct will be considered if it indicates a demonstrable risk to safety and/or property

In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol

rehabilitation program or has otherwise been rehabilitated successfully

The PHA will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully

New Policy

Consideration of Circumstances [24 CFR 982.552(c)(2)]

HUD authorizes the PHA to consider all relevant circumstances when deciding whether to deny assistance based on a family's past history except in the situations for which denial of assistance is mandatory (see Section 3-III.B).

PHA Policy

The PHA will consider the following facts and circumstances prior to making its decision:

The seriousness of the case, especially with respect to how it would affect other residents' safety or property

The effects that denial of assistance may have on other members of the family who were not involved in the action or failure to act

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or (as discussed further in section 3-III.G) a victim of domestic violence, dating violence, sexual assault, or stalking

Whether the family is applying for a Project-Based voucher unit which has supportive services appropriate to the applicant

The length of time since the violation occurred, including the age of the individual at the time of the conduct, as well as the family's recent history and the likelihood of favorable conduct in the future

While a record **or records** of arrest will not be used as the **sole** basis for denial, an arrest may, however, trigger an investigation to determine whether the applicant actually engaged in disqualifying criminal activity. As part of its investigation, the PHA may obtain the police report associated with the arrest and consider the reported circumstances of the arrest. The PHA may also consider:

Any statements made by witnesses or the applicant not included in the police report

Whether criminal charges were filed

Whether, if filed, criminal charges were abandoned, dismissed, not prosecuted, or ultimately resulted in an acquittal

Any other evidence relevant to determining whether or not the applicant engaged in disqualifying activity

Evidence of criminal conduct will be considered if it indicates a demonstrable risk to safety and/or property

In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully

The PHA will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

Old Policy

4-I.B. APPLYING FOR ASSISTANCE [HCV GB, pp. 4-11 – 4-16, Notice PIH 2009-36]

Any family that wishes to receive HCV assistance must apply for admission to the program. HUD permits the PHA to determine the format and content of HCV applications, as well how such applications will be made available to interested families and how applications will be accepted by the PHA. The PHA must include Form HUD-92006, Supplement to Application for Federally Assisted Housing, as part of the PHA's application.

EHA Policy

Depending upon the length of time that applicants may need to wait to receive assistance, the PHA may use a one- or two-step application process.

A one-step process will be used when it is expected that a family will be selected from the waiting list within 60 days of the date of application. At application, the family must provide all of the information necessary to establish family eligibility and level of assistance.

A two-step process will be used when it is expected that a family will not be selected from the waiting list for at least 60 days from the date of application. Under the two-step application process, the PHA initially will require families to provide only the information needed to make an initial assessment of the family's eligibility, and to determine the family's placement on the waiting list. The family will be required to provide all of the information necessary to establish family eligibility and level of assistance when the family is selected from the waiting list.

Families may obtain application forms from the PHA's office during normal business hours. Families may also request – by telephone or by mail – that an application be mailed to them via first class mail.

Completed applications must be returned to the PHA by mail, by fax, or submitted in person during normal business hours. Applications must be complete in order to be accepted by the PHA for processing. If an application is incomplete, the PHA will notify the family of the additional information required.

New Policy

4-I.B. APPLYING FOR ASSISTANCE [HCV GB, pp. 4-11 – 4-16, Notice PIH 2009-36]

Any family that wishes to receive HCV assistance must apply for admission to the program. HUD permits the PHA to determine the format and content of HCV applications, as well how such applications will be made available to interested families and how applications will be accepted by the PHA. The PHA must include Form HUD-92006, Supplement to Application for Federally Assisted Housing, as part of the PHA's application.

EHA Policy

Depending upon the length of time that applicants may need to wait to receive assistance, the PHA may use a one- or two-step application process.

A one-step process will be used when it is expected that a family will be selected from the waiting list within 60 days of the date of application. At application, the family must provide all of the information necessary to establish family eligibility and level of assistance.

A two-step process will be used when it is expected that a family will not be selected from the waiting list for at least 60 days from the date of application. Under the two-step application process, the PHA initially will require families to provide only the information needed to make an initial assessment of the family's eligibility, and to determine the family's placement on the waiting list. The family will be required to provide all of the information necessary to establish family eligibility and level of assistance when the family is selected from the waiting list.

Families may apply online using the Rentcafe web portal. Applications must be submitted via Rentcafe except in the case of Reasonable Accommodation. Applications must be complete in order to be accepted by the PHA for processing. If an application is incomplete, the PHA will notify the family of the additional information required.

Old Policy

4-II.F. UPDATING THE WAITING LIST [24 CFR 982.204]

HUD requires the PHA to establish policies to use when removing applicant names from the waiting list.

Purging the Waiting List

The decision to withdraw an applicant family that includes a person with disabilities from the waiting list is subject to reasonable accommodation. If the applicant did not respond to a PHA request for information or updates, and the PHA determines that the family did not respond because of the family member's disability, the PHA must reinstate the applicant family to their former position on the waiting list [24 CFR 982.204(c)(2)].

EHA Policy

The waiting list will be updated annually to ensure that all applicants and applicant information is current and timely.

To update the waiting list, the PHA will send an update request via first class mail to each family on the waiting list to determine whether the family continues to be interested in, and to qualify for, the program. This update request will be sent to the last address that the PHA has on record for the family. The update request will provide a deadline by which the family must respond and will state that failure to respond will result in the applicant's name being removed from the waiting list.

The family's response must be in writing and may be delivered in person, by mail, or by fax. Responses should be postmarked or received by the PHA not later than 15 business days from the date of the PHA letter.

New Policy

Purging the Waiting List

The decision to withdraw an applicant family that includes a person with disabilities from the waiting list is subject to reasonable accommodation. If the applicant did not respond to a PHA request for information or updates, and the PHA determines that the family did not respond because of the family member's disability, the PHA must reinstate the applicant family to their former position on the waiting list [24 CFR 982.204(c)(2)].

EHA Policy

The waiting list will be updated **as needed** to ensure that all applicants and applicant information is current and timely.

To update the waiting list, applicants will be contacted using the most current email address the applicant has on file in the RentCafe web portal. Applicants will be required to log-in to their RentCafe account to use the Save My Spot function.

If the family fails to respond within 15 business days, the family will be removed from the waiting list without further notice.

For Applicants prior to July 1, 2015 with no Rentcafe account established, the PHA will send an update request via first class mail to each family on the waiting list to determine whether the family continues to be interested in, and to qualify for, the program. This update request will be sent to the last address that the PHA has on record for the family. The update request will provide a deadline by which the family must respond and will state that failure to respond will result in the applicant's name being removed from the waiting list.

The family's response must be in writing and may be delivered in person, by mail, by email, or by fax. Responses should be postmarked or received by the PHA not later than 15 business days from the date of the PHA letter.

If the family fails to respond within 15 business days, the family will be removed from the waiting list without further notice.

If the notice is returned by the post office with no forwarding address, the applicant will be removed from the waiting list without further notice.

If a family is removed from the waiting list for failure to respond, the PHA may reinstate the family if it is determined that the lack of response was due to PHA error, or to circumstances beyond the family's control.

Old Policy

Targeted Funding [24 CFR 982.204(e)]

HUD may award a PHA funding for a specified category of families on the waiting list. The PHA must use this funding only to assist the families within the specified category. In order to assist families within a targeted funding category, the PHA may skip families that do not qualify within the targeted funding category. Within this category of families, the order in which such families are assisted is determined according to the policies provided in Section 4-III.C.

EHA Policy

The PHA administers the following types of targeted funding:

Non-Elderly Disabled Singles (NEDS)

Targeted Funding [24 CFR 982.204(e)]

HUD may award a PHA funding for a specified category of families on the waiting list. The PHA must use this funding only to assist the families within the specified category. In order to assist families within a targeted funding category, the PHA may skip families that do not qualify within the targeted funding category. Within this category of families, the order in which such families are assisted is determined according to the policies provided in Section 4-III.C.

EHA Policy

The PHA administers the following types of targeted funding:

Non-Elderly Disabled Singles (NEDS)

Mainstream Vouchers

Old Policy

Local Preferences [24 CFR 982.207; HCV p. 4-16]

PHAs are permitted to establish local preferences, and to give priority to serving families that meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits the PHA to establish other local preferences, at its discretion. Any local preferences established must be consistent with the PHA plan and the consolidated plan, and must be based on local housing needs and priorities that can be documented by generally accepted data sources.

EHA Policy

The PHA has established the following Local Preferences:

- Residency Preference (20 Points)

To qualify for the residency preference an applicant household must have at least one (1) adult member that either lives or works within Snohomish County. Employed includes an applicant member who is actively employed or who has been offered a verifiable employment opportunity in the PHA jurisdiction

New Policy

To qualify for the residency preference an applicant household must have at least one (1) adult member that either lives or works within Snohomish county. Employed includes an applicant member who is actively employed or who has been offered a verifiable employment opportunity in the PHA jurisdiction AND

1. Is paying 50% or more of their gross monthly income for rent and utilities. OR
2. Is homeless. Homeless is defined as:
 - a. An individual or family who lacks a fixed, regular and adequate nighttime residence.
 - b. An individual or family who will imminently lose their primary nighttime residence within 14 days, has no subsequent residence identified and lacks the resources and support networks to obtain permanent housing.
 - c. An individual or family who is fleeing domestic violence, has no subsequent residence identified, and lacks the resources and support networks to obtain new permanent housing.
 - d. An individual or family who previously experienced homelessness and is currently a client in a Continuum of Care (COC) funded Permanent Supportive Housing or Rapid Rehousing project.

Old Policy

4-III.D. NOTIFICATION OF SELECTION

When a family has been selected from the waiting list, the PHA must notify the family [24 CFR 982.554(a)].

EHA Policy

The PHA will notify the family by first class mail when it is selected from the waiting list. The notice will inform the family of the following:

- Families will need to register on the RentCafe web portal and set up an account that will enable them to complete a Top of the Waiting List Application

- Date, time, and location of the scheduled application interview, including any procedures for rescheduling the interview

- Who is required to attend the interview

- All documents that must be provided at the interview, including information about what constitutes acceptable documentation

If a notification letter is returned to the PHA with no forwarding address, the family will be removed from the waiting list. A notice of denial (see Chapter 3) will be sent to the family's address of record, as well as to any known alternate address.

For applications received after July 1, 2015, families will be sent notification of selection via e-mail, using the last reported e-mail address for the family.

New Policy

4-III.D. NOTIFICATION OF SELECTION

When a family has been selected from the waiting list, the PHA must notify the family [24 CFR 982.554(a)].

EHA Policy

The PHA will notify the family **by email using the most current email address the applicant has on file in the RentCafe web portal** when it is selected from the waiting list. The notice will inform the family of the following:

- Date, time, and location of the scheduled application interview, including any procedures for rescheduling the interview

- Who is required to attend the interview

- All documents that must be provided at the interview, including information about what constitutes acceptable documentation

For applications prior to July 1, 2015 with no Rentcafe account established, the family will be notified by first class mail when it is selected from the waiting list.

If a notification letter is returned to the PHA with no forwarding address, the family will be

removed from the waiting list. A notice of denial (see Chapter 3) will be sent to the family's address of record, as well as to any known alternate address.

Old Policy

Expiration of Voucher Term

Once a family's housing choice voucher term (including any extensions) expires, the family is no longer eligible to search for housing under the program. If the family still wishes to receive assistance, the PHA may require that the family reapply, or may place the family on the waiting list with a new application date but without requiring reapplication. Such a family does not become ineligible for the program on the grounds that it was unable to locate a unit before the voucher expired [HCV GB p. 8-13].

EHA Policy

If an applicant family's voucher term or extension expires before the family has submitted a Request for Tenancy Approval (RTA), the PHA will require the family to reapply for assistance if/when the waiting list is open.

Within 10 business days after the expiration of the voucher term or any extension, the PHA will notify the family in writing that the voucher term has expired and that the family must reapply in order to be placed on the waiting list.

New Policy

Expiration of Voucher Term

Once a family's housing choice voucher term (including any extensions) expires, the family is no longer eligible to search for housing under the program. If the family still wishes to receive assistance, the PHA may require that the family reapply, or may place the family on the waiting list with a new application date but without requiring reapplication. Such a family does not become ineligible for the program on the grounds that it was unable to locate a unit before the voucher expired [HCV GB p. 8-13].

PHA Policy

If an applicant family's voucher term or extension expires before the PHA has approved a tenancy, the PHA will require the family to reapply for assistance.

Within 10 business days after the expiration of the voucher term or any extension, the PHA will notify the family in writing that the voucher term has expired and that the family must reapply **when the waiting list is open** in order to be placed on the waiting list.

Old Policy

Joint Custody of Dependents

EHA Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family 50 percent or more of the time.

When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the PHA will make the determination based on available documents such as court orders, or an IRS return showing which family has claimed the child for income tax purposes.

New Policy

Joint Custody of Dependents

EHA Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family 50 percent or more of the time.

When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the PHA will make the determination based on available documents such as court orders, **school records**, or an IRS return showing which family has claimed the child for income tax purposes.

Old Policy

Calculation of the Disallowance

Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with his or her "baseline income." The family member's baseline income is his or her income immediately prior to qualifying for the EID. The family member's baseline income remains constant throughout the period that he or she is participating in the EID. While qualification for the disallowance is the same for all families, calculation of the disallowance will differ depending on when the family member qualified for the EID. Participants qualifying prior to May 9, 2016, will have the disallowance calculated under the "Original Calculation Method" described below which requires a maximum lifetime disallowance period of up to 48 consecutive months. Participants qualifying on or after May 9, 2016, will be subject to the "Revised Calculation Method" Which shortens the lifetime disallowance period to 24 consecutive months.

Under both the original and new methods, the EID eligibility criteria, the benefit amount, the single lifetime eligibility requirement and the ability of the applicable family member to stop and restart employment during the eligibility period are the same.

Original Calculation Method

Initial 12-Month Exclusion

During the initial 12-month exclusion period, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded. The 12 months are cumulative and need not be consecutive.

EHA Policy

The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.

Second 12-Month Exclusion and Phase-In

During the second 12-month exclusion period, the exclusion is reduced to half (50 percent) of any increase in income attributable to employment or increased earnings. The 12 months are cumulative and need not be consecutive.

Lifetime Limitation

The EID has a four-year (48-month) lifetime maximum. The four-year eligibility period begins at the same time that the initial exclusion period begins and ends 48 months later. The one-time eligibility for the EID applies even if the eligible individual begins to receive assistance from another housing agency, if the individual moves between public housing and Section 8 assistance, or if there are breaks in assistance.

EHA Policy

During the 48-month eligibility period, the PHA will schedule and conduct an interim reexamination each time there is a change in the family member's annual income that

affects or is affected by the EID (e.g., when the family member's income falls to a level at or below his/her prequalifying income, when one of the exclusion periods ends, and at the end of the lifetime maximum eligibility period).

Revised Calculation Method

Initial 12-Month Exclusion

During the initial exclusion period of 12 consecutive months, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded.

EHA Policy

The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.

Second 12-Month Exclusion

During the second exclusion period of 12 consecutive months, the PHA must exclude at least 50 percent of any increase in income attributable to employment or increased earnings.

EHA Policy

During the second 12-month exclusion period, the PHA will exclude 50 percent of any increase in income attributable to new employment or increased earnings.

Lifetime Limitation

The EID has a two-year (24-month) lifetime maximum. The two-year eligibility period begins at the same time that the initial exclusion period begins and ends 24 months later. During the 24-month period, an individual remains eligible for EID even if they begin to receive assistance from a different housing agency, move between public housing and Section 8 assistance, or have breaks in assistance.

New Policy

Calculation of the Disallowance

Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with his or her "baseline income." The family member's baseline income is his or her income immediately prior to qualifying for the EID. The family member's baseline income remains constant throughout the period that he or she is participating in the EID.

Calculation Method

Initial 12-Month Exclusion

During the initial exclusion period of 12 consecutive months, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded.

PHA Policy

The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.

Second 12-Month Exclusion

During the second exclusion period of 12 consecutive months, the PHA must exclude at least 50 percent of any increase in income attributable to employment or increased earnings.

PHA Policy

During the second 12-month exclusion period, the PHA will exclude 100 percent of any increase in income attributable to new employment or increased earnings.

Lifetime Limitation

The EID has a two-year (24-month) lifetime maximum. The two-year eligibility period begins at the same time that the initial exclusion period begins and ends 24 months later. During the 24-month period, an individual remains eligible for EID even if they begin to receive assistance from a different housing agency, move between public housing and Section 8 assistance, or have breaks in assistance

Old Policy

Imputing Income from Assets [24 CFR 5.609(b)(3), Notice PIH 2012-29]

When net family assets are \$5,000 or less, the PHA will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of \$5,000, the PHA will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by an average passbook savings rate as determined by the PHA.

- Note: The HUD field office no longer provides an interest rate for imputed asset income. The “safe harbor” is now for the PHA to establish a passbook rate within 0.75 percent of a national average.
- The PHA must review its passbook rate annually to ensure that it remains within 0.75 percent of the national average.

EHA Policy

The PHA will initially set the imputed asset passbook rate at the national rate established by the Federal Deposit Insurance Corporation (FDIC).

The PHA will review the passbook rate annually, in December of each year. The rate will not be adjusted unless the current PHA rate is no longer within 0.75 percent of the national rate. If it is no longer within 0.75 percent of the national rate, the passbook rate will be set at the current national rate.

Changes to the passbook rate will take effect on February 1 following the December review.

New Policy

Imputing Income from Assets [24 CFR 5.609(b)(3), Notice PIH 2012-29]

When net family assets are \$5,000 or less, the PHA will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of \$5,000, the PHA will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by an average passbook savings rate as determined by the PHA.

- Note: The HUD field office no longer provides an interest rate for imputed asset income. The “safe harbor” is now for the PHA to establish a passbook rate within 0.75 percent of a national average.
- The PHA must review its passbook rate annually to ensure that it remains within 0.75 percent of the national average.

PHA Policy

The PHA initially set the imputed asset passbook rate at the national rate established by the Federal Deposit Insurance Corporation (FDIC).

The PHA will review the passbook rate annually. The rate will not be adjusted unless the current PHA rate is no longer within 0.75 percent of the national rate. If it is no longer within 0.75 percent of the national rate, the passbook rate will be set at the current national rate.

The effective date of changes to the passbook rate will be determined **at the time of the review.**

Old Policy

Equity in Real Property or Other Capital Investments

Equity (cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset [HCV GB, p. 5-25].

EHA Policy

In determining the equity, the PHA will determine market value by examining recent assess value in the tax assessor's valuation report.

The PHA will first use the payoff amount for the loan (mortgage) as the unpaid balance to calculate equity. If the payoff amount is not available, the PHA will use the basic loan balance information to deduct from the market value in the equity calculation.

