

## **HOUSING CHOICE VOUCHER PROGRAM (HCVP) ADMINISTRATIVE PLAN TABLE OF CONTENTS**

---

<b>INTRODUCTION.....</b>	<b>5</b>
<b>1.0 EQUAL OPPORTUNITY 24 CFR 982.53.....</b>	<b>5</b>
1.1 FAIR HOUSING .....	5
1.2 REASONABLE ACCOMODATION 24 CFR 100.204 .....	6
1.3 SERVICES FOR NON-ENGLISH SPEAKING APPLICANTS AND PARTICIPANTS 6	
1.4 HOUSEHOLD/OWNER OUTREACH .....	6
1.5 RIGHT TO PRIVACY 24 CFR 5.212.....	7
1.6 REQUIRED AVAILABILITY OF INFORMATION .....	7
<b>2.0 IOWA CITY HOUSING AUTHORITY/OWNER RESPONSIBILITIES/OBLIGATIONS OF THE HOUSEHOLD.....</b>	<b>8</b>
2.1 IOWA CITY HOUSING AUTHORITY RESPONSIBILITIES.....	8
2.2 OWNER RESPONSIBILITIES 24 CFR 982.452 .....	10
2.3 OBLIGATIONS OF THE PARTICIPANT 24 CFR 982.551 .....	11
<b>3.0 ELIGIBILITY FOR ADMISSION .....</b>	<b>14</b>
3.1 INTRODUCTION .....	14
3.2 ELIGIBILITY CRITERIA .....	14
<b>4.0 APPLICATION AND WAITING LIST PROCESS.....</b>	<b>18</b>
4.1 OPENING AND CLOSING THE WAITING LIST .....	18
4.2 ACCEPTING AND PROCESSING APPLICATIONS 24 CFR 982.202.....	18
4.3 ORGANIZATION OF THE WAITING LIST 24 CFR 982.204(B) .....	19
4.4 FAMILIES NEARING THE TOP OF THE WAITING LIST .....	19
4.5 MISSED APPOINTMENTS .....	20
4.6 PURGING THE WAITING LIST .....	20
4.7 REMOVAL OF APPLICANTS FROM THE WAITING LIST 24 CFR 982.204(C) ....	20
4.8 HCVP TENANT SELECTION CRITERIA (24CFR 982.552 & 982.553) .....	20
4.9 NOTIFICATION OF NEGATIVE ACTIONS .....	25
4.10 INFORMAL REVIEW .....	25
<b>5.0 SELECTING FAMILIES FROM THE WAITING LIST.....</b>	<b>26</b>
5.1 WAITING LIST ADMISSIONS AND SPECIAL ADMISSIONS 24 CFR 982.203 AND .204	26
5.2.1 PREFERENCES 24 CFR 982.207 .....	26
5.2.2 TARGETED PREFERENCES:.....	27

5.3	SELECTION FROM THE WAITING LIST 24 CFR 982.204.....	27
<b>6.0</b>	<b>ASSIGNMENT OF BEDROOM SIZES (SUBSIDY STANDARDS) 24 CFR 982.402</b>	<b>27</b>
6.1	BRIEFING 24 CFR 982.301(A).....	29
6.2	BRIEFING PACKET 24 CFR 982.301 (B) .....	30
6.3	ISSUANCE OF VOUCHER: REQUEST FOR TENANCY APPROVAL (RFTA) .....	32
6.4	TERM OF THE VOUCHER 24 CFR 982.303 .....	32
6.5	APPROVAL TO LEASE A UNIT 24 CFR 982.305 .....	33
6.6	IOWA CITY HOUSING AUTHORITY DISAPPROVAL OF OWNER .....	34
6.7	SPECIAL HOUSING TYPES.....	34
6.8	SECURITY DEPOSIT 24 CFR 982.313.....	35
<b>7.0</b>	<b>MOVES WITH CONTINUED ASSISTANCE 24 CFR 982.314.....</b>	<b>35</b>
7.1	PROCEDURES REGARDING HOUSEHOLD MOVES 24 CFR 982.314.....	36
<b>8.0</b>	<b>PORTABILITY 24 CFR 982.353 .....</b>	<b>36</b>
8.1	GENERAL POLICIES OF THE ICHA .....	36
8.2	INCOME ELIGIBILITY.....	37
8.3	PORTABILITY: ADMINISTRATION BY RECEIVING HOUSING AUTHORITY ..	37
8.4	PORTABILITY PROCEDURES .....	37
<b>9.0</b>	<b>DETERMINATION OF FAMILY INCOME 24 CFR 5.609 AND .611.....</b>	<b>40</b>
9.1	INCOME, EXCLUSIONS FROM INCOME, DEDUCTIONS FROM INCOME.....	40
9.2	INCOME 24 CFR 5.609 .....	40
9.3	EXCLUSIONS FROM INCOME 24 CFR 5.609(C) .....	41
9.4	DEDUCTIONS FROM ANNUAL INCOME 24 CFR 5.611 .....	42
<b>10.0</b>	<b>VERIFICATION 24 CFR PART 5, SUBPART B.....</b>	<b>42</b>
10.1	ACCEPTABLE METHODS OF VERIFICATION.....	43
10.2	TYPES OF VERIFICATION .....	43
10.3	VERIFICATION OF CITIZENSHIP OR ELIGIBLE NONCITIZEN STATUS.....	48
10.4	VERIFICATION OF SOCIAL SECURITY NUMBERS 24 CFR 5.216.....	49
10.5	TIMING OF VERIFICATION .....	49
10.6	FREQUENCY OF OBTAINING VERIFICATION.....	49
<b>11.0</b>	<b>RENT AND HOUSING ASSISTANCE PAYMENT .....</b>	<b>50</b>
11.1	RENT REASONABLENESS 24 CFR 982.507 (A) .....	50
11.2	COMPARABILITY 24 CFR 982.507 (B) AND 3507 (C) .....	50
11.3	MAXIMUM SUBSIDY 24 CFR 982.508 .....	50
11.3.1	SETTING THE PAYMENT STANDARD .....	51
11.3.3	AREA EXCEPTION RENTS.....	52
11.4	ASSISTANCE AND RENT FORMULAS 24 CFR 982.505 .....	52

11.5	UTILITY ALLOWANCE 24 CFR 982.517 .....	55
11.6	DISTRIBUTION OF HOUSING ASSISTANCE PAYMENT 24 CFR 982.514.....	56
11.7	CHANGE OF OWNERSHIP.....	56
<b>12.0</b>	<b>INSPECTION POLICIES, HOUSING QUALITY STANDARDS 24 CFR 982.405</b>	<b>56</b>
12.1	HOUSING QUALITY STANDARDS (HQS) 24 CFR 982.401 .....	57
<b>13.0</b>	<b>RECERTIFICATION .....</b>	<b>57</b>
13.1	ANNUAL REEXAMINATION 24 CFR 982.516.....	57
13.1.1	EFFECTIVE DATE OF RENT CHANGES FOR ANNUAL REEXAMINATIONS	58
13.1.2	MISSING PAPERWORK.....	58
13.2	INTERIM REEXAMINATIONS .....	58
13.2.1	SPECIAL REEXAMINATIONS .....	60
13.2.2	EFFECTIVE DATE OF RENT CHANGES DUE TO INTERIM OR SPECIAL REEXAMINATIONS.....	61
<b>14.0</b>	<b>HCVP TENANT TERMINATION CRITERIA (24CFR 982.552 &amp; 982.553).....</b>	<b>61</b>
<b>15