Equity in real property and other capital investments is considered in the calculation of asset income **except** for the following types of assets:

- Equity accounts in HUD homeownership programs [24 CFR 5.603(b)]
- The value of a home currently being purchased with assistance under the HCV program Homeownership Option for the first 10 years after the purchase date of the home [24 CFR 5.603(b), Notice PIH 2012-3]
- Equity in owner-occupied cooperatives and manufactured homes in which the family lives [HCV GB, p. 5-25]
- Equity in real property when a family member's main occupation is real estate [HCV GB, p. 5-25]. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F.
- Interests in Indian Trust lands [24 CFR 5.603(b)]
- Real property and capital assets that are part of an active business or farming operation [HCV GB, p. 5-25]

The PHA must also deduct from the equity the reasonable costs for converting the asset to cash. Using the formula for calculating equity specified above, the net cash value of real property is the market value of the loan (mortgage) minus the expenses to convert to cash [Notice PIH 2012-3].

EHA Policy

For the purposes of calculating expenses to convert to cash for real property, the PHA will use ten percent of the market value of the home.

New Policy

Equity in Real Property or Other Capital Investments

Equity (cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset [HCV GB, p. 5-25].

PHA Policy

In determining the equity, the PHA will determine market value by examining recent sales of at least three properties in the surrounding or similar neighborhood that possess comparable factors that affect market value.

The PHA will first use the payoff amount for the loan (mortgage) as the unpaid balance to calculate equity. If the payoff amount is not available, the PHA will use the basic loan balance information to deduct from the market value in the equity calculation.

Equity in real property and other capital investments is considered in the calculation of asset income **except** for the following types of assets:

- Equity accounts in HUD homeownership programs [24 CFR 5.603(b)]
- The value of a home currently being purchased with assistance under the HCV program Homeownership Option for the first 10 years after the purchase date of the home [24 CFR 5.603(b), Notice PIH 2012-3]
- Equity in owner-occupied cooperatives and manufactured homes in which the family lives [HCV GB, p. 5-25]
- Equity in real property when a family member's main occupation is real estate [HCV GB, p. 5-25]. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F.
- Interests in Indian Trust lands [24 CFR 5.603(b)]
- Real property and capital assets that are part of an active business or farming operation [HCV GB, p. 5-25]

The PHA must also deduct from the equity the reasonable costs for converting the asset to cash. Using the formula for calculating equity specified above, the net cash value of real property is the market value **minus the balance of the loan (mortgage)** minus the expenses to convert to cash [Notice PIH 2012-3].

PHA Policy

For the purposes of calculating expenses to convert to cash for real property, the PHA will use ten percent of the market value of the home.

Old Policy

6-I.M. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME

Other exclusions contained in 24 CFR 5.609(c) that have not been discussed earlier in this chapter include the following:

- Reimbursement of medical expenses [24 CFR 5.609(c)(4)]
- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(8)(iii)]
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(c)(8)(ii)]
- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(c)(10)]
- Adoption assistance payments in excess of \$480 per adopted child [24 CFR 5.609(c)(12)]
- Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(c)(15)]
- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]
- Amounts specifically excluded by any other federal statute [24 CFR 5.609(c)(17), FRNotice 5/20/14]. HUD publishes an updated list of these exclusions periodically. It includes:
 - (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b))
 - (b) Benefits under Section 1780 of the School Lunch Act and Child Nutrition Act of 1966, including WIC
 - (c) Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
 - (d) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))
 - (e) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)
 - (f) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))
 - (g) Payments received under programs funded in whole or in part under the Workforce Investment Act of 1998 (29 U.S.C. 2931)
 - (h) Deferred disability benefits from the Department of Veterans Affairs, whether

received as a lump sum or in monthly prospective amounts

- (i) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)
Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b))
- (j) A lump sum or periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled *Elouise Cobell et al. v. Ken Salazar et al.*, for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010
- (k) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408)
- (l) Benefits under the Indian Veterans Housing Opportunity Act of 2010 (only applies to Native American housing programs)
- (m) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- (n) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent Orange* product liability litigation, M.D.L. No. 381 (E.D.N.Y.)
- (o) Payments received under 38 U.S.C. 1833(c) to children of Vietnam veterans born with spinal bifida, children of women Vietnam veterans born with certain birth defects, and children of certain Korean service veterans born with spinal bifida
- (p) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)
- (q) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)
- (r) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j))
- (s) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433)
- (t) Amounts of scholarships funded under Title IV of the Higher Education Act of 1965j, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For Section 8 programs, the exception found in § 237 of Public Law 109–249 applies and requires that the amount of financial assistance in excess of tuition and mandatory fees shall be considered

income in accordance with the provisions codified at 24 CFR 5.609(b)(9), except for those persons with disabilities as defined by 42 U.S.C. 1437a(b)(3)(E) (Pub. L. 109–249) (See Section 6-I.L. for exceptions.)

- (u) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- (v) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602)
- (w) Any amounts in an "individual development account" as provided by the Assets for Independence Act, as amended in 2002
- (x) Payments made from the proceeds of Indian tribal trust cases as described in NoticePIH 2013–30, "Exclusion from Income of Payments under Recent Tribal Trust Settlements" (25 U.S.C. 117b(a))
- (y) Major disaster and emergency assistance received under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and comparable disaster assistance provided by states, local governments, and disaster assistance organization

New Policy

6-I.M. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME

Other exclusions contained in 24 CFR 5.609(c) that have not been discussed earlier in this chapter include the following:

- Reimbursement of medical expenses [24 CFR 5.609(c)(4)]
- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(8)(iii)]
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(c)(8)(ii)]
- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(c)(10)]
- Adoption assistance payments in excess of \$480 per adopted child [24 CFR 5.609(c)(12)]
- Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(c)(15)]
- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]
- Amounts specifically excluded by any other federal statute [24 CFR 5.609(c)(17), FR Notice 5/20/14]. HUD publishes an updated list of these exclusions periodically. It includes:

- (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b))
- (b) Benefits under Section 1780 of the School Lunch Act and Child Nutrition Act of 1966, including WIC
- (c) Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
- (d) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))
- (e) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)
- (f) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))
- (g) Payments received under programs funded in whole or in part under the Workforce Investment Act of 1998 (29 U.S.C. 2931)
- (h) Deferred disability benefits from the Department of Veterans Affairs, whether received as a lump sum or in monthly prospective amounts
- (i) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)
- (j) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b))
- (k) A lump sum or periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled *Elouise Cobell et al. v. Ken Salazar et al.*, for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010
- (l) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408)
- (m) Benefits under the Indian Veterans Housing Opportunity Act of 2010 (only applies to Native American housing programs)
- (n) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- (o) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent Orange* product liability litigation, M.D.L. No. 381 (E.D.N.Y.)
- (p) Payments received under 38 U.S.C. 1833(c) to children of Vietnam veterans born with spinal bifida, children of women Vietnam veterans born with certain birth defects, and children of certain Korean service veterans born with spinal bifida
- (q) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)

- (r) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)
- (s) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j))
- (t) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433)
- (u) Amounts of scholarships funded under Title IV of the Higher Education Act of 1965j, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For Section 8 programs, the exception found in § 237 of Public Law 109-249 applies and requires that the amount of financial assistance in excess of tuition and mandatory fees shall be considered income in accordance with the provisions codified at 24 CFR 5.609(b)(9), except for those persons with disabilities as defined by 42 U.S.C. 1437a(b)(3)(E) (Pub. L. 109-249) (See Section 6-I.L. for exceptions.)
- (v) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- (w) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602)
- (x) Any amounts in an "individual development account" as provided by the Assets for Independence Act, as amended in 2002
- (y) Payments made from the proceeds of Indian tribal trust cases as described in Notice PIH 2013-30, "Exclusion from Income of Payments under Recent Tribal Trust Settlements" (25 U.S.C. 117b(a))
- (z) Major disaster and emergency assistance received under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and comparable disaster assistance provided by states, local governments, and disaster assistance organizations
- (aa) Distributions from an ABLE account, and actual or imputed interest on the ABLE account**

Old Policy

Necessary and Reasonable Costs

Child care expenses will be considered necessary if: (1) a family adequately explains how the care enables a family member to work, actively seek employment, or further his or her education, and (2) the family certifies, and the child care provider verifies, that the expenses are not paid or reimbursed by any other source.

EHA Policy

Child care expenses will be considered for the time required for the eligible activity plus reasonable transportation time. For child care that enables a family member to go to school, the time allowed may include not more than one study hour for each hour spent in class.

To establish the reasonableness of child care costs, the PHA will use the schedule of child care costs from the local welfare agency. Families may present, and the PHA will consider, justification for costs that exceed typical costs in the area.

New Policy

Necessary and Reasonable Costs

Child care expenses will be considered necessary if: (1) a family adequately explains how the care enables a family member to work, actively seek employment, or further his or her education, and (2) the family certifies, and the child care provider verifies, that the expenses are not paid or reimbursed by any other source.

PHA Policy

Child care expenses will be considered for the time required for the eligible activity plus reasonable transportation time. For child care that enables a family member to go to school, the time allowed may include not more than one study hour for each hour spent in class.

To establish the reasonableness of child care costs, the PHA will use the schedule of child care costs from a qualified local entity that either subsidizes child care costs or licenses child care providers. Families may present, and the PHA will consider, justification for costs that exceed typical costs in the area.

Old Policy

Implementation of Hardship Exemption

Determination of Hardship

When a family requests a financial hardship exemption, the PHA must suspend the minimum rent requirement beginning the first of the month following the family’s request.

The PHA then determines whether the financial hardship exists and whether the hardship is temporary or long-term.

EHA Policy

The PHA defines temporary hardship as a hardship expected to last 90 days or less. Long-term hardship is defined as a hardship expected to last more than 90 days.

When the minimum rent is suspended, the family share reverts to the highest of the remaining components of the calculated TTP. The example below demonstrates the effect of the minimum rent exemption.

Example: Impact of Minimum Rent Exemption Assume the PHA has established a minimum rent of \$35.	
Family Share – No Hardship	Family Share – With Hardship
\$0 30% of monthly adjusted income	\$0 30% of monthly adjusted income
\$15 10% of monthly gross income	\$15 10% of monthly gross income
N/A Welfare rent	N/A Welfare rent
\$35 Minimum rent	\$35 Minimum rent
Minimum rent applies. TTP = \$35	Hardship exemption granted. TTP = \$15

EHA Policy

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family’s ability to pay the minimum rent.

The PHA will make the determination of hardship within 30 calendar days.

New Policy

Implementation of Hardship Exemption

Determination of Hardship

When a family requests a financial hardship exemption, the PHA must suspend the minimum rent requirement beginning the first of the month following the family’s request.

The PHA then determines whether the financial hardship exists and whether the hardship is temporary or long-term.

PHA Policy

The PHA defines temporary hardship as a hardship expected to last 90 days or less. Long-term hardship is defined as a hardship expected to last more than 90 days.

When the minimum rent is suspended, the family share reverts to the highest of the remaining components of the calculated TTP. The example below demonstrates the effect of the minimum rent exemption.

Example: Impact of Minimum Rent Exemption	
Assume the PHA has established a minimum rent of \$50.	
Family Share – No Hardship	Family Share – With Hardship
\$0 30% of monthly adjusted income	\$0 30% of monthly adjusted income
\$15 10% of monthly gross income	\$15 10% of monthly gross income
N/A Welfare rent	N/A Welfare rent
\$50 Minimum rent	\$50 Minimum rent
Minimum rent applies. TTP = \$50	Hardship exemption granted. TTP = \$15

PHA Policy

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family’s ability to pay the minimum rent.

The PHA will make the determination of hardship within 30 calendar days.

Old Policy

Written Third-Party Verification [Notice PIH 2018-18]

Written third-party verification documents must be original and authentic and may be supplied by the family or received from a third-party source.

Examples of acceptable tenant-provided documents include, but are not limited to: pay stubs, payroll summary reports, employer notice or letters of hire and termination, SSA benefit verification letters, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices.

The PHA is required to obtain, at minimum, two current and consecutive pay stubs for determining annual income from wages.

The PHA may reject documentation provided by the family if the document is not an original, if the document appears to be forged, or if the document is altered, mutilated, or illegible.

PHA Policy

Third-party documents provided by the family must be dated within 60 days of the PHA request date.

If the PHA determines that third-party documents provided by the family are not acceptable, the PHA will explain the reason to the family and request additional documentation.

As verification of earned income, the PHA will require the family to provide the two most current, consecutive pay stubs.

New Policy

Written Third-Party Verification [Notice PIH 2018-18]

Written third-party verification documents must be original and authentic and may be supplied by the family or received from a third-party source.

Examples of acceptable tenant-provided documents include, but are not limited to: pay stubs, payroll summary reports, employer notice or letters of hire and termination, SSA benefit verification letters, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices.

The PHA is required to obtain, at minimum, two current and consecutive pay stubs for determining annual income from wages.

The PHA may reject documentation provided by the family if the document is not an original, if the document appears to be forged, or if the document is altered, mutilated, or illegible.

PHA Policy

Third-party documents provided by the family must be dated within 60 days of the PHA request date.

If the PHA determines that third-party documents provided by the family are not acceptable, the PHA will explain the reason to the family and request additional documentation.

As verification of earned income, the PHA will require the family to provide the two most current, consecutive pay stubs. At the PHA's discretion, if additional paystubs are needed due to the family's circumstances (e.g., sporadic income, fluctuating schedule, etc.), the PHA may request additional paystubs or a payroll record

Old Policy

7-II.A. VERIFICATION OF LEGAL IDENTITY

EHA Policy

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

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

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

If none of these documents can be provided and at the PHA’s discretion, a third party who knows the person may attest to the person’s identity. The certification must be provided in a format acceptable to the PHA and be signed in the presence of a PHA representative or PHA notary public.

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

New Policy

7-II.A. VERIFICATION OF LEGAL IDENTITY

EHA Policy

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

Verification of Legal Identity for Adults	Verification of Legal Identity for Children

Certificate of birth, naturalization papers Church issued baptismal certificate Current, valid driver's license or Department of Motor Vehicles identification card U.S. military discharge (DD 214) Current U.S. passport Current government employer identification card with picture	Certificate of birth Adoption papers Custody agreement Health and Human Services ID Certified school records
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If a document submitted by a family is illegible for any reason or otherwise questionable, more than one of these documents may be required.

If none of these documents can be provided and at the PHA's discretion, a third party who knows the person may attest to the person's identity. The certification must be provided in a format acceptable to the PHA and be signed in the presence of a PHA representative or PHA notary public.

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

Old Policy

7-III.B. BUSINESS AND SELF EMPLOYMENT INCOME

EHA Policy

Business owners and self-employed persons will be required to provide:

An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy.

All schedules completed for filing federal and local taxes in the preceding year.

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.

The PHA will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations.

At any reexamination the PHA may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

If a family member has been self-employed less than three (3) months, the PHA will accept the family member's certified estimate of income and schedule an interim reexamination in three (3) months. If the family member has been self-employed for three (3) to twelve (12) months the PHA will require the family to provide documentation of income and expenses for this period and use that information to project

New Policy

7-III.B. BUSINESS AND SELF EMPLOYMENT INCOME

EHA Policy

Business owners and self-employed persons will be required to provide their most recent filed IRS 1040 Form including a Schedule C or a self-certified self-employment form.

At any reexamination the PHA may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

If a family member has been self-employed less than a year, the PHA will accept the family member's certified estimate of income.

Old Policy

7-III.J. STUDENT FINANCIAL ASSISTANCE

Any financial assistance, in excess of amounts received for tuition, that a person attending an institution of higher education receives under the Higher Education Act of 1965, from private sources, or from an institution of higher education must be considered income unless the student is over the age of 23 with dependent children or is residing with parents who are seeking or receiving HCV assistance [24 CFR 5.609(b)(9) and FR 4/10/06].

For students over the age of 23 with dependent children or students residing with parents who are seeking or receiving HCV assistance, the full amount of student financial assistance is excluded from annual income [24 CFR 5.609(c)(6)]. The full amount of student financial assistance is also excluded for students attending schools that do not qualify as institutions of higher education (as defined in Exhibit 3-2). Excluded amounts are verified only if, without verification, the PHA would not be able to determine whether or to what extent the income is to be excluded (see section 7-III.H).

EHA Policy

For a student subject to having a portion of his/her student financial assistance included in annual income in accordance with 24 CFR 5.609(b)(9), the PHA will request written third-party verification of both the source and the amount. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student.

In addition, the PHA will request written verification of the student's tuition amount.

If the PHA is unable to obtain third-party written verification of the requested information, the PHA will pursue other forms of verification following the verification hierarchy in section 7-I.B.

New Policy

7-III.J. STUDENT FINANCIAL ASSISTANCE [Notice PIH 2015-21]

Any financial assistance, in excess of amounts received for tuition, that a person attending an institution of higher education receives under the Higher Education Act of 1965, from private sources, or from an institution of higher education must be considered income unless the student is over the age of 23 with dependent children or is residing with parents who are seeking or receiving HCV assistance [24 CFR 5.609(b)(9) and FR 4/10/06].

For students over the age of 23 with dependent children or students residing with parents who are seeking or receiving HCV assistance, the full amount of student financial assistance is excluded from annual income [24 CFR 5.609(c)(6)]. The full amount of student financial assistance is also excluded for students attending schools that do not qualify as institutions of higher education (as defined in Exhibit 3-2). Excluded amounts are verified only if, without verification, the PHA

would not be able to determine whether or to what extent the income is to be excluded (see section 7-III.H).

EHA Policy

For a student subject to having a portion of his/her student financial assistance included in annual income in accordance with 24 CFR 5.609(b)(9), the PHA will request written third-party verification of both the source and the amount. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student.

In addition, the PHA will request written verification of the student's tuition, fees and other required charges.

If the PHA is unable to obtain third-party written verification of the requested information, the PHA will pursue other forms of verification following the verification hierarchy in section 7-I.B.

Old Policy

EHA Policy

The PHA will complete its determination within 10 business days of receiving all required information.

If the terms of the RTA/proposed lease are changed for any reason, including but not limited to negotiation with the PHA, the PHA will obtain corrected copies of the RTA and proposed lease.

If the PHA determines that the tenancy cannot be approved for any reason, the owner and the family will be notified in writing and given the opportunity to address any reasons for disapproval. The PHA will instruct the owner and family of the steps that are necessary to obtain approval of the tenancy.

Where the tenancy is not approvable because the unit is not approvable, the family must continue to search for eligible housing within the timeframe of the issued voucher.

If the tenancy is not approvable due to rent affordability or rent reasonableness, the PHA will attempt to negotiate the rent with the owner. If a new, approvable rent is negotiated, the tenancy will be approved. If the owner is not willing to negotiate an approvable rent, the family must continue to search for eligible housing within the timeframe of the issued voucher.

New Policy

PHA Policy

The PHA will complete its determination within 10 business days of receiving all required information.

If the terms of the RTA/proposed lease are changed for any reason, including but not limited to negotiation with the PHA, the PHA will obtain corrected copies of the RTA and proposed lease, signed by the family and the owner.

Corrections to the RTA/proposed lease will only be accepted as hard copies, in-person, by mail, by email, or by fax. The PHA will not accept corrections over the phone.

If the PHA determines that the tenancy cannot be approved for any reason, the owner and the family will be notified in writing and given the opportunity to address any reasons for disapproval. The PHA will instruct the owner and family of the steps that are necessary to obtain approval of the tenancy.

Where the tenancy is not approvable because the unit is not approvable, the family must continue to search for eligible housing within the timeframe of the issued voucher.

If the tenancy is not approvable due to rent affordability or rent reasonableness, the PHA will attempt to negotiate the rent with the owner. If a new, approvable rent is negotiated, the tenancy will be approved. If the owner is not willing to negotiate an approvable rent, the family must continue to search for eligible housing within the timeframe of the issued voucher

Page 10-6 (Excel line 37)

Old Policy

N/A

New Policy

Zero HAP Families Who Wish to Move [24 CFR 982.455]

A participant who is not receiving any subsidy, but whose HAP contract is still in force, may request a voucher to move to a different unit. The PHA must issue a voucher to move unless it has grounds to deny assistance under the program regulations. However, if the PHA determines no subsidy would be paid at the new unit, the PHA may refuse to enter into a HAP contract on behalf of the family.

PHA Policy

If a zero HAP family requests to move to a new unit, the family may request a voucher to move. However, if no subsidy will be paid at the unit to which the family requests to move, the PHA will not enter into a HAP contract on behalf of the family for the new unit.

Old Policy

11-I.B STREAMLINED ANNUAL REEXAMINATIONS [24 CFR 982.516(b)]

HUD permits PHAs to streamline the income determination process for family members with fixed sources of income. While third-party verification of all income sources must be obtained during the intake process and every three years thereafter, in the intervening years the PHA may determine income from fixed sources by applying a verified cost of living adjustment (COLA) or rate of interest. The PHA may, however, obtain third-party verification of all income, regardless of the source. Further, upon request of the family, the PHA must perform third-party verification of all income sources.

Fixed sources of income include Social Security and SSI benefits, pensions, annuities, disability or death benefits, and other sources of income subject to a COLA or rate of interest. The determination of fixed income may be streamlined even if the family also receives income from other non-fixed sources.

Two streamlining options are available, depending upon the percentage of the family's income that is received from fixed sources. If at least 90 percent of the family's income is from fixed sources, the PHA may streamline the verification of fixed income and may choose whether to verify non-fixed income amounts in years where no fixed income review is required. If the family receives less than 90 percent of its income from fixed sources, the PHA may streamline the verification of fixed income and must verify non-fixed income annually.

New Policy

11-I.B STREAMLINED ANNUAL REEXAMINATIONS [24 CFR 982.516(b)]

HUD permits PHAs to streamline the income determination process for family members with fixed sources of income. While third-party verification of all income sources must be obtained during the intake process and every three years thereafter, in the intervening years the PHA may determine income from fixed sources by applying a verified cost of living adjustment (COLA) or rate of interest. The PHA may, however, obtain third-party verification of all income, regardless of the source. Further, upon request of the family, the PHA must perform third-party verification of all income sources.

Fixed sources of income include Social Security and SSI benefits, pensions, annuities, disability or death benefits, and other sources of income subject to a COLA or rate of interest. The determination of fixed income may be streamlined even if the family also receives income from other non-fixed sources.

Two streamlining options are available, depending upon the percentage of the family's income that is received from fixed sources. If at least 90 percent of the family's income is from fixed sources, the PHA may streamline the verification of fixed income but is not required to verify non-fixed income amounts. If the family receives less than 90 percent of its income from fixed sources, the PHA may streamline the verification of fixed income and must verify non-fixed income annually.

Old Policy

New Family and Household Members Requiring Approval

With the exception of children who join the family as a result of birth, adoption, or court awarded custody, a family must request PHA approval to add a new family member [24 CFR 982.551(h)(2)] or other household member (live-in aide or foster child) [24 CFR 982.551(h)(4)].

When any new family member is added, the PHA must make appropriate adjustments in the family share of the rent and the HAP payment at the effective date of either the annual or interim reexamination [24 CFR 982.516(e)(2)].

If a change in family size causes a violation of Housing Quality Standards (HQS) space standards (see Chapter 8), the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the PHA must terminate the family's HAP contract in accordance with its terms [24 CFR 982.403].

EHA Policy

Families must request PHA approval to add a new family member, live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than 30 consecutive days or 90 cumulative days within a 12-month period and therefore no longer qualifies as a "guest." Requests must be made in writing and approved by the PHA prior to the individual moving into the unit.

The PHA will not approve the addition of a new family or household member unless the individual meets the PHA's eligibility criteria (see Chapter 3) and documentation requirements (see Chapter 7, Part II).

The PHA will not approve the addition of a foster child or foster adult if it will cause a violation of HQS space standards.

If the PHA determines an individual meets the PHA's eligibility criteria and documentation requirements, the PHA will provide written approval to the family. If the approval of a new family member or live-in aide will cause overcrowding according to HQS standards, the approval letter will explain that the family will be issued a voucher and will be required to move.

If the PHA determines that an individual does not meet the PHA's eligibility criteria or documentation requirements, the PHA will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

The PHA will make its determination within 10 business days of receiving all information required to verify the individual's eligibility

New Policy

New Family and Household Members Requiring Approval

With the exception of children who join the family as a result of birth, adoption, or court awarded custody, a family must request PHA approval to add a new family member [24 CFR 982.551(h)(2)] or other household member (live-in aide or foster child) [24 CFR 982.551(h)(4)].

When any new family member is added, the PHA must make appropriate adjustments in the family share of the rent and the HAP payment at the effective date of either the annual or interim reexamination [24 CFR 982.516(e)(2)].

If a change in family size causes a violation of Housing Quality Standards (HQS) space standards (see Chapter 8), the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the PHA must terminate the family's HAP contract in accordance with its terms [24 CFR 982.403].

EHA Policy

Families must request PHA approval to add a new family member, live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than 14 consecutive days or 30 cumulative days within a 12-month period and therefore no longer qualifies as a "guest." Requests must be made in writing and approved by the PHA prior to the individual moving into the unit.

The PHA will not approve the addition of a new family or household member unless the individual meets the PHA's eligibility criteria (see Chapter 3) and documentation requirements (see Chapter 7, Part II).

The PHA will not approve the addition of a foster child or foster adult if it will cause a violation of HQS space standards.

If the PHA determines an individual meets the PHA's eligibility criteria and documentation requirements, the PHA will provide written approval to the family. If the approval of a new family member or live-in aide will cause overcrowding according to HQS standards, the approval letter will explain that the family will be issued a voucher and will be required to move.

If the PHA determines that an individual does not meet the PHA's eligibility criteria or documentation requirements, the PHA will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

The PHA will make its determination within 10 business days of receiving all information required to verify the individual's eligibility.

Old Policy

Departure of a Family or Household Member

Families must promptly notify the PHA if any family member no longer lives in the unit [24 CFR 982.551(h)(3)]. Because household members are considered when determining the family unit (voucher) size [24 CFR 982.402], the PHA also needs to know when any live-in aide, foster child, or foster adult ceases to reside in the unit.

EHA Policy

If a household member ceases to reside in the unit, the family must inform the PHA within 10 business days. This requirement also applies to a family member who has been considered temporarily absent at the point that the family concludes the individual is permanently absent.

If a live-in aide, foster child, or foster adult ceases to reside in the unit, the family must inform the PHA within 10 business days.

New Policy

Departure of a Family or Household Member

Families must promptly notify the PHA if any family member no longer lives in the unit [24 CFR 982.551(h)(3)]. Because household members are considered when determining the family unit (voucher) size [24 CFR 982.402], the PHA also needs to know when any live-in aide, foster child, or foster adult ceases to reside in the unit.

PHA Policy

If a household member ceases to reside in the unit, the family must inform the PHA within 10 business days. This requirement also applies to a family member who has been considered temporarily absent at the point that the family concludes the individual is permanently absent.

Old Policy

Subsidy Standards [24 CFR 982.505(c)(4)]

If there is a change in the family unit size that would apply to a family during the HAP contract term, either due to a change in family composition, or a change in the PHA's subsidy standards

(see Chapter 5), the new family unit size must be used to determine the payment standard amount for the family at the family's *first annual* reexamination following the change in family unit size.

EHA Policy

For participants under contract prior to the effective date of this plan (5/1/2015), the revised subsidy standards will go into effect at a move or at their second annual review following the adoption of this plan or no later than 2017.

Any subsequent changes to subsidy standards are effective at a move or the first annual review following the adoption of the change.

New Policy

Subsidy Standards [24 CFR 982.505(c)(4)]

If there is a change in the family unit size that would apply to a family during the HAP contract term, either due to a change in family composition, or a change in the PHA's subsidy standards

(see Chapter 5), the new family unit size must be used to determine the payment standard amount for the family at the family's *first annual* reexamination following the change in family unit size.

EHA Policy

Any subsequent changes to subsidy standards are effective at a move or the first annual review following the adoption of the change.

Old Policy

11-III.C. NOTIFICATION OF NEW FAMILY SHARE AND HAP AMOUNT

The PHA must notify the owner and family of any changes in the amount of the HAP payment [HUD-52641, HAP Contract]. The notice must include the following information [HCV GB, p. 12-6]:

- The amount and effective date of the new HAP payment
- The amount and effective date of the new family share of the rent
- The amount and effective date of the new tenant rent to owner

The family must be given an opportunity for an informal hearing regarding the PHA's determination of their annual or adjusted income, and the use of such income to compute the housing assistance payment [24 CFR 982.555(a)(1)(i)] (see Chapter 16).

EHA Policy

The notice to the family will include the annual and adjusted income amounts that were used to calculate the family share of the rent and the housing assistance payment.

The notice also will state the procedures for requesting an informal hearing.

New Policy

11-III.C. NOTIFICATION OF NEW FAMILY SHARE AND HAP AMOUNT

The PHA must notify the owner and family of any changes in the amount of the HAP payment [HUD-52641, HAP Contract]. The notice must include the following information [HCV GB, p. 12-6]:

- The amount and effective date of the new HAP payment
- The amount and effective date of the new family share of the rent
- The amount and effective date of the new tenant rent to owner

The family must be given an opportunity for an informal hearing regarding the PHA's determination of their annual or adjusted income, and the use of such income to compute the housing assistance payment [24 CFR 982.555(a)(1)(i)] (see Chapter 16).

PHA Policy

The notice to the family will include the annual and adjusted income amounts that were used to calculate the family share of the rent and the housing assistance payment.

The notice will state the family has the right to request an explanation of how the assistance was calculated and if the family disagrees, they have the right to informal hearing. The notice will include the procedures for requesting an informal hearing.

Old Policy

Use of Illegal Drugs and Alcohol Abuse

EHA Policy

The PHA will terminate a family's assistance if any household member is currently engaged in any illegal use of a drug, or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

The PHA will terminate assistance if any household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

Currently engaged in is defined as any use of illegal drugs during the previous six months.

The PHA will consider all credible evidence, including but not limited to, any record of arrests, convictions, or eviction of household members related to the use of illegal drugs or abuse of alcohol.

A record of arrest(s) will not be used as the basis for the termination or proof that the participant engaged in disqualifying criminal activity.

In making its decision to terminate assistance, the PHA will consider alternatives as described in Section 12-II.C and other factors described in Sections 12-II.D and 12-II.E. Upon consideration of such alternatives and factors, the PHA may, on a case-by-case basis, choose not to terminate assistance.

New Policy

Use of Illegal Drugs and Alcohol Abuse

EHA Policy

The PHA will terminate a family's assistance if any household member is currently engaged in any illegal use of a drug, or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

The PHA will terminate assistance if any household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

Currently engaged in is defined as any use of illegal drugs during the previous **three** months.

The PHA will consider all credible evidence, including but not limited to, any record of arrests, convictions, or eviction of household members related to the use of illegal drugs or abuse of alcohol.

A record **or records** of arrest will not be used as the **sole** basis for the termination or proof that the participant engaged in disqualifying criminal activity.

In making its decision to terminate assistance, the PHA will consider alternatives as described in Section 12-II.C and other factors described in Sections 12-II.D and 12-II.E. Upon consideration of such alternatives and factors, the PHA may, on a case-by-case basis, choose not to terminate assistance.

Old Policy

Drug-Related and Violent Criminal Activity [24 CFR 5.100]

Drug means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

Drug-related criminal activity is defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.

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.

EHA Policy

The PHA will terminate a family's assistance if any household member has violated the family's obligation not to engage in any drug-related or violent criminal activity during participation in the HCV program.

The PHA will consider all credible evidence, including but not limited to, any record of arrests and/or convictions of household members related to drug-related or violent criminal activity, and any eviction or notice to evict based on drug-related or violent criminal activity.

A record of arrest(s) will not be used as the basis for the termination or proof that the participant engaged in disqualifying criminal activity.

In making its decision to terminate assistance, the PHA will consider alternatives as described in Section 12-II.C and other factors described in Sections 12-II.D and 12-II.E. Upon consideration of such alternatives and factors, the PHA may, on a case-by-case basis, choose not to terminate assistance.

New Policy

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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.

EHA Policy

The PHA will terminate a family's assistance if any household member has violated the family's obligation not to engage in any drug-related or violent criminal activity during participation in the HCV program.

The PHA will consider all credible evidence, including but not limited to, any record of arrests and/or convictions of household members related to drug-related or violent criminal activity, and any eviction or notice to evict based on drug-related or violent criminal activity.

A record or **records of** arrest will not be used as the **sole** basis for the termination or proof that the participant engaged in disqualifying criminal activity.

In making its decision to terminate assistance, the PHA will consider alternatives as described in Section 12-II.C and other factors described in Sections 12-II.D and 12-II.E. Upon consideration of such alternatives and factors, the PHA may, on a case-by-case basis, choose not to terminate assistance.

Old Policy

Other Authorized Reasons for Termination of Assistance [24 CFR 982.552(c), 24 CFR 5.2005(c)]

HUD permits the PHA to terminate assistance under a number of other circumstances. It is left to the discretion of the PHA whether such circumstances in general warrant consideration for the termination of assistance. As discussed further in section 12-II.E, the Violence against Women Act of 2013 explicitly prohibits PHAs from considering incidents of, or criminal activity directly related to, domestic violence, dating violence, sexual assault, or stalking as reasons for terminating the assistance of a victim of such abuse.

Additionally, per the alternative requirements listed in the Federal Register notice dated December 29, 2014, PHAs are no longer permitted to terminate assistance to a family due to the family's failure to meet its obligations under the Family Self-Sufficiency (FSS) contract of participation [FR Notice 12/29/14].

EHA Policy

The PHA **will not** terminate a family's assistance because of the family's failure to meet its obligations under the Family Self-Sufficiency program.

The PHA **will** terminate a family's assistance if:

The family has failed to comply with any family obligations under the program. See Exhibit 12-1 for a listing of family obligations and related PHA policies.

Any family member has been evicted from federally-assisted housing in the last five years.

Any PHA has ever terminated assistance under the program for any member of the family.

Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.

The family currently owes rent or other amounts to any PHA in connection with Section 8 or public housing assistance under the 1937 Act.

The family has not reimbursed any PHA for amounts the PHA paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.

The family has breached the terms of a repayment agreement entered into with the PHA.

New Policy

Other Authorized Reasons for Termination of Assistance [24 CFR 982.552(c), 24 CFR 5.2005(c)]

HUD permits the PHA to terminate assistance under a number of other circumstances. It is left to the discretion of the PHA whether such circumstances in general warrant consideration for the termination of assistance. As discussed further in section 12-II.E, the Violence against Women Act of 2013 explicitly prohibits PHAs from considering incidents of, or criminal activity directly related to, domestic violence, dating violence, sexual assault, or stalking as reasons for terminating the assistance of a victim of such abuse.

Additionally, per the alternative requirements listed in the Federal Register notice dated December 29, 2014, PHAs are no longer permitted to terminate assistance to a family due to the family's failure to meet its obligations under the Family Self-Sufficiency (FSS) contract of participation [FR Notice 12/29/14].

EHA Policy

The PHA **will not** terminate a family's assistance because of the family's failure to meet its obligations under the Family Self-Sufficiency program.

The PHA **will** terminate a family's assistance if:

The family has failed to comply with any family obligations under the program. See Exhibit 12-1 for a listing of family obligations and related PHA policies.

Any family member has been evicted from federally-assisted housing in the last five years.

Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.

The family currently owes rent or other amounts to any PHA in connection with Section 8 or public housing assistance under the 1937 Act.

The family has not reimbursed any PHA for amounts the PHA paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.

The family has breached the terms of a repayment agreement entered into with the PHA.

Page 12-12 (Excel line 47)

Old Policy

N/A

New Policy

Use of Criminal Conviction Records after Admission [24 CFR 5.903]

The regulation at 24 CFR 5.903 governs a PHA's access to and use of criminal conviction records obtained from a "law enforcement agency" such as the National Crime Information Center (NCIC), police departments, and other law enforcement agencies that hold criminal conviction records. While the regulatory listing of permitted uses for these records includes PHA screening of applicants for admission to the HCV program, it specifically excludes the use of records for lease enforcement and eviction of HCV participants and excludes by omission a PHA's use of records to terminate assistance for participants. While a PHA has regulatory authority to use criminal conviction records for the purpose of applicant screening for admission, there is no corresponding authority to use these records to check for criminal and illegal drug activity by participants, and therefore, PHAs may not use records for this purpose. The limitations, however, do not apply to criminal conviction information searches from non-federal sources (i.e., sources other than the "law enforcement agencies" defined in 24 CFR 5.902(b)). There is no prohibition that bars a PHA from using non-federal sources to conduct criminal background checks of program participants.

Old Policy

Consideration of Circumstances [24 CFR 982.552(c)(2)(i)]

The PHA is permitted, but not required, to consider all relevant circumstances when determining whether a family's assistance should be terminated.

EHA Policy

The PHA will consider the following facts and circumstances when making its decision to terminate assistance:

The seriousness of the case, especially with respect to how it would affect other residents' safety or property

The effects that termination of assistance may have on other members of the family who were not involved in the action or failure to act

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities or (as discussed further in section 12-II.E) a victim of domestic violence, dating violence, sexual assault or stalking

The length of time since the violation occurred, including the age of the individual at the time of the conduct, as well as the family's recent history and the likelihood of favorable conduct in the future

While a record of arrest(s) will not be used as the basis for termination, an arrest may, however, trigger an investigation to determine whether the participant actually engaged in disqualifying criminal activity. As part of its investigation, the PHA may obtain the police report associated with the arrest and consider the reported circumstances of the arrest. The PHA may also consider:

Any statements made by witnesses or the participant not included in the police report

Whether criminal charges were filed

Whether, if filed, criminal charges were abandoned, dismissed, not prosecuted, or ultimately resulted in an acquittal

Any other evidence relevant to determining whether or not the participant engaged in disqualifying activity

New Policy

Consideration of Circumstances [24 CFR 982.552(c)(2)(i)]

The PHA is permitted, but not required, to consider all relevant circumstances when determining whether a family's assistance should be terminated.

EHA Policy

The PHA will consider the following facts and circumstances when making its decision to terminate assistance:

The seriousness of the case, especially with respect to how it would affect other residents' safety or property

The effects that termination of assistance may have on other members of the family who were not involved in the action or failure to act

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities or (as discussed further in section 12-II.E) a victim of domestic violence, dating violence, sexual assault or stalking

The length of time since the violation occurred, including the age of the individual at the time of the conduct, as well as the family's recent history and the likelihood of favorable conduct in the future

While a record **or records of** arrest will not be used as the **sole** basis for termination, an arrest may, however, trigger an investigation to determine whether the participant actually engaged in disqualifying criminal activity. As part of its investigation, the PHA may obtain the police report associated with the arrest and consider the reported circumstances of the arrest. The PHA may also consider:

Any statements made by witnesses or the participant not included in the police report

Whether criminal charges were filed

Whether, if filed, criminal charges were abandoned, dismissed, not prosecuted, or ultimately resulted in an acquittal

Any other evidence relevant to determining whether or not the participant engaged in disqualifying activity

Old Policy

Other Good Cause

During the initial lease term, the owner may not terminate the tenancy for “other good cause” unless the owner is terminating the tenancy because of something the family did or failed to do. During the initial lease term or during any extension term, other good cause includes the disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises.

After the initial lease term, “other good cause” for termination of tenancy by the owner includes:

- Failure by the family to accept the offer of a new lease or revision
- The owner’s desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit
- A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, or desire to lease the unit at a higher rent)

After the initial lease term, the owner may give the family notice at any time, in accordance with the terms of the lease.

New Policy

Other Good Cause

During the initial lease term, the owner may not terminate the tenancy for “other good cause” unless the owner is terminating the tenancy because of something the family did or failed to do. During the initial lease term or during any extension term, other good cause includes the disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises.

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- Failure by the family to accept the offer of a new lease or revision
- The owner’s desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit
- A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, or desire to lease the unit at a higher rent)

After the initial lease term, the owner may give the family notice at any time, in accordance with the terms of the lease.

If a property is subject to foreclosure, during the term of the lease, the new owner of the property does not have good cause to terminate the tenant’s lease, unless the new owner will occupy the unit as their primary residence and has provided the tenant with at least a 90-day notice. In that case, the lease may be terminated effective on the date of sale, although the tenant is still entitled to a 90-day

notice to vacate. See Section 13-II.G for a discussion of PHA policies relating to units in foreclosure.

Page 12-23 (Excel line 50)

Old Policy

- The family must not commit any serious or repeated violation of the lease.

EHA Policy

The PHA will determine if a family has committed serious or repeated violations of the lease based on available evidence, including but not limited to, a court-ordered eviction or an owner's notice to evict.

Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, living or housekeeping habits that cause damage to the unit or premises, and criminal activity. Generally, the criterion to be used will be whether or not the reason for the eviction was the fault of the tenant or guests. Any incidents of, or criminal activity related to, domestic violence, dating violence, sexual assault or stalking will not be construed as serious or repeated lease violations by the victim [24 CFR 5.2005(c)(1)].

New Policy

- The family must not commit any serious or repeated violation of the lease.

EHA Policy

The PHA will determine if a family has committed serious or repeated violations of the lease based on available evidence, including but not limited to, a court-ordered eviction or an owner's notice to evict, **police reports, and affidavits from the owner, neighbors, or other credible parties with direct knowledge.**

Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, living or housekeeping habits that cause damage to the unit or premises, and criminal activity. Generally, the criterion to be used will be whether or not the reason for the eviction was the fault of the tenant or guests. Any incidents of, or criminal activity related to, domestic violence, dating violence, sexual assault or stalking will not be construed as serious or repeated lease violations by the victim [24 CFR 5.2005(c)(1)].

Old Policy

13-I.A. OWNER RECRUITMENT AND RETENTION [HCV GB, pp. 2-4 to 2-6]

Recruitment

PHAs are responsible for ensuring that very low income families have access to all types and ranges of affordable housing in the PHA's jurisdiction, particularly housing outside areas of poverty or minority concentration. A critical element in fulfilling this responsibility is for the PHA to ensure that a sufficient number of owners, representing all types and ranges of affordable housing in the PHA's jurisdiction, are willing to participate in the HCV program.

To accomplish this objective, PHAs must identify and recruit new owners to participate in the program.

EHA Policy

The PHA will conduct owner outreach to ensure that owners are familiar with the program and its advantages. The PHA will actively recruit property owners with property located outside areas of poverty and minority concentration. These outreach strategies will include:

- Distributing printed material about the program to property owners and managers
- Contacting property owners and managers by phone or in-person
- Holding owner recruitment/information meetings at least once a year
- Participating in community based organizations comprised of private property and apartment owners and managers
- Developing working relationships with owners and real estate brokers associations

Outreach strategies will be monitored for effectiveness, and adapted accordingly.

Retention

In addition to recruiting owners to participate in the HCV program, the PHA must also provide the kind of customer service that will encourage participating owners to remain active in the program.

EHA Policy

All PHA activities that may affect an owner's ability to lease a unit will be processed as rapidly as possible, in order to minimize vacancy losses for owners.

The PHA will provide owners with a handbook that explains the program, including HUD and PHA policies and procedures, in easy-to-understand language.

The PHA will give special attention to helping new owners succeed through activities such as:

- Providing the owner with a designated PHA contact person.
- Coordinating inspection and leasing activities between the PHA, the owner, and

the family.

Initiating telephone contact with the owner to explain the inspection process, and providing an inspection booklet and other resource materials about HUD housing quality standards.

Providing other written information about how the program operates, including answers to frequently asked questions.

Additional services may be undertaken on an as-needed basis, and as resources permit.

New Policy

13-I.A. OWNER RECRUITMENT AND RETENTION [HCV GB, pp. 2-4 to 2-6; HCV Landlord Strategy Guidebook for PHAs]

Recruitment

PHAs are responsible for ensuring that very low-income families have access to all types and ranges of affordable housing in the PHA's jurisdiction, particularly housing outside areas of poverty or minority concentration. A critical element in fulfilling this responsibility is for the PHA to ensure that a sufficient number of owners, representing all types and ranges of affordable housing in the PHA's jurisdiction, are willing to participate in the HCV program.

To accomplish this objective, PHAs must identify and recruit new owners to participate in the program.

If the PHA will be conducting outreach events, the PHA must ensure that notices and communications during outreach events are provided in a manner that is effective for persons with hearing, visual, and other communications-related disabilities. PHAs must also take reasonable steps to ensure meaningful access to programs to persons with limited English proficiency.

PHA Policy

The PHA will conduct owner outreach to ensure that owners are familiar with the program and its advantages. The PHA will actively recruit property owners with property located outside areas of poverty and minority concentration. These outreach strategies will include:

Distributing printed material about the program to property owners and managers

Contacting property owners and managers by phone or in-person

Holding owner recruitment/information meetings at least once a year

Participating in community-based organizations comprised of private property and apartment owners and managers

Developing working relationships with owners, apartment associations, industry investor groups, and real estate brokers associations

To the extent practical, partnering with and attending events hosted by other area agencies to deliver information about the HCV program

Outreach strategies will be monitored for effectiveness and adapted accordingly.

Retention

In addition to recruiting owners to participate in the HCV program, the PHA must also provide the kind of customer service that will encourage participating owners to remain active in the program.

PHA Policy

All PHA activities that may affect an owner's ability to lease a unit will be processed as rapidly as possible, in order to minimize vacancy losses for owners.

The PHA will provide owners with a handbook that explains the program, including HUD and PHA policies and procedures, in easy-to-understand language.

The PHA will give special attention to helping new owners succeed through activities such as:

- Providing the owner with a designated PHA contact person.

- Coordinating inspection and leasing activities between the PHA, the owner, and the family.

- Initiating telephone contact with the owner to explain the inspection process and providing an inspection booklet and other resource materials about HUD housing quality standards.

- Providing other written information about how the program operates through a landlord handbook, including answers to frequently asked questions.

- Contacting owners via emails or texts to disseminate information.

Additional services may be undertaken on an as-needed basis, and as resources permit.

Old Policy

N/A

New Policy

13-II.G. FORECLOSURE [Notice PIH 2010-49]

Families receiving HCV assistance are entitled to certain protections set forth under the Protecting Tenants at Foreclosure Act (PTFA). During the term of the lease, the new owner of the property does not have good cause to terminate the tenant's lease, unless the new owner will occupy the unit as their primary residence and has provided the tenant with at least a 90-day notice. In that case, the lease may be terminated effective on the date of sale, although the tenant is still entitled to a 90-day notice to vacate. Further, the new owner assumes interest in the lease between the prior owner and the tenant and to the HAP contract.

Any state or local law that provides longer time periods or other additional protections for tenants also applies.

PHA Policy

If a property is in foreclosure, the PHA will make all reasonable efforts to determine the status of the foreclosure and ownership of the property and will continue to make payments to the original owner until ownership legally transfers in accordance with the HAP contract.

The PHA will attempt to obtain a written acknowledgement of the assignment of the HAP contract from the successor in interest. This will include a request for owner information, including a tax identification number and payment instructions from the new owner. Even if the new owner does not acknowledge the assignment of the HAP contract in writing, the assignment is still effective by operation of law.

The PHA will inform the tenant that they must continue to pay rent in accordance with the lease, and if the new owner refuses to accept payment or cannot be identified, the tenant should pay rent into escrow. Failure to pay rent may constitute an independent ground for eviction.

In the event that the PHA is unable to make HAP payments to the new owner due to an action or inaction by the new owner that prevents such payments (e.g., rejection of payments or failure to maintain the property according to HQS), or due to an inability to identify the new owner, the PHA will either use the funds to pay:

The utilities that are the owner's responsibility after taking reasonable steps to notify the owner; except that if the unit has been or will be rendered uninhabitable due to termination or threat of termination of service, prior notice is not required. In the latter case, the PHA shall notify the owner within a reasonable time after making the utility payment; or

For the family's reasonable moving costs, including security deposit costs.

The PHA will also refer the tenant, as needed, to the local legal aid office in order to ensure adequate protection of the tenant's rights and enforcement of the successor in interest's performance under the HAP contract.

See Section 12-III.B for a discussion of foreclosure as it pertains to owner termination of tenancy.

Old Policy

Prohibited Owner Actions

An owner participating in the HCV program must not:

- Make any false statement to the PHA [Title 18 U.S.C. Section 1001].
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR 982.453(a)(3)] including:

EHA Policy

Any of the following will be considered evidence of owner program abuse:

- Charging the family rent above or below the amount specified by the PHA
- Charging a security deposit other than that specified in the family's lease
- Charging the family for services that are provided to unassisted tenants at no extra charge
- Knowingly accepting housing assistance payments for any month(s) after the family has vacated the unit
- Knowingly accepting incorrect or excess housing assistance payments
- Offering bribes or illegal gratuities to the PHA Board of Commissioners, employees, contractors, or other PHA representatives
- Offering payments or other incentives to an HCV family as an inducement for the family to make false or misleading statements to the PHA
- Residing in the unit with an assisted family

New Policy

PHA Policy

Any of the following will be considered evidence of owner program abuse:

- Charging the family rent above or below the amount specified by the PHA
- Charging a security deposit other than that specified in the family's lease
- Charging the family for services that are provided to unassisted tenants at no extra charge
- Knowingly accepting housing assistance payments for any month(s) after the family has vacated the unit
- Knowingly accepting incorrect or excess housing assistance payments
- Offering bribes or illegal gratuities to the PHA Board of Commissioners, employees, contractors, or other PHA representatives
- Offering payments or other incentives to an HCV family as an inducement for the family to make false or misleading statements to the PHA
- Residing in the unit with an assisted family

Committing sexual or other harassment, either quid pro quo or hostile environment, based on the protected classes defined in Chapter 2

Retaliating against any applicant or participant reporting/alleging sexual or other harassment, either quid pro quo or hostile environment, based on the protected classes defined in Chapter 2

Old Policy

Updating Payment Standards

When HUD updates its FMRs, the PHA must update its payment standards if the standards are no longer within the basic range [24 CFR 982.503(b)]. HUD may require the PHA to make further adjustments if it determines that rent burdens for assisted families in the PHA's jurisdiction are unacceptably high [24 CFR 982.503(g)].

EHA Policy

The PHA will review the appropriateness of the payment standards on an annual basis when the new FMR is published, and at other times as determined necessary. In addition to ensuring the payment standards are always within the "basic range" the PHA will consider the following factors when determining whether an adjustment should be made to the payment standard schedule:

Funding Availability: The PHA will review the budget to determine the impact projected subsidy adjustments will have on funding available for the program and the number of families served. The PHA will compare the number of families who could be served under revised payment standard amounts with the number assisted under current payment standard amounts.

Rent Burden of Participating Families: Rent burden will be determined by identifying the percentage of families, for each unit size, that are paying more than 30 percent of their monthly adjusted income as the family share. When 40 percent or more of families, for any given unit size, are paying more than 30 percent of adjusted monthly income as the family share, the PHA will consider increasing the payment standard. In evaluating rent burdens, the PHA will not include families renting a larger unit than their family unit size.

Quality of Units Selected: The PHA will review the quality of units selected by participant families when making the determination of the percent of income families are paying for housing, to ensure that payment standard increases are only made when needed to reach the mid-range of the market.

Changes in Rent to Owner: The PHA may review a sample of the units to determine how often owners are increasing or decreasing rents and the average percent of increases/decreases by bedroom size.

Unit Availability: The PHA will review the availability of units for each unit size, particularly in areas with low concentrations of poor and minority families.

Lease-up Time and Success Rate: The PHA will consider the percentage of families that are unable to locate suitable housing before the voucher expires and whether families are leaving the jurisdiction to find affordable housing.

Changes to payment standard amounts will be effective no more than three months from the date when the new FMR's are published if a change is necessary to stay

within the basic range.

New Policy

Updating Payment Standards

When HUD updates its FMRs, the PHA must update its payment standards if the standards are no longer within the basic range [24 CFR 982.503(b)]. HUD may require the PHA to make further adjustments if it determines that rent burdens for assisted families in the PHA's jurisdiction are unacceptably high [24 CFR 982.503(g)].

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Rent Burden of Participating Families: Rent burden will be determined by identifying the percentage of families, for each unit size, that are paying more than 30 percent of their monthly adjusted income as the family share. When 40 percent or more of families, for any given unit size, are paying more than 30 percent of adjusted monthly income as the family share, the PHA will consider increasing the payment standard. In evaluating rent burdens, the PHA will not include families renting a larger unit than their family unit size.

Quality of Units Selected: The PHA may review the quality of units selected by participant families when making the determination of the percent of income families are paying for housing, to ensure that payment standard increases are only made when needed to reach the mid-range of the market.

Changes in Rent to Owner: The PHA may review a sample of the units to determine how often owners are increasing or decreasing rents and the average percent of increases/decreases by bedroom size.

Unit Availability: The PHA will review the availability of units for each unit size, particularly in areas with low concentrations of poor and minority families.

Lease-up Time and Success Rate: The PHA will consider the percentage of families that are unable to locate suitable housing before the voucher expires and whether families are leaving the jurisdiction to find affordable housing.

Effective dates of changes to payment standard amounts will be determined at time of update. The PHA will always ensure the payment standards will be within the basic range.

Old Policy

Exception Payment Standards [24 CFR 982.503(c)]

The PHA must request HUD approval to establish payment standards that are higher than the basic range. At HUD's sole discretion, HUD may approve a payment standard amount that is higher than the basic range for a designated part of the FMR area. HUD may approve an exception payment standard amount (in accordance with program requirements) for all units, or for all units of a given size, leased by program families in the exception area. Any PHA with jurisdiction in the exception area may use the HUD-approved exception payment standard amount. The total population of all HUD-approved exception areas in an FMR area may not include more than 50 percent of the population of the FMR area.

New Policy

Exception Payment Standards [24 CFR 982.503(c)(5), Notice PIH 2018-01]

A non-SAFMR PHA may establish an exception payment standard for a zip code area of up to and including 110 percent of the SAFMR determined by HUD for that zip code area. Regardless of the level of the exception payment standard compared to the metropolitan area FMRs (MAFMRs), the PHA must send an email to SAFMRs@hud.gov to notify HUD that it has adopted an exception payment standard based on the SAFMR. A PHA that adopts an exception payment standard pursuant to this authority must apply it to the entire ZIP code area, for both its HCV, and if applicable, its PBV program. For the PBV program, this means that the rent to owner may not exceed the new exception payment standard amount, provided the rent is still reasonable. A PHA that adopts an exception payment standard area must revise its briefing materials to make families aware of the exception payment standard and the area that it covers.

Voluntary Use of Small Area FMRs [24 CFR 982.503, Notice PIH 2018-01]

PHAs that administer vouchers in a metropolitan area where the adoption of SAFMRs is not required may request approval from HUD to voluntarily adopt SAFMRs. SAFMRs may be voluntarily adopted for one or more zip code areas.

PHA Policy

The PHA will not voluntarily adopt the use of SAFMRs except to establish exception payment standards in certain zip code areas.

Page 16-12 (Excel line 57)

Old Policy

Decisions Subject to Informal Review

The PHA must give an applicant the opportunity for an informal review of a decision denying assistance [24 CFR 982.554(a)]. Denial of assistance may include any or all of the following [24 CFR 982.552(a)(2)]:

- Denying listing on the PHA waiting list
- Denying or withdrawing a voucher
- Refusing to enter into a HAP contract or approve a lease
- Refusing to process or provide assistance under portability procedures

Informal reviews are *not* required for the following reasons [24 CFR 982.554(c)]:

- Discretionary administrative determinations by the PHA
- General policy issues or class grievances
- A determination of the family unit size under the PHA subsidy standards
- A PHA determination not to approve an extension or suspension of a voucher term
- A PHA determination not to grant approval of the tenancy
- A PHA determination that the unit is not in compliance with the HQS
- A PHA determination that the unit is not in accordance with the HQS due to family size or composition

New Policy

Decisions Subject to Informal Review [24 CFR 982.554(a) and (c)]

The PHA must give an applicant the opportunity for an informal review of a decision denying assistance [24 CFR 982.554(a)]. Denial of assistance may include any or all of the following [24 CFR 982.552(a)(2)]:

- Denying listing on the PHA waiting list
- Denying or withdrawing a voucher
- Refusing to enter into a HAP contract or approve a lease
- Refusing to process or provide assistance under portability procedures

Informal reviews are *not* required for the following reasons [24 CFR 982.554(c)]:

- Discretionary administrative determinations by the PHA
- General policy issues or class grievances
- A determination of the family unit size under the PHA subsidy standards
- A PHA determination not to approve an extension of a voucher term

- A PHA determination not to grant approval of the tenancy
- A PHA determination that the unit is not in compliance with the HQS
- A PHA determination that the unit is not in accordance with the HQS due to family size or composition

Page 16-14 (Excel line 58)

Old Policy

N/A

New Policy

Remote Informal Reviews

All PHA policies and processes for remote informal reviews must be conducted in accordance with due process requirements and be in compliance with HUD regulations.

PHA Policy

The PHA has the sole discretion to require that informal reviews be conducted remotely in case of local, state, or national physical distancing orders, and in cases of inclement weather or natural disaster.

In addition, the PHA will conduct an informal review remotely upon request of the applicant as a reasonable accommodation for a person with a disability, if an applicant does not have child care or transportation that would enable them to attend the informal review, or if the applicant believes an in-person informal review would create an undue health risk. The PHA will consider other reasonable requests for a remote informal review on a case-by-case basis.

Conducting Remote Informal Reviews

The PHA must ensure that the applicant has the right to hear and be heard.

PHA Policy

The PHA will conduct remote informal reviews via telephone conferencing call-in or via videoconferencing. If the informal review will be conducted via videoconferencing, the PHA will ensure that all applicants, applicant representatives, PHA representatives and the person conducting the informal review can adequately access the platform (i.e., hear, be heard, see, and be seen). If any applicant, applicant representative, PHA representative, or person conducting the informal review is unable to effectively utilize the videoconferencing platform, the informal review will be conducted by telephone conferencing call-in.

Whether the informal review is to be conducted via videoconferencing or telephone call-in, the PHA will provide all parties login information and/or conferencing call-in information before the review.

Old Policy

16-III.C. INFORMAL HEARINGS FOR PARTICIPANTS [24 CFR 982.555]

PHAs must offer an informal hearing for certain PHA determinations relating to the individual circumstances of a participant family. A participant is defined as a family that has been admitted to the PHA's HCV program and is currently assisted in the program. The purpose of the informal hearing is to consider whether the PHA's decisions related to the family's circumstances are in accordance with the law, HUD regulations and PHA policies.

The PHA is not permitted to terminate a family's assistance until the time allowed for the family to request an informal hearing has elapsed, and any requested hearing has been completed.

Termination of assistance for a participant may include any or all of the following:

- Refusing to enter into a HAP contract or approve a lease
- Terminating housing assistance payments under an outstanding HAP contract
- Refusing to process or provide assistance under portability procedures

Decisions Subject to Informal Hearing

Circumstances for which the PHA must give a participant family an opportunity for an informal hearing are as follows:

- A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment
- A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the PHA utility allowance schedule
- A determination of the family unit size under the PHA's subsidy standards
- A determination to terminate assistance for a participant family because of the family's actions or failure to act
- A determination to terminate assistance because the participant has been absent from the assisted unit for longer than the maximum period permitted under PHA policy and HUD rules
- A determination to terminate a family's Family Self Sufficiency contract, withhold supportive services, or propose forfeiture of the family's escrow account [24 CFR 984.303(i)]

Circumstances for which an informal hearing is not required are as follows:

- Discretionary administrative determinations by the PHA
- General policy issues or class grievances
- Establishment of the PHA schedule of utility allowances for families in the program

- A PHA determination not to approve an extension **or suspension** of a voucher term
- A PHA determination not to approve a unit or tenancy
- A PHA determination that a unit selected by the applicant is not in compliance with the HQS
- A PHA determination that the unit is not in accordance with HQS because of family size
- A determination by the PHA to exercise or not to exercise any right or remedy against an owner under a HAP contract

EHA Policy

The PHA will only offer participants the opportunity for an informal hearing when required to by the regulations.

New Policy

16-III.C. INFORMAL HEARINGS FOR PARTICIPANTS [24 CFR 982.555]

PHAs must offer an informal hearing for certain PHA determinations relating to the individual circumstances of a participant family. A participant is defined as a family that has been admitted to the PHA's HCV program and is currently assisted in the program. The purpose of the informal hearing is to consider whether the PHA's decisions related to the family's circumstances are in accordance with the law, HUD regulations and PHA policies.

The PHA is not permitted to terminate a family's assistance until the time allowed for the family to request an informal hearing has elapsed, and any requested hearing has been completed. Termination of assistance for a participant may include any or all of the following:

- Refusing to enter into a HAP contract or approve a lease
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Decisions Subject to Informal Hearing

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- A determination to terminate assistance because the participant has been absent from the assisted unit for longer than the maximum period permitted under PHA policy and HUD rules

- A determination to terminate a family's Family Self Sufficiency contract, withhold supportive services, or propose forfeiture of the family's escrow account [24 CFR 984.303(i)]
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- Establishment of the PHA schedule of utility allowances for families in the program
- A PHA determination not to approve an extension of a voucher term
- A PHA determination not to approve a unit or tenancy
- A PHA determination that a unit selected by the applicant is not in compliance with the HQS
- A PHA determination that the unit is not in accordance with HQS because of family size
- A determination by the PHA to exercise or not to exercise any right or remedy against an owner under a HAP contract

PHA Policy

The PHA will only offer participants the opportunity for an informal hearing when required to by the regulations.

Remote Informal Hearings

The PHA's essential responsibility is to ensure informal hearings meet the requirements of due process and comply with HUD regulations. Therefore, all PHA policies and processes for remote informal hearings will be conducted in accordance with due process requirements and will be in compliance with HUD regulations.

PHA Policy

The PHA has the sole discretion to require that informal hearings be conducted remotely in case of local, state, or national physical distancing orders, and in cases of inclement weather or natural disaster.

In addition, the PHA will conduct an informal hearing remotely upon request as a reasonable accommodation for a person with a disability, if a participant does not have child care or transportation that would enable them to attend the informal hearing, or if the participant believes an in-person hearing would create an undue health risk. The PHA will consider other reasonable requests for a remote informal hearing on a case-by-case basis.

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Circumstances for which an informal hearing is not required are as follows:

- Discretionary administrative determinations by the PHA
- General policy issues or class grievances
- Establishment of the PHA schedule of utility allowances for families in the program
- A PHA determination not to approve an extension of a voucher term
- A PHA determination not to approve a unit or tenancy
- A PHA determination that a unit selected by the applicant is not in compliance with the HQS
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- A determination by the PHA to exercise or not to exercise any right or remedy against an owner under a HAP contract

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In addition, the PHA will conduct an informal hearing remotely upon request as a reasonable accommodation for a person with a disability, if a participant does not have child care or transportation that would enable them to attend the informal hearing, or if the participant believes an in-person hearing would create an undue health risk. The PHA will consider other reasonable requests for a remote informal hearing on a case-by-case basis.

Conducting Informal Hearings Remotely

In conducting any informal hearing remotely, the PHA shall ensure due process and that all parties are able to have full access to the hearing.

PHA Policy

The PHA will conduct remote informal hearings via telephone conferencing call-in or via videoconferencing. If the informal hearing will be conducted via videoconferencing, the PHA will ensure that all participants, participant representatives, advocates, witnesses, PHA representatives, and the hearing officer can adequately access the platform (i.e., hear, be heard, see, and be seen).

If any participant, representative, advocate, witness, PHA representative, or hearing officer is unable to effectively utilize the videoconferencing platform, the informal hearing will be conducted by telephone conferencing call-in.

Whether the informal hearing is to be conducted via videoconferencing or telephone call-in, the PHA will provide all parties login information and/or telephone call-in information before the hearing.

Old Policy

Informal Hearing Procedures

Notice to the Family [24 CFR 982.555(c)]

When the PHA makes a decision that is subject to informal hearing procedures, the PHA must inform the family of its right to an informal hearing at the same time that it informs the family of the decision.

For decisions related to the family's annual or adjusted income, the determination of the appropriate utility allowance, and the determination of the family unit size, the PHA must notify the family that they may ask for an explanation of the basis of the determination, and that if they do not agree with the decision, they may request an informal hearing on the decision.

For decisions related to the termination of the family's assistance, or the denial of a family's request for an exception to the PHA's subsidy standards, the notice must contain a brief statement of the reasons for the decision, a statement that if the family does not agree with the decision, the family may request an informal hearing on the decision, and a statement of the deadline for the family to request an informal hearing.

EHA Policy

In cases where the PHA makes a decision for which an informal hearing must be offered, the notice to the family will include all of the following:

The proposed action or decision of the PHA.

A brief statement of the reasons for the decision, including the regulatory reference.

The date the proposed action will take place.

A statement of the family's right to an explanation of the basis for the PHA's decision.

A statement that if the family does not agree with the decision the family may request an informal hearing of the decision.

A deadline for the family to request the informal hearing. To whom the hearing request should be addressed.

A copy of the PHA's hearing procedures.

New Policy

Informal Hearing Procedures

Notice to the Family [24 CFR 982.555(c)]

When the PHA makes a decision that is subject to informal hearing procedures, the PHA must inform the family of its right to an informal hearing at the same time that it informs the family of the decision.

For decisions related to the family's annual or adjusted income, the determination of the appropriate utility allowance, and the determination of the family unit size, the PHA must notify the family that they may ask for an explanation of the basis of the determination, and that if they do not agree with the decision, they may request an informal hearing on the decision.

For decisions related to the termination of the family's assistance, or the denial of a family's request for an exception to the PHA's subsidy standards, the notice must contain a brief statement of the reasons for the decision, a statement that if the family does not agree with the decision, the family may request an informal hearing on the decision, and a statement of the deadline for the family to request an informal hearing.

PHA Policy

In cases where the PHA makes a decision for which an informal hearing must be offered, the notice to the family will include all of the following:

The proposed action or decision of the PHA.

A brief statement of the reasons for the decision, including the regulatory reference.

The date the proposed action will take place.

A statement of the family's right to an explanation of the basis for the PHA's decision.

A statement that if the family does not agree with the decision the family may request an informal hearing of the decision.

A deadline for the family to request the informal hearing.

To whom the hearing request should be addressed.

A copy of the PHA's hearing procedures.

That the family may request a remote informal hearing

If the PHA will require that the hearing be conducted remotely, at the time the notice is sent to the family informing them of the right to request an informal hearing, the family will be notified that the informal hearing will be conducted remotely. The family will be informed of the processes involved in a remote informal hearing and that the PHA will provide technical assistance, if needed, before the informal hearing.

Old Policy

Scheduling an Informal Hearing [24 CFR 982.555(d)]

When an informal hearing is required, the PHA must proceed with the hearing in a reasonably expeditious manner upon the request of the family.

EHA Policy

A request for an informal hearing must be made in writing and delivered to the PHA either in person, by fax, e-mail or by first class mail, by the close of the business day, no later than 20 business days from the date of the PHA's decision or notice to terminate assistance.

The PHA must schedule and send written notice of the informal hearing to the family within 20 business days of the family's request.

The family may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, the PHA may request documentation of the "good cause" prior to rescheduling the hearing.

If the family does not appear within 15 minutes of the scheduled time, and was unable to reschedule the hearing in advance due to the nature of the conflict, the family must contact the PHA within 24 hours of the scheduled hearing date, excluding weekends and holidays. The PHA will reschedule the hearing only if the family can show good cause for the failure to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

New Policy

Scheduling an Informal Hearing [24 CFR 982.555(d)]

When an informal hearing is required, the PHA must proceed with the hearing in a reasonably expeditious manner upon the request of the family.

PHA Policy

A request for an informal hearing must be made in writing and delivered to the PHA either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of the PHA's decision or notice to terminate assistance.

The PHA must schedule and send written notice of the informal hearing to the family within 10 business days of the family's request.

The family may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family.

Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, the PHA may request documentation of the “good cause” prior to rescheduling the hearing.

If the family does not appear within 20 minutes of the scheduled time, and was unable to reschedule the hearing in advance due to the nature of the conflict, the family must contact the PHA within 24 hours of the scheduled hearing date, excluding weekends and holidays. The PHA will reschedule the hearing only if the family can show good cause for the failure to appear, or if it is needed as a reasonable accommodation for a person with disabilities. If the family cannot show good cause for the failure to appear, or a rescheduling is not needed as a reasonable accommodation, the PHA’s decision will stand.

Old Policy

Pre-Hearing Right to Discovery [24 CFR 982.555(e)]

Participants and the PHA are permitted pre-hearing discovery rights. The family must be given the opportunity to examine before the hearing any PHA documents that are directly relevant to the hearing. The family must be allowed to copy any such documents at their own expense. If the PHA does not make the document available for examination on request of the family, the PHA may not rely on the document at the hearing.

The PHA hearing procedures may provide that the PHA must be given the opportunity to examine at the PHA offices before the hearing, any family documents that are directly relevant to the hearing. The PHA must be allowed to copy any such document at the PHA's expense. If the family does not make the document available for examination on request of the PHA, the family may not rely on the document at the hearing.

For the purpose of informal hearings, *documents* include records and regulations.

EHA Policy

The family will be allowed to copy any documents related to the hearing at a cost of \$.10 per page. The family must request discovery of PHA documents no later than 12:00 p.m. two business day prior to the scheduled hearing date

Participant's Right to Bring Counsel [24 CFR 982.555(e)(3)]

At its own expense, the family may be represented by a lawyer or other representative at the informal hearing.

Informal Hearing Officer [24 CFR 982.555(e)(4)]

Informal hearings will be conducted by a person or persons approved by the PHA, other than the person who made or approved the decision or a subordinate of the person who made or approved the decision.

EHA Policy

The PHA has designated the following to serve as hearing officers:

New Policy

Pre-Hearing Right to Discovery [24 CFR 982.555(e)]

Participants and the PHA are permitted pre-hearing discovery rights. The family must be given the opportunity to examine before the hearing any PHA documents that are directly relevant to the hearing. The family must be allowed to copy any such documents at their own expense. If the PHA does not make the document available for examination on request of the family, the PHA may not rely on the document at the hearing.

For the purpose of informal hearings, *documents* include records and regulations.

PHA Policy

The family will be allowed to copy any documents related to the hearing at a cost of \$.25 per page. The family must request discovery of PHA documents no later than 12:00 p.m. on the business day prior to the scheduled hearing date.

If the hearing will be conducted remotely, the PHA will compile a hearing packet, consisting of all documents the PHA intends to produce at the informal hearing. The PHA will mail copies of the hearing packet to the family, the family's representatives, if any, and the hearing officer at least three days before the scheduled remote informal hearing. The original hearing packet will be in the possession of the PHA representative and retained by the PHA.

Documents will be shared electronically whenever possible.

The PHA hearing procedures may provide that the PHA must be given the opportunity to examine at the PHA offices before the hearing any family documents that are directly relevant to the hearing. The PHA must be allowed to copy any such document at the PHA's expense. If the family does not make the document available for examination on request of the PHA, the family may not rely on the document at the hearing.

PHA Policy

For in-person hearings, the PHA will not require pre-hearing discovery by the PHA of family documents directly relevant to the hearing.

If the informal hearing is to be conducted remotely, the PHA will require the family to provide any documents directly relevant to the informal hearing at least 24 hours before the scheduled hearing. The PHA will scan and email copies of these documents to the hearing officer and the PHA representative the same day.

Documents will be shared electronically whenever possible.

Participant's Right to Bring Counsel [24 CFR 982.555(e)(3)]

At its own expense, the family may be represented by a lawyer or other representative at the informal hearing.

Informal Hearing Officer [24 CFR 982.555(e)(4)]

Informal hearings will be conducted by a person or persons approved by the PHA, other than the person who made or approved the decision or a subordinate of the person who made or approved the decision.

Old Policy

17-I.A. OVERVIEW [24 CFR 983.5; FR Notice 1/18/17; Notice PIH 2017-21]

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 authorized units 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 deconcentrating poverty and expanding housing and economic opportunities [42 U.S.C. 1437f(o)(13)].

EHA Policy

The PHA will operate a project-based voucher program using up to 20 percent of its authorized units for project-based assistance.

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 number of authorized units 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].

Additional Project-Based Units [FR Notice 1/18/17; Notice PIH 2017-21]

The PHA may project-base an additional 10 percent of its units above the 20 percent program limit. The units may be distributed among one, all, or a combination of the categories as long as the total number of units does not exceed the 10 percent cap. Units qualify under this exception if the units:

- Are specifically made available to house individuals and families that meet the definition of homeless under section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302) and contained in the Continuum of Care Interim Rule at 24 CFR 578.3.
- Are specifically made available to house families that are comprised of or include a veteran.
 - *Veteran* means an individual who has served in the United States Armed Forces.
- Provide supportive housing to persons with disabilities or elderly persons as defined in 24 CFR 5.403.
- Are located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year Estimates.

New Policy

17-I.A. OVERVIEW [24 CFR 983.5; FR Notice 1/18/17; Notice PIH 2017-21]

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 authorized units 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 deconcentrating poverty and expanding housing and economic opportunities [42 U.S.C. 1437f(o)(13)].

PHA Policy

The PHA will operate a project-based voucher program using up to 20 percent of its authorized units for project-based assistance.

See Exhibit 17-1 for information on projects to which the PHA has attached PBV assistance.

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 number of authorized units** 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, regardless of whether the PHA has vouchers available for project-basing [FR Notice 1/18/17].

Additional Project-Based Units [FR Notice 1/18/17; Notice PIH 2017-21]

The PHA may project-base an additional 10 percent of its units above the 20 percent program limit. The units may be distributed among one, all, or a combination of the categories as long as the total number of units does not exceed the 10 percent cap. Units qualify under this exception if the units:

- Are specifically made available to house individuals and families that meet the definition of homeless under section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302) and contained in the Continuum of Care Interim Rule at 24 CFR 578.3.
- Are specifically made available to house families that are comprised of or include a veteran.
 - *Veteran* means an individual who has served in the United States Armed Forces.
- Provide supportive housing to persons with disabilities or elderly persons as defined in 24 CFR 5.403.
- Are located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year Estimates.

Only units that that are under a HAP contract that was first executed on or after April 18, 2017, are covered by the 10 percent exception.

Old Policy

Units Selected Non-Competitively [FR Notice 1/18/17; Notice PIH 2017-21]

For certain public housing projects where the PHA has an ownership interest or control and will spend a minimum amount per unit on rehabilitation or construction, the PHA may select a project without following one of the two processes above.

EHA Policy

- The PHA may attach PBVs to projects owned by the PHA as described above.
- The PHA will award PBVs to projects that meet the definition of replacement housing. Specifically, EHA will award PBV Non-Competitively for replacement housing for Baker Heights.

New Policy

Units Selected Non-Competitively [FR Notice 1/18/17; Notice PIH 2017-21; 24 CFR 983.51(b)]

For certain public housing projects where the PHA has an ownership interest or control, the PHA may attach PBV assistance non-competitively without following one of the two processes above.

This exception applies when the PHA is engaged in an initiative to improve, develop, or replace a public housing property or site. The public housing units may either currently be in the public housing inventory or may have been removed from the public housing inventory within five years of the date on which the PHA entered into the AHAP or HAP.

If the PHA is planning rehabilitation or new construction on the project, a minimum threshold of \$25,000 per unit in hard costs must be expended.

If the PHA plans to replace public housing by attaching PBV assistance to existing housing in which the PHA has an ownership interest or control, then the \$25,000 per unit minimum threshold does not apply as long as the existing housing substantially complies with HQS.

The PHA must include in the administrative plan what work it plans to do on the property or site and how many PBV units will be added to the site.

EHA Policy

The PHA intends to project base units non-competitively as described above.

- Under this provision, the PHA may submit a proposal for project-based housing that is owned or controlled by the PHA as described above. If the proposal is for PHA-owned housing, the PHA will use an independent entity approved by HUD as required under the regulations. The PHA will obtain HUD approval of the independent entity prior to selecting the proposal for PHA-owned housing.
- The PHA will detail the work it plans to do on the public housing property or site as well as how many units it plans to project-base at the property or site through the annual and/or five-year plan process.

Old Policy

PHA Request for Proposals for Rehabilitated and Newly Constructed Units

The PHA will advertise its request for proposals (RFP) for rehabilitated and newly constructed housing in the following newspapers and trade journals.

EHA Website

Everett Herald

Housing Development Consortium of Seattle and King County

In addition, the PHA will post the RFP and proposal submission and rating and ranking procedures on its electronic web site.

The PHA will publish its advertisement in the newspapers and trade journals mentioned above for at least one day per week for three consecutive weeks. The advertisement will specify the number of units the PHA estimates that it will be able to assist under the funding the PHA is making available. Proposals will be due in the PHA office by close of business 30 calendar days from the date of the last publication.

In order for the proposal to be considered, the owner must submit the proposal to the PHA by the published deadline date, and the proposal must respond to all requirements as outlined in the RFP. Incomplete proposals will not be reviewed. The PHA will rate and rank proposals for rehabilitated and newly constructed housing using the following criteria:

Owner experience and capability to build or rehabilitate housing as identified in the RFP;

Extent to which the project furthers the PHA goal of deconcentrating poverty and expanding housing and economic opportunities;

If applicable, the extent to which services for special populations are provided on site or in the immediate area for occupants of the property; and

Projects with less than 25 percent of the units assisted will be rated higher than projects with 25 percent of the units assisted. In the case of projects for occupancy by the elderly, persons with disabilities or families needing other services, the PHA will rate partially assisted projects on the percent of units assisted. Projects with the lowest percent of assisted units will receive the highest score.

New Policy

PHA Request for Proposals for Rehabilitated and Newly Constructed Units

The PHA will advertise its request for proposals (RFP) for rehabilitated and newly constructed housing in the following newspapers and trade journals.

EHA Website

Everett Herald

Housing Development Consortium of Seattle and King County

In addition, the PHA will post the RFP and proposal submission and rating and ranking procedures on its electronic web site.

The PHA will publish its advertisement in the newspapers and trade journals mentioned above for at least one day per week for three consecutive weeks. The advertisement will specify the number of units the PHA estimates that it will be able to assist under the funding the PHA is making available. Proposals will be due in the PHA office by close of business 30 calendar days from the date of the last publication.

In order for the proposal to be considered, the owner must submit the proposal to the PHA by the published deadline date, and the proposal must respond to all requirements as outlined in the RFP. Incomplete proposals will not be reviewed. The PHA will rate and rank proposals for rehabilitated and newly constructed housing using the following criteria:

Owner experience and capability to build or rehabilitate housing as identified in the RFP;

Extent to which the project furthers the PHA goal of deconcentrating poverty and expanding housing and economic opportunities;

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

In order to promote partially assisted projects, projects where less than 25 percent of the units will be assisted will be rated higher than projects where 25 percent or more of the units will be assisted. In the case of projects for occupancy by the elderly, persons with disabilities or families needing other services, the PHA will rate partially assisted projects on the percentage of units assisted. Projects with the lowest percentage of assisted units will receive the highest score.

Old Policy

PHA-Owned Units [24 CFR 983.51(e), 983.59, FR Notice 1/18/17, and Notice PIH 2017-21]

A PHA-owned unit may be assisted under the PBV program only if the HUD field office or HUD-approved independent entity reviews the selection process and determines that the PHA-owned units were appropriately selected based on the selection procedures specified in the PHA administrative plan. If the PHA selects a proposal for housing that is owned or controlled by the PHA, the PHA must identify the entity that will review the PHA proposal selection process and perform specific functions with respect to rent determinations and inspections.

In the case of PHA-owned units, the term of the HAP contract and any HAP contract renewal must be agreed upon by the PHA and a HUD-approved independent entity. In addition, an independent entity must determine the rent to owner, the redetermined rent to owner, and reasonable rent. Housing quality standards inspections must also be conducted by an independent entity.

The independent entity that performs these program services may be the unit of general local government for the PHA jurisdiction (unless the PHA is itself the unit of general local government or an agency of such government) or another HUD-approved public or private independent entity.

EHA Policy

The PHA may submit a proposal for project-based housing that is owned or controlled by the PHA. If the proposal for PHA-owned housing is selected, the PHA will use **Housing Authority of Snohomish County (HASCO)** to review the PHA selection **and to administer the PBV program**. The PHA will obtain HUD approval Housing Authority of Snohomish County prior to selecting the proposal for PHA-owned housing.

The PHA may submit a proposal for project-based housing that is owned or controlled by the PHA. If the proposal for PHA-owned housing is selected, the PHA will use **Housing Authority of Snohomish County (HASCO)** to review the PHA selection and to administer the PBV program. The PHA will obtain HUD approval Housing Authority of Snohomish County prior to selecting the proposal for PHA-owned housing.

The PHA may only compensate the independent entity from PHA ongoing administrative fee income (including amounts credited to the administrative fee reserve). The PHA may not use other program receipts to compensate the independent entity for its services. The PHA and independent entity may not charge the family any fee for the appraisal or the services provided by the independent entity.

New Policy

PHA-Owned Units [24 CFR 983.51(e), 983.59, FR Notice 1/18/17, and Notice PIH 2017-21]

A PHA-owned unit may be assisted under the PBV program only if the HUD field office or HUD-approved independent entity reviews the selection process and determines that the PHA-owned units were appropriately selected based on the selection procedures specified in the PHA administrative plan. **This also applies to non-competitive selections.** If the PHA selects a

proposal for housing that is owned or controlled by the PHA, the PHA must identify the entity that will review the PHA proposal selection process and perform specific functions with respect to rent determinations, **the term of the HAP contract**, and inspections.

In the case of PHA-owned units, the term of the HAP contract and any HAP contract renewal must be agreed upon by the PHA and a HUD-approved independent entity. In addition, an independent entity must determine the initial **rent** to owner, the redetermined rent to owner, and reasonable rent. Housing quality standards inspections must also be conducted by an independent entity.

The independent entity that performs these program services may be the unit of general local government for the PHA jurisdiction (unless the PHA is itself the unit of general local government or an agency of such government) or another HUD-approved public or private independent entity.

EHA Policy

The PHA may submit a proposal for project-based housing that is owned or controlled by the PHA. If the proposal for PHA-owned housing is selected, the PHA will use **Housing Authority of Snohomish County (HASCO)** to review the PHA selection **process**. The PHA will obtain HUD approval Housing Authority of Snohomish County prior to selecting the proposal for PHA-owned housing.

The PHA may submit a proposal for project-based housing that is owned or controlled by the PHA. If the proposal for PHA-owned housing is selected, the PHA will use **Housing Authority of Snohomish County (HASCO)** to review the PHA selection and to administer the PBV program. The PHA will obtain HUD approval Housing Authority of Snohomish County prior to selecting the proposal for PHA-owned housing.

The PHA may only compensate the independent entity from PHA ongoing administrative fee income (including amounts credited to the administrative fee reserve). The PHA may not use other program receipts to compensate the independent entity for its services. The PHA and independent entity may not charge the family any fee for the appraisal or the services provided by the independent entity.

Old Policy

17-II.E. SUBSIDY LAYERING REQUIREMENTS [24 CFR 983.55, FR Notice 11/24/08, FR Notice 7/9/10, and FR Notice 6/25/14]

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.

Subsidy layering requirements do not apply to existing housing. A further subsidy layering review is not required for new construction or rehabilitation if HUD's designee has conducted a review that included a review of PBV assistance in accordance with the PBV subsidy layering guidelines.

The PHA must submit the necessary documentation to HUD for a subsidy layering review. Except in cases noted above, the PHA may not enter into an agreement to enter into a HAP contract or a HAP contract until HUD, or a HUD-approved housing credit agency (HCA), 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

New Policy

17-II.E. SUBSIDY LAYERING REQUIREMENTS [24 CFR 983.55, Notice PIH 2013-11, and FR Notice 2/28/20]

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.

HUD requires new construction and rehabilitation housing that will include forms of governmental assistance other than PBVs to undergo a subsidy layering review (SLR) prior to entering into an Agreement to Enter into Housing Assistance Payments Contract (AHAP). Subsidy layering requirements do not apply to existing housing, when PBV is the only governmental assistance, or for projects already subject to a PBV HAP contract, even if the project is recapitalized with outside sources of funding.

When a PHA selects a new construction or rehabilitation project, the PHA must require information regarding all HUD and/or other federal, state, or local governmental assistance to be disclosed by the project owner using Form HUD-2880. Appendix A of FR Notice 2/28/20 contains a list of all required documentation.

Either HUD or a HUD-approved housing credit agency (HCA) in the PHA's jurisdiction performs the subsidy layering review. The PHA must request an SLR through their local HUD Field Office or, if eligible, through a participating HCA.

If the SLR request is submitted to an approved HCA, and the proposed project-based voucher assistance meets HUD subsidy layering requirements, the HCA must submit a certification to HUD and notify the PHA. The PHA may proceed to execute an AHAP at that time if the environmental approval is received.

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.

Old Policy

Projects not Subject to a Project Cap [FR Notice 1/18/17; Notice PIH 2017-21]

PBV units that were previously subject to certain federal rent restrictions or receiving another type of long-term housing subsidy provided by HUD are exempt from the project cap. In other words, 100 percent of the units in these projects may receive PBV assistance.

EHA Policy

The PHA does have PBV units that are subject to the per project cap exception. Specifically Baker Heights.

Promoting Partially-Assisted Projects [24 CFR 983.56(c)]

A PHA may establish local requirements designed to promote PBV assistance in partially assisted projects. A *partially assisted project* is a project in which there are fewer units covered by a HAP contract than residential units [24 CFR 983.3].

A PHA may establish a per-project cap on the number of units that will receive PBV assistance or other project-based assistance in a multifamily project containing excepted units or in a single-family building. A PHA may also determine not to provide PBV assistance for excepted units, or the PHA may establish a per-project cap of less than 25 percent.

EHA Policy:

The PHA will not impose any further cap on the number of PBV units assisted per project.

New Policy

Projects not Subject to a Project Cap [FR Notice 1/18/17; Notice PIH 2017-21]

PBV units that were previously subject to certain federal rent restrictions or receiving another type of long-term housing subsidy provided by HUD are exempt from the project cap. In other words, 100 percent of the units in these projects may receive PBV assistance.

EHA Policy

The PHA does have PBV units that are subject to the per project cap exception. Specifically, replacement housing to be constructed on the site of Baker Heights (former public housing).

Promoting Partially Assisted Projects [24 CFR 983.56(c)]

A PHA may establish local requirements designed to promote PBV assistance in partially assisted projects. A *partially assisted project* is a project in which there are fewer units covered by a HAP contract than residential units [24 CFR 983.3].

A PHA may establish a per-project cap on the number of units that will receive PBV assistance or other project-based assistance in a multifamily project containing excepted units or in a single-

family building. A PHA may also determine not to provide PBV assistance for excepted units, or the PHA may establish a per-project cap of less than 25 units or 25 percent of units.

PHA Policy:

The PHA 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. Families will not be required to accept and receive supportive services for the exception to apply to the unit, although they will be required to be eligible to receive supportive services. The following types of services will be provided depending on the needs of the family:

Meal service adequate to meet nutritional needs;

Housekeeping aid;

Personal assistance;

Transportation services;

Health-related services;

Case management;

Child care;

Educational and employment services;

Job training;

Counseling; or

Other services designed to help the recipient live in the community as independently as possible.

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.

If the family becomes ineligible for the supportive service during their tenancy (for reasons other than successfully completing the supportive service objective), the unit will no longer be considered an excepted unit. If the family is ineligible for all supportive services that are made available at the project, the PHA may do any of the following:

Reduce the number of excepted units

Substitute the excepted unit for a non-excepted unit

Temporarily remove the unit from the PBV HAP contract and provide the family with tenant-based assistance

Old Policy

17-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.

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), FR Notice 1/18/17, and Notice PIH 2017-20]

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, unless the PHA has adopted a policy to enter into a HAP contract for units that fail the initial HQS inspection as a result of only non-life-threatening conditions or if the unit passed an alternative inspection.**

EHA Policy

The PHA will not provide assistance in turnover units until the unit fully complies with HQS .

Annual/Biennial Inspections [24 CFR 983.103(d); FR Notice 6/25/14]

At least once every 24 months 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 inspection requirement.

EHA Policy

The PHA will inspect on a biennial basis 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.

If more than 20 percent of the sample of inspected contract units in a building fail the initial inspection, the PHA must reinspect 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.

Inspecting PHA-Owned Units [24 CFR 983.103(f)]

In the case of PHA-owned units, the inspections must be performed by an independent agency designated by the PHA and approved by HUD. The independent entity must furnish a copy of each inspection report to the PHA and to the HUD field office where the project is located. The PHA must take all necessary actions in response to inspection reports from the independent agency, including exercise of contractual remedies for violation of the HAP contract by the PHA-owner.

New Policy

17-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), FR Notice 1/18/17, and Notice PIH 2017-20]

The PHA must inspect each contract unit before execution of the HAP contract. The PHA may not provide assistance on behalf of the family until the unit fully complies with HQS, unless the PHA has adopted a policy to enter into a HAP contract for units that fail the initial HQS inspection as a result of only non-life-threatening conditions, or if the unit passed an alternative inspection.

PHA Policy

The PHA will not provide assistance on behalf of the family 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/Biennial Inspections [24 CFR 983.103(d); FR Notice 6/25/14]

At least once every 24 months 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 inspection requirement.

EHA Policy

The PHA will inspect on a biennial basis 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.

If more than 20 percent of the sample of inspected contract units in a building fail the initial inspection, the PHA must reinspect 100 percent of the contract units in the building.

The PHA will accept the results of inspections performed by HUD REAC, or for the HOME or LIHTC programs. Inspections will only be accepted if PBV and HCV units are included in the population of units forming the basis of the sample.

The PHA will not utilize inspection results other than from inspections conducted by HUD or for the HOME or LIHTC programs.

Inspection reports and other data must be provided to the PHA within five business days of the inspection. The PHA will review the inspection reports and determine whether the unit will receive a “pass” under HQS within five business days. If the PHA determines that the unit does not pass, the PHA will notify the owner and conduct an HQS inspect within 10 business days.

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.

Inspecting PHA-Owned Units [24 CFR 983.103(f)]

In the case of PHA-owned units, the inspections must be performed by an independent entity designated by the PHA and approved by HUD. The independent entity must furnish a copy of each inspection report to the PHA and to the HUD field office where the project is located. The PHA must take all necessary actions in response to inspection reports from the independent entity, including exercise of contractual remedies for violation of the HAP contract by the PHA-owner.

Old Policy

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 17-VI.B. above.

The PHA may establish a selection preference for families who qualify for voluntary services, including disability-specific services, offered in conjunction with assisted units, provided that preference is consistent with the PHA plan. The PHA may not, however, grant a preference to a person with a specific disability. [FR Notice 1/18/17].

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); FR Notice 1/18/17].

PHA Policy

The PHA will provide a selection preference when required by the regulation (e.g., eligible in-place families, elderly families or units with supportive services, mobility impaired persons for accessible units). The following lists the current units that will receive a selection preference:

701	Mill Pointe Apartments	15 units	Families receiving supportive services	10 Chronically homeless families 5 Pregnant or new parents, homeless with concurrent developmental disabilities
706	New Century House	10 units	Families receiving supportive services	6 units Homeless, pregnant or new parents, ages 18-24
749	New Century Village	6 units	Families receiving supportive services	6 units Homeless, pregnant or new parents, ages 18-24

750	Housing Hope Village II	12 units	Families receiving supportive services	9 units Homeless, pregnant or parenting 3 units Large households, pregnant or parenting
752	Timberhill	10 units	Families receiving supportive services	10 units Homeless, pregnant and newly parenting families
753/762	Family Tree	22 units	Families receiving supportive services	22 units Low income families
754	New Century Village	14 units	Families receiving supportive services	6 units Homeless, disabled 9 units Homeless parents age 16-18
755	Broadway Plaza West	82 units	Elderly families/disabled	82 units elderly (62+)/disabled. Preference for residents who are eligible to receive a TPV issued by EHA. The preference applies for the initial relocation from the qualifying property only.
756	Northstar	38 units	Disabled and receiving supportive services	38 units Disabled and receiving supportive services
757	Bridgecreek	6 units	Families receiving supportive services	6 Developmentally disabled
758	WAHOYO	2 units	Disabled and receiving supportive services	2 units Disabled and receiving supportive services
761	Broadway Plaza East	101 units	Elderly families/disabled	101 units elderly/disabled Preference for residents who are eligible to receive a TPV issued by EHA. The preference applies for the initial relocation from the qualifying property only.

763	Kennedy Court	7 units	Families receiving supportive services	7 units very low income
764	Emerald Place	4 units	Disabled families	4 units Literally homeless/unstably housed adults with mental health disabilities
765	Wiggums Hollow Park Place (Twelve Pines)	79 units	31 Families receiving supportive services	31 Low income families Preference for residents who are eligible to receive a TPV issued by EHA. The preference applies for the initial relocation from the qualifying property only.
773	Oakes Commons	20 units	Families receiving supportive services	4 units Large families with children 4 units Disabled families with children
774	Pigeon Creek	6 units	Families receiving supportive services	6 units large families, very low income
783	Aspenwood	8 units	Families receiving supportive services	8 units Very low income
766	Pivotal Point	20 units	Families receiving supportive services	1. Currently in an Emergency Shelter, in Snohomish County, for victims of domestic violence and receiving supportive services from a domestic violence service provider. 2. Have been or are in danger of being involuntarily displaced from current housing because of domestic violence.

New Policy

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 17-VI.B. above.

The PHA may establish a selection preference for families who qualify for voluntary services, including disability-specific services, offered in conjunction with assisted units, provided that preference is consistent with the PHA plan. The PHA may not, however, grant a preference to a person with a specific disability. [FR Notice 1/18/17].

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); FR Notice 1/18/17].

PHA Policy

The PHA will provide a selection preference when required by the regulation (e.g., eligible in-place families, elderly families or units with supportive services, mobility impaired persons for accessible units). The following lists the current units that will receive a selection preference:

706	New Century House	10 units	Families receiving supportive services	6 units Homeless, pregnant or new parents, ages 18-24
749	New Century Village	6 units	Families receiving supportive services	6 units Homeless, pregnant or new parents, ages 18-24
750	Housing Hope Village II	12 units	Families eligible for supportive services	9 units Homeless, pregnant or parenting 3 units Large households, pregnant or parenting

752	Timberhill	10 units	Families receiving supportive services	10 units Homeless, pregnant and newly parenting families
753/762	Family Tree	22 units	Families receiving supportive services	22 units Low income families
754	New Century Village	14 units	Families receiving supportive services	6 units Homeless, disabled 9 units Homeless parents age 16-18
755	Broadway Plaza West	82 units	Elderly families/ disabled	82 units elderly (62+)/disabled. Preference for residents who are eligible to receive a TPV issued by EHA. The preference applies for the initial relocation from the qualifying property only.
756	Northstar	38 units	Disabled and receiving supportive services	38 units Disabled and receiving supportive services
757	Bridgecreek	6 units	Families receiving supportive services	6 Developmentally disabled
761	Broadway Plaza East	101 units	Elderly families/ disabled	101 units elderly/disabled Preference for residents who are eligible to receive a TPV issued by EHA. The preference applies for the initial relocation from the qualifying property only.
763	Kennedy Court	7 units	Families receiving supportive services	7 units very low income

765	Wiggums Hollow Park Place (Twelve Pines)	79 units	31 Families receiving supportive services	31 Low income families
773	Oakes Commons	19 units	Families receiving supportive services	4 units Large families with children 4 units Disabled families with children
774	Pigeon Creek	4 units	Families receiving supportive services	4 units large families, very low income
783	Aspenwood	8 units	Families receiving supportive services	8 units Very low income
766	Pivotal Point	20 units	Families receiving supportive services	Currently in an Emergency Shelter, in Snohomish County, for victims of domestic violence and receiving supportive services from a domestic violence service provider. OR Have been or are in danger of being involuntarily displaced from current housing because of domestic violence.
	Clare's Place	60 units	Families eligible for supportive services	Chronically homeless
	Hopeworks Station 2 Station Place	52 units	Families eligible for supportive services	Homeless and low income with opportunities to develop job skills
	Cocoon House – the HUB	8 units	Families eligible for supportive services	Homeless youth

Old Policy

17-VII.C. MOVES

Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.260]

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.

PHA Policy

The PHA will notify the family and the owner of the family's need to move based on the occupancy of a wrong-size or accessible unit within 10 business days of the PHA's determination. The PHA 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.

New Policy

Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.260]

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.

PHA Policy

The PHA will notify the family and the owner of the family's need to move based on the occupancy of a wrong-size or accessible unit within 10 business days of the PHA's determination. The PHA will offer the family the following types of continued assistance in the following order, based on the availability of assistance:

Tenant-based voucher assistance;

PBV assistance in an appropriate-sized unit.

Old Policy

18-I.C. 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 RAD 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.

EHA Policy

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, the PHA policies for the tenant-based voucher program contained in this administrative plan also apply to the RAD PBV program and its participants. This chapter is intended to address requirements specific to the RAD PBV program only.

New Policy

18-I.C. 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 RAD 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.

EHA Policy

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, the PHA policies for the tenant-based voucher program contained in this administrative plan also apply to the RAD PBV program and its participants. This chapter is intended to address requirements specific to the RAD PBV program only.

See Exhibit 18-1 for information on projects to which the PHA has attached PBV assistance

Page 18-13 (Excel line 78)

New Policy

PHA Policy

If units converted to PBV under RAD are PHA-owned housing, the PHA will use **Housing Authority of Snohomish County (HASCO), Nan McKay, Bellingham Housing Authority and/or Abode Inspections Services LLC** as the HUD-approved independent entity

New Policy

Alternative Inspections [24 CFR 983.103(g); Notice PIH 2016-05]

In the case of mixed-finance properties that are subject to alternative inspections, the PHA may rely upon an alternative inspection conducted at least triennially to demonstrate compliance with inspection requirements.

PHA Policy

The PHA will accept the results of inspections performed by HUD REAC, or for the HOME or LIHTC programs. Inspections will only be accepted if PBV and HCV units are included in the population of units forming the basis of the sample.

The PHA will not utilize inspection results other than from inspections conducted by HUD or for the HOME or LIHTC programs.

Inspection reports and other data must be provided to the PHA within five business days of the inspection. The PHA will review the inspection reports and determine whether the unit will receive a “pass” under HQS within five business days. If the PHA determines that the unit does not pass, the PHA will notify the owner and conduct an HQS inspect within 10 business days.

Old Policy

18-V.D. ORGANIZATION OF THE WAITING LIST [24 CFR 983.251(c) and Notice PIH 2012-32, REV-2]

The standard PBV regulations at 24 CFR 983.251 set out program requirements related to establishing and maintaining a voucher-wide, PBV program-wide, or site-based waiting list from which residents will be admitted. These provisions will apply unless the project is covered by a remedial order or agreement that specifies the type of waiting list and other waiting list policies.

EHA Policy.

The PHA will establish and manage separate waiting lists for individual projects or buildings that are receiving RAD PBV assistance. The PHA currently has waiting lists for the following RAD PBV projects:

Bakerview Apartments

Grandview Apartments

Pineview Apartments

The PHA will maintain the project-specific waiting list in accordance with all applicable civil rights and fair housing regulations found at 24 CFR 903.7(b)(2)(ii)-(iv). The PHA will provide applicants full information about each development, including an estimate of the wait time, location, occupancy, number and size of accessible units, and amenities like day care, security, transportation, and training programs at each development with a site-based waiting list. The system for selection will be consistent with all applicable civil rights and fair housing laws and regulations and may not be in conflict with any imposed or pending court order, settlement agreement, or complaint brought by HUD.

New policy

18-V.D. ORGANIZATION OF THE WAITING LIST [24 CFR 983.251(c); Notice PIH 2019-23]

The standard PBV regulations at 24 CFR 983.251 set out program requirements related to establishing and maintaining a voucher-wide, PBV program-wide, or site-based waiting list from which residents will be admitted. These provisions will apply unless the project is covered by a remedial order or agreement that specifies the type of waiting list and other waiting list policies. Any non-RAD PBV units located in the same project are also subject to these requirements.

PHA Policy.

The PHA will establish and manage separate waiting lists for individual projects or buildings that are receiving RAD PBV assistance. The PHA currently has waiting lists for the following RAD PBV projects:

Bakerview Apartments

Grandview Apartments

Pineview Apartments

The PHA will maintain the project-specific waiting list in accordance with all applicable civil rights and fair housing regulations found at 24 CFR 903.7(b)(2)(ii)-(iv). The PHA will provide applicants full information about each development, including an estimate of the wait time, location, occupancy, number and size of accessible units, and amenities like day care, security, transportation, and training programs at each development with a site-based waiting list. The system for selection will be consistent with all applicable civil rights and fair housing laws and regulations and may not be in conflict with any imposed or pending court order, settlement agreement, or complaint brought by HUD.

The PHA will assess any changes in racial, ethnic or disability-related tenant composition at each PHA site that may have occurred during the implementation of the site-based waiting list, based on confirmed and accurate PIC occupancy data. At least every three years, the PHA will use independent testers to assure that the site-based system is not being implemented in a discriminatory manner.

The PHA will give priority to participants moving under a VAWA emergency transfer from one PBV development to another in accordance with Section 18-VI.E.

Old Policy

EHA Policy

The PHA will provide a selection preference when required by the regulation (e.g., eligible in-place families, qualifying families for “excepted units,” persons with mobility impairments for accessible units). The following additional preferences have been established for the following projects, buildings, or sets of units:

PBVGV	Grandview Apartments	148 units	Families receiving supportive services	74 Families receiving services Preference for displaced Baker Heights residents.
PBVBV	Bakerview Apartments	151 units	Elderly/Disabled	151 Eldery/Disabled Preference for displaced Baker Heights residents.
PBVPV	Pineview Apartments	34 units	Families receiving supportive services	17 Families receiving services Preference for displaced Baker Heights residents.

New Policy

EHA Policy

The following preferences have been established for the PBV program:

PBVGV	Grandview Apartments	148 units	Families receiving supportive services	74 Families receiving services
PBVBV	Bakerview Apartments	151 units	Elderly/Disabled	151 Elderly/Disabled
PBVPV	Pineview Apartments	34 units	Families receiving supportive services	17 Families receiving services

Old Policy

Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.260 and Notice PIH 2012-32, REV-2]

All in-place tenants at the time of conversion are eligible to remain in the project. Over-housed families should be moved into appropriately sized units if such units are available in the new or rehabbed project. If appropriately sized units are not available, the existing tenants may continue to be over-housed until an appropriately sized unit becomes available or until the tenant leaves the project. Once the unit turns over, it must be leased to an appropriately sized family.

Following conversion, the standard PBV regulations apply. 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.

EHA Policy

The PHA will notify the family and the owner of the family's need to move based on the occupancy of a wrong-size or accessible unit within 10 business days of the PHA's determination. The PHA 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
- Tenant-based voucher assistance

New Policy

Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.260 and Notice PIH 2012-32, REV-2]

All in-place tenants at the time of conversion are eligible to remain in the project. Over-housed families should be moved into appropriately sized units if such units are available in the new or rehabbed project. If appropriately sized units are not available, the existing tenants may continue to be over-housed until an appropriately sized unit becomes available or until the tenant leaves the project. Once the unit turns over, it must be leased to an appropriately sized family.

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Tenant-based voucher assistance

PBV assistance in the same building or

project PBV assistance in another project

**Resolution No. 1497
Authorizing Amendment #25
to the Interagency Agreement with
Housing Hope Relating to the
Commerce Building SRO Units**

WHEREAS, the Housing Authority of the City of Everett and Housing Hope cooperated in the development of low income housing through the SRO Moderate Rehabilitation program, the result of which was to provide 29 units of SRO housing in the Commerce Building; and

WHEREAS, the Housing Assistance Contract between EHA and Housing Hope for the Commerce Building is a contract that must be renewed annually; and

WHEREAS, the Housing Authority and Housing Hope desire to renew the HAP contracts for the SRO Moderate Rehabilitation program; and

WHEREAS, under the regulations of the Moderate Rehabilitation program, the Authority is responsible for the creation and maintenance of the waiting list and for determining income and rents for selected tenants; and

WHEREAS, the Authority and Housing Hope desire to amend their existing Interagency Agreement through which Housing Hope serves as the Authority's agent in carrying out certain functions and will be compensated for such services.

NOW THEREFORE, BE IT RESOLVED by the Housing Authority of the City of Everett:

Section 1: The Executive Director is hereby authorized to execute Amendment No. 25 to the Interagency Agreement between Housing Hope and the Authority (Exhibit A) to provide for the Authority to compensate Housing Hope an amount not to exceed \$12,550.00 for services to be provided during the HAP contract period from October 1, 2020 through September 30, 2021.

Section 2: The Resolution shall take effect immediately.

Adopted by the Board of Commissioners of the Housing Authority of the City of Everett this 24th day of August, 2020.

Chair, Board of Commissioners

ATTEST:

Secretary

Amendment No. 25
Interagency Agreement Between
Housing Hope
And
The Everett Housing Authority

This Amendment No. 25 amends that Interagency Agreement between Housing Hope and the Everett Housing Authority dated July 7, 1995, as previously amended by:

Amendment	Dated
No. 1	June 10, 1996
No.2	November 7, 1997
No. 3	June 29, 1998
No. 4	June 28, 1999
No. 5	August 28, 2000
No. 6	June 29, 2001
No. 7	August 30, 2002
No. 8	August 26, 2003
No. 9	July 12, 2004
No. 10	July 25, 2005
No. 11	May 21, 2006
No. 12	December 4, 2007
No. 13	August 8, 2008
No. 14	July 2, 2009
No. 15	September 27, 2010
No. 16	August 30, 2011
No. 17	August 27, 2012
No. 18	September 4, 2013
No. 19	August 25, 2014
No. 20	August 24, 2015
No. 21	August 22, 2016
No. 22	August 28, 2017
No. 23	August 27, 2018
No. 24	August 26, 2019

And in so doing, thereby provides:

1. For Services to be provided for the period of October 1, 2020 through September 30, 2021 the Authority shall pay Agent costs incurred directly related to the management of the Commerce Building low income housing apartments in the amount not exceeding \$12,550.00.

2. All other provisions of the Interagency Agreement remain.

Housing Authority of the City of Everett

By: _____
Ashley Lommers-Johnson, Executive Director

Date

Housing Hope

By: _____
Fred Safstrom, CEO

Date

TO: Board of Commissioners
FROM: Donelle Kienholz, Family Services Program Manager
RE: Re-approval of Family Self Sufficiency (FSS) Action Plan
DATE: August 14, 2020

On March 25, 2020, the Board approved a new Family Self-Sufficiency Program Policy-Action Plan. This policy document has since been amended at the direction of the HUD Seattle Regional Office. Portfolio Management Specialists Ann Becker and Brandon Lachman discovered a few missing elements, such as resident demographics and program history, that were inadvertently missed when we prepared the original version. The FSS Plan has been amended to add these items.

In addition, we were asked to provide more robust information that aligns with all FSS programs around the United States in the areas of: services we provide in consultation with our Program Coordinating Committee, who we partner with in the community, how a participant exits the program, and grievance procedures. The FSS Plan has been amended to include this information.

HUD Seattle Regional Office Division Director Julia Foss approved the revised FSS Action Plan on June 25, 2020 and requested that it also be presented to EHA's Board of Commissioners for approval. The exhibit to Resolution No. 1498 highlights language that was added to the Plan. Thank you.

Recommended Action: Adopt Resolution No. 1498 Revising EHA's Family Self Sufficiency Program Policy-Action Plan.

Resolution No. 1498

Approving Revisions to Everett Housing Authority’s Family Self-Sufficiency Program Policy-Action Plan

WHEREAS, the Board of Commissioners of the Housing Authority of the City of Everett (“EHA”) previously adopted an updated policy for the administration of EHA’s Family Self-Sufficiency program, the Family Self-Sufficiency Program Policy-Action Plan (“FSS Plan”); and

WHEREAS, following a review of the Board-adopted FSS Plan, the local office of the federal Department of Housing and Urban Development (“HUD”) indicated that this policy document required revision in order to ensure regulatory compliance and consistency with HUD’s national standard for FSS Plans; and

WHEREAS, the required revisions to the FSS Plan are substantively limited to amending certain sections to further clarify the scope of EHA’s FSS program and the demographics of the populations it serves; and

WHEREAS, HUD’s local office has reviewed and approved the revised FSS Plan and is also requesting that EHA’s Board of Commissioners approve this policy document;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF EVERETT:

Section 1: That revisions to the FSS Program Policy-Action Plan, as indicated by the highlighted sections of the Attached Exhibit A, are hereby approved.

Section 2: The Resolution shall take effect immediately.

Adopted by the Board of Commissioners of the Housing Authority of the City of Everett, Washington, this 24th day of August, 2020.

Chair, Board of Commissioners

Attest:

Secretary

TABLE OF CONTENTS

- I. Program Mission**
- II. Program Size & Demographics**
- III. Program Selection**
- IV. Program Eligibility**
- V. Outreach & Recruitment**
- VI. Program Coordinating Committee (PCC) & Community Partnerships**
- VII. Activities & Support Services**
- VIII. Annual Re-Examination**
- IX. Application Process & Identification of Family Needs**
- X. Contract of Participation (form HUD-52650)**
 - i. Individual Training & Service Plan
 - ii. Program Enrollment
 - iii. Contract Extension
- XI. Completion of Contract**
 - i. Graduation
 - ii. Termination & Non-Compliance
- XII. Grievance Procedure**
- XIII. Escrow Accounts**
- XIV. Interim Disbursements**
- XV. Moving to another Jurisdiction or Porting**
- XVI. Right to Include Addenda**

This action plan outlines the major components of the Everett Housing Authority's existing FSS program and details how we manage the program. We serve a diverse population in need of access to programs, services, and opportunities that promote economic independence, help families gain and maintain employment, and provide homeownership preparation if they desire. The Everett Housing Authority FSS program provides services to eligible families who are currently receiving housing assistance through the EHA.

I. Program Mission

Our mission is to empower and transition Everett Housing Authority (EHA) families toward economic independence with the life skills and resiliency tools necessary for self-sufficiency. We will achieve this through community partnerships, education, employment, and referrals to meet the goals and needs of our FSS participants.

II. Program Size & Demographics

The EHA established a mandatory FSS program in 1999. In 2008, the EHA converted to a voluntary FSS program and has operated continually.

The EHA serves a diverse population in need of access to programs, services, and opportunities that promote economic independence, help families gain and maintain employment, and provide homeownership preparation activities. The FSS program provides services to eligible families who are currently receiving housing assistance through the EHA's Section 8 programs, as per HUD guidelines.

The EHA FSS program will serve a minimum of 50 families, or 25 per FSS Coordinator. Enrollment in the program will be ongoing, with no cap on enrollment, pending available resources. Residents who do not wish to participate in the FSS program will not lose their housing assistance because of this decision. Once a minimum of 50 families are enrolled, or 25 per FSS Coordinator, a waitlist will be kept by date of inquiry unless the FSS Coordinator has the capacity to expand their caseload immediately.

Housing Choice Voucher Demographics – Head of Household as of 4/24/2020

2,266 TOTAL HOUSEHOLDS	Number	Percentage
Single Person Household	1033	46%
Female Head of Household	1613	71%
Male Head of Household	653	29%
Average Age of HOH = 54		
RACE	HOH Male/% of Total Households	HOH Female/% of Total Households
White	515 / 22%	1294 / 57%
Black/African American	76 / 3%	173 / 8%
Asian	32 / 1%	54 / 2%
American Indian or Alaska Native	5 / .2%	22 / 1%
Native Hawaiian/Other Pacific Islander	14 / .5%	18 / .8%
All Other	11 / .4%	49 / 2%
ETHNICITY	Number	Percentage
Hispanic or Latino	137	6%
Not Hispanic or Latino	2159	94%
ELDERLY / DISABILITY	Number	Percentage
Elderly Head of Household	598	26%
Head of Household A Person with a Disability	1151	51%
HOUSEHOLD AVERAGE INCOME	Male HOH: \$18,519	Female HOH: \$14,927

Project Based Demographics – Head of Household as of 4/24/2020

TOTAL HOUSEHOLDS	Number	Percentage
Single Person Household	429	19%
Female Head of Household	488	22%
Male Head of Household	306	14%
Average Age of HOH = 56		
RACE	HOH Male/% of Total Households	HOH Female/% of Total Households
White	227 / 10%	366 / 16%
Black/African American	25 / 1%	27 / 1%
Asian	28 / 1%	51 / 2%
American Indian or Alaska Native	4 / .1%	7 / .3%
Native Hawaiian/Other Pacific Islander	12 / 1%	20 / 1%
All Other	10 / .4%	17 / 1%
ETHNICITY	Number	Percentage
Hispanic or Latino	54	2%
Not Hispanic or Latino	740	33%
ELDERLY / DISABILITY	Number	Percentage
Elderly Head of Household	297	13%
Head of Household A Person with a Disability	406	18%
HOUSEHOLD AVERAGE INCOME	Male HOH: \$15,482	Female HOH: \$15,421

III. Program Selection

The FSS program is a voluntary program available to eligible residents who are willing and able to work and are motivated to achieve their financial goals. Participation in the FSS program shall be open to all eligible residents, subject to availability of FSS slots. Residents may self-refer or be referred by housing staff, other FSS participants, or community partners. The initial term of the Contract of Participation is 5 years with extensions up to 2 additional years (see section IX, ii. for more information).

The Everett Housing Authority will utilize motivational screening as a tool to determine selection. A combination of the following pre-enrollment activities will be used:

- Attendance at an FSS orientation session.
- Pre-enrollment application.

- Pre-enrollment interview with the FSS Coordinator which includes a financial health assessment and budget questionnaire.
- Other tasks such as: writing financial goals, contacting a job training or education program or obtaining credit report to measure motivation only.

IV. Program Eligibility

Determination of eligibility shall be on a uniform, nondiscriminatory basis with respect to race, color, sex, religion, familial status, disability or national origin. (CFR 984.201)

The EHA will select participants in a fair and unbiased manner based on the following criteria:

- a) Motivation and readiness to participate in the program.
- b) Current participation in the EHA's Section 8 HCV or PBV housing program.
- c) In good standing with EHA – this means they do not owe the EHA money and is compliant with their lease/contract agreements.
- d) Willing and able to work.
- e) Motivated to work toward financial goals.
- f) Willing to communicate and meet with FSS program staff on a pre-determined regular basis during term of participation.
- g) Successful completion of pre-enrollment activities and attendance at an appointment with FSS program staff to identify individual financial goals and action steps to success.

The EHA reserves the right to refuse participation of any applicant.

V. Outreach & Recruitment

Our main effort will consist of an FSS information sheet or brochure that will be provided in a variety of ways including but not limited to, displayed in the lobby of the main EHA office, provided in move-in and/or briefing packets, group orientations, community gatherings, and EHA staff or resident referrals. FSS program information is always available on the EHA website. The FSS program staff also participates in a variety of community public venues to educate and promote the FSS program. In addition, there may be an occasional mass mailing to all EHA Section 8 HCV and PBV residents.

Contact information for the FSS Program Coordinator/s is included on the EHA website and all handouts. Information sheets, brochures or letters are presented or sent without regard to familial status.

Outreach is important to ensure all possible participants have information about the program, however, this is a self-selected program and requires dedication and motivation to reach self-sufficiency. Enrollment will reflect motivated, eligible participants.

VI. Program Coordinating Committee (PCC) & Community Partnerships

The EHA will establish partnerships with organizations that specialize in providing career development programs, financial literacy and first-time home buyer education. Some of our partners will include, but are not limited to: Workforce Snohomish, WorkSource, Goodwill Industries, Everett Community College, College of Hope, Boys and Girls Club, DSHS, local employers, etc.

These same partnerships will comprise our PCC. This committee, including an FSS participant will meet regularly with FSS program staff to help the EHA identify, access, and optimize community resources and services that promote economic independence. These partners will also help evaluate program progress, address barriers or challenges, and celebrate successes.

VII. Activities and Supportive Services

In accordance with §984.201(b), the EHA coordinates activities and supportive services in consultation with our Program Coordinating Committee, 3 EHA representatives, and a Section 8 FSS participant.

We have identified the following as best practices for our program and will continue to evolve or develop these as our PCC identifies new public and private programs and/or resources in our community.

Participants will work with their FSS Program Coordinator to identify goals to work towards economic independence and self-sufficiency. Participants will take part in community, online or on-site classes or workshops on topics that align with the participants Individual Training & Service Plan (ITSP) as outlined together with the FSS Program Coordinator. Topics may include: Budgeting & Savings, Credit & Debt Management, Home Ownership, Job Skill Development, Education & Training, Interview Skills & Resume Building, and Job Retention & Income Progression Skills. These classes or workshops help participants establish financial skills, confidence, aspirations, and practices that are predictive of future financial well-being. We will set up partnerships and coordinate with the JOBS and JTPA programs through local resources such as WorkSource, WorkFirst (WIOA Programs) and other career counseling and employment programs such as College of Hope, Goodwill Training Center, and Everett & Edmonds Community Colleges to avoid duplication of services.

The initial enrollment meeting marks the beginning of the financial coaching/counseling component of the FSS program. At this meeting, the FSS Coordinator works with clients to create a comprehensive financial profile, including educational and employment background, credit and debt analysis, current financial practices, savings goals, and perceived obstacles to achieving their goals. Throughout the program, the FSS Coordinator continues to provide ongoing, customized financial coaching/counseling for all FSS clients to help them reach benchmark targets in: (1) income and employment; (2) credit and debt; (3) savings; (4) utilization of high quality financial services. Moreover, the FSS Coordinator will focus on helping FSS clients optimize escrow funds toward financial security and asset development

goals, including post-secondary education, small business development, homeownership, and credit improvement.

Additionally, the EHA will support FSS participants to connect with critically important supportive services and resources such as: Child Care, Transportation, Personal Welfare, Household Skills, Stable Housing, and Life Skills, etc. These supports are essential factors for helping participants reduce or eliminate barriers and support their ability to remain in the program and achieve long term success. Participants will make monthly contact with the FSS Program Coordinator who will provide support, encouragement and accountability.

Employment Obligations:

The Head of Household of the FSS enrolled family is required to seek and maintain suitable employment throughout the term of the contract. Suitable employment must remain the focused goal throughout the contract and is required for successful graduation. We encourage employment that exceeds minimum wage unless there are opportunities for advancement and future earnings growth.

Actions that meet the “seek employment” requirement are:

- a) Applying for employment.
- b) Attending job interviews.
- c) Maintaining and submitting a job search log to the FSS Program Coordinator.
- d) Enrolling or enrolled in college, technical or other training program to enhance employment options.
- e) Enrolled in college, technical or other training program part-time while maintaining part-time employment.

The Housing Authority has the ultimate responsibility in determining whether the employment obtained by the head of the family is suitable.

This determination is reached through consideration of the following criteria:

- Conversation with the head of household;
- Efforts of the head of household;
- The head of household’s skills, education level, job training, and availability of employment in the area.

VII. Annual Review

HUD requires the update of a participants file at least once a year. FSS annual reviews are completed to update the client’s progress and gather data to report to HUD on the effectiveness of the FSS program. At each annual review, the FSS Program Coordinator will determine whether the family is on track with their goals, and whether employment and reporting requirements have been met. Participant will be notified by letter and/or email of the upcoming review date and time and any required documentation.

A minimum of these areas will be covered at the Annual Review:

- a) Review original application, ITSP, last annual review, and latest quarterly report.
- b) Review escrow account and provide a report to participant.
- c) Review previous financial assessments, credit scores and/or credit reports.
- d) Complete any new paperwork or financial health assessments.
- e) Determine if the participant is progressing and complying with program requirements.
- f) Provide completed and signed annual review to participant.

The participant or the FSS Program Coordinator may request an interim review at any time.

VIII. Application Process & Identification of Family Needs

Once an outside or self-referral is made to the FSS Program Coordinator, the potential applicant will be contacted either by phone, email or U.S. mail to establish interest. If initial eligibility is established and spots are available in the program, the client will be asked to complete the following minimum pre-enrollment items:

- Pre-enrollment application
- Financial health assessment
- Budget questionnaire

If the items above are completed in a timely manner and continued motivation is established, a one-on-one meeting will be set to review the pre-enrollment items and conduct an Intake & Needs Assessment to further understand the resident's strengths, needs and goals. Based on this information, the resident and the FSS Program Coordinator will begin developing the Individual Training and Service Plan (ITSP) which will outline each of the resident's goals and an action plan for attaining them as required by the FSS Contract of Participation (COP).

As the resident continues to demonstrate motivation to participate in the program, the following items will be completed to prepare for FSS program enrollment:

- a) Review expectations for successful completion of the program (ongoing communication, classes/workshops, program reporting, employment search, etc.).
- b) Complete any necessary Release of Information Authorization forms.
- c) Review compliance with mandatory reporting laws (child and vulnerable adult abuse).
- d) Review requirement for household to remain in good standing with the Everett Housing Authority and their lease/contractual agreement.

- e) Review requirement for all household members to be TANF/Welfare Assistance independent for 12 consecutive months prior to graduation or contract expiration.

IX. Contract of Participation (CFR 984.303):

i. Individual Training & Service Plan

The ITSP is a required component of the Contract of Participation (COP). An ITSP is prepared by the EHA FSS Program Coordinator in consultation with the Head of Household (and each adult member of the FSS family who elects to participate).

The ITSP establishes specific interim and final goals by which the Housing Authority, and the family, may measure the family's progress toward fulfilling its obligations under the COP, and becoming self-sufficient. For each participating FSS family, the Housing Authority must establish as an interim goal that the family become independent from TANF welfare assistance and remain independent from welfare assistance at least 12 consecutive months before the expiration of the term of the contract of participation, including any extension thereof.

The ITSP is signed by the EHA and participating HOH and is attached to and incorporated as part of the COP. Any and all changes made to the ITSP must be signed and dated by the HOH and EHA program staff.

The ITSP sets forth:

- 1) Employment goals for the HOH.
- 2) The supportive services to be provided.
- 3) The activities and tasks to be completed by the HOH.
- 4) Milestones to measure the progress toward the employment goal.
- 5) The agreed upon completion dates to obtain the services and complete interim activities.
- 6) Required communication, reports, tasks, and meetings for the participant to comply with. (e.g.: monthly phone call or email, bi-annual progress reports, in-person annual review)

Mandatory ITSP interim goal:

- 7) Independent from cash assistance from TANF welfare assistance for at least 12 consecutive months prior to graduation, expiration of contract, including any extension thereof.

Mandatory ITSP final goal:

- 8) The FSS participating HOH will obtain and maintain suitable employment.

ii. Program Enrollment

Once an eligible family is selected to participate in the program, the FSS Program Coordinator, and the HOH will execute an FSS COP that specifies the rights and responsibilities of both parties. The COP must be signed by the HOH. The HOH and the signatory on the COP must be the same person. Any other interested adult household members may participate in the program by completing an ITSP.

The effective date of the FSS contract is the first day of the month following the date the contract was signed by the family and the EHA representative. The initial term of the COP is 5 years with an option to extend up to two additional years for a total of 7 years, not to exceed 84 months (see section IX, iii. for more information).

The annual income, earned income, and family rent entered into the COP are taken from the last re-examination or interim before the family's participation in FSS.

The Contract of Participation must contain the following information:

- 1) Gross annual income*
**The household income for all household members 18 years or older is used to determine gross income, earned income, and monthly adjusted income.*
- 2) The amount of earned income in the gross annual income.
- 3) Family rent (TTP or 30% of monthly adjusted income for vouchers).
- 4) Signature of Head of Household and date.
- 5) Signature of Everett Housing Authority official and date (this is usually the FSS Program Coordinator).

iii. Contract Extension

The initial term of the COP is 5 years with an option to extend up to two additional years for a total of 7 years, not to exceed 84 months.

A contract extension must be requested in writing by the FSS participant and the EHA must find that good cause exists for granting the extension. The family's written request for an extension must include a description of the need for the extension and may require documentation. "Good cause" means circumstances beyond the control of the FSS family, as determined by the EHA, such as a serious illness or involuntary loss of employment (§ 984.303).

Extension of the COP will entitle the FSS family to continue to have amounts credited to the family's FSS escrow account (if the family is currently escrowing). Extensions are not granted to

accrue additional escrow earnings only. In addition, an extension is granted only for the timeframe needed to complete the ITSP up to two years or 84 months.

X. Completion of Contract

i. Graduation

In order to graduate from the FSS program and receive a final disbursement of accumulated escrow funds, participants must meet the following requirements:

- a) Participant completed all obligations under the COP and the goals outlined on the ITSP within the contract period.
- b) Participant submits written certification that no member of the household is receiving or has received TANF/cash welfare assistance for the past 12 consecutive months.
- c) Participant (HOH) is suitably employed.
- d) All members of the household are in compliance with all EHA programs such as but not limited to, Section 8 leases, agreements or contracts.

Graduation must occur when 30% of the family's monthly adjusted income equals or exceeds the Fair Market Rent (FMR) for the size unit for which the family qualifies (voucher size in the Section 8 voucher program). This occurs whether goals have been completed or not or whether the contract has expired or not. The EHA will determine if participant is eligible for disbursement of accumulated escrow funds.

If there are changes to the HOH during the term of the contract, this can be made as an attachment to the original contract. Changes related to the HOH must be signed by all participating adult household members and FSS Program staff.

The family does not have to be free of housing assistance to have completed the contract and be eligible to graduate.

ii. Termination & Non-Compliance

The following describes circumstances under which the COP can be terminated by the Everett Housing Authority or the participant. The EHA must give notice of termination to the HOH. The notice must state the reasons for the EHA decision to terminate or nullify the contract.

No future participation in the FSS program by the client will be permitted if the client is terminated for program violations (FSS, HCV, PBV) or if the client withdraws voluntarily because they are no longer interested. Future re-enrollment may be available at the EHA's discretion if the client was unable to participate due to an unexpected health issue or family

related barrier beyond their control. This provision does not include previous participants who graduated the program early.

EHA will work with clients at every stage of the process to address the challenges and barriers that might inhibit their participation and success in the program until all means of support are exhausted. If an FSS participant is terminated, the EHA will have no further obligation to provide supportive services or resources to the family. The EHA may at any time terminate program assistance for a participant because of any of the actions or inactions by the household.

Termination, which will result in the loss of the participants accumulated escrow funds, is a decision made by the EHA for a defined set of reasons listed below:

- a) The family voluntarily withdraws from the program.
- b) The family fails to make ongoing progress under the ITSP target timelines.
- c) The family has not fulfilled its obligations under the ITSP within 5 years or agreed upon extension date.
- d) Failure for all household members to become TANF/Welfare free for at least the last 12 consecutive months of the contract, or prior to graduation.
- e) Failure of the head of household to seek and maintain employment or remaining unemployed during the contracts term.
- f) Failure to comply with the housing authority regulations including, but not limited to the terms of the lease, tax credit, and/or Section 8 requirements.
- g) The Everett Housing Authority declares the contract null and void because the resources and services necessary to complete the contract are not available.
- h) The family moves outside the EHA jurisdiction.
- i) The family is no longer participating in the EHA Section 8 HCV or PBV program.

Termination from the FSS Program will not result in a termination of housing assistance from the EHA.

For clients at risk of termination, the FSS Coordinator will make every effort to reach the client by telephone, email and will send a series of 3 notices over 30 days via U.S. Mail outlining how or why they are non-compliant including required response dates and noting eventual termination if client remains unresponsive.

Prior to final termination, the FSS Coordinator will review the situation with the Family Service Program Manager to ensure all efforts have been made to support the client and provide a clear path to become compliant with the program. If these tactics are unsuccessful, the participant will

be terminated from the program and the reason for termination will be documented in the Final Notice to Terminate (3rd written notice) and placed in the client's paper and/or electronic file.

The Final Termination Notice will also outline the grievance procedure.

XI. Grievance Procedure

If the EHA terminates an FSS Contract of Participation and withholds any accrued escrow, the family may submit a written grievance and request an informal hearing. The FSS participant must request an informal hearing by making written request within 10 days of their Final Notice to Terminate.

If an informal hearing is requested, it will be held within 10 days of the written request or may be held on the same day the grievance and informal hearing request are made.

A final decision will be rendered within 10 business days and written notice will be sent to the client.

XII. Escrow Accounts

The FSS escrow account is an account maintained by the Everett Housing Authority that grows as the earnings of the FSS participant increases. Deposits to the FSS escrow account occur when the household earnings of an FSS participant increase and lead to an increase in rent. The family can begin earning escrow after their COP is effective and funding is available to establish or maintain deposits in escrow accounts. The EHA will administer, maintain, and oversee escrow accounts in accordance with 24 C.F.R. §984.305 regulations, for all FSS participants.

The FSS escrow account serves two main purposes:

- 1) A financial incentive to encourage the FSS participant to increase their earnings.
- 2) A unique opportunity for the FSS participant to build substantial savings.

The family is entitled to receive the escrowed funds, minus any funds owed to the housing authority upon successful graduation from the FSS program. Escrow will cease when income limits are met.

If the contract is terminated or declared null and void, the family has no right to receive funds from the participant's escrow account. The HA must close the participant escrow account and may use the funds for purposes in accordance with HUD requirements.

Non-payment of rent or money owed to the EHA will result in the forfeiture of escrow credit and can be cause for termination.

Funds held in the escrow account and escrow funds that are distributed to the participant are not subject to federal taxation.

Interim Withdrawal

The FSS participant may request an interim withdrawal of escrowed funds to meet or further their progress toward the goals outlined in their COP/ITSP. Escrowed funds do not belong to the participant until they have fully completed FSS program requirements. Therefore, interim withdrawals must be pre-approved before any funds can be disbursed. The participant and FSS Program Coordinator will work together to determine whether taking an interim withdrawal is the best use of the escrow funds in reaching their ITSP goals. Other options such as a tax refund, small business loan, enrolling in a student loan forgiveness program, etc. may be a better option.

An interim withdrawal may be requested in writing under the following conditions:

- a) Participant is in good standing with the FSS program.
- b) Participant must be enrolled for at least 12 months before being eligible to request an interim withdrawal.
- c) There is a limit of 2 interim withdrawals during the entire contract period.
- d) The amount of funds will not exceed 50% of the accumulated escrow funds at the time of request, but in no event exceed the actual amount required to meet the need identified.

If aligned with ITSP goals, interim disbursements can be used for: Credit & debt, education, vehicle-related expense, small business development, and homeownership. Participant will fill out an Interim Withdrawal Request Form and provide requested documentation to support need.

Withdrawal payments will be issued in the form of a check made payable to the vendor. After the check has been issued, the participant has 90 days from the check date to submit documentation to FSS program staff that the funds were used towards their intended use. Acceptable documentation includes receipts, account statement reflecting the change, a letter of acknowledgement from the creditor, or other written confirmation.

XIII. Moving to another Jurisdiction or Porting

Portability or relocation out of EHA:

Any participating FSS participant who is relocating (porting), may continue in the FSS program of the EHA if the receiving housing authority does not have an FSS program or does not have available slots. The relocating participant must demonstrate to the satisfaction of the EHA notwithstanding the move, they will be able to fulfill its responsibilities under the initial or modified contract in their new place of residence.

IF the family demonstrates they are unable to fulfill their obligations in their new location, are not making progress on their ITSP goals or become out of compliance with other requirements, the family may be terminated and will forfeit any accrued escrow funds.

If the relocating family remains in the FSS program of the EHA, there will only be one contract of participation, which shall be the contract executed by the EHA.

Portability or relocation to EHA:

A relocating FSS family from another Housing Authority (HA) may participate in the FSS program of the EHA if the EHA has available slots and allows the family to participate in its program. EHA is not obligated to enroll a relocating FSS family into its FSS program. If EHA accepts the relocating family into their program, a new contract will be drawn up and signed with EHA and the family members for the remaining allotted term with the original or initiating housing authority. The initial housing authority will terminate its contract of participation with the FSS family if EHA accepts them into the FSS program.

Regardless of whether the relocating FSS family remains in the FSS program of the initial HA or is enrolled in the FSS program of the receiving HA, there will be a single FSS escrow account which will be maintained by the initial HA. When an FSS family is absorbed by the receiving housing authority, the initial HA will transfer the family's FSS account to the receiving HA.

XVI. Right to Include Addenda

The Everett Housing Authority's FSS program reserves the right to include addenda to this Action Plan as situations, regulations, and funding sources change, but such changes will be made in compliance with HUD regulations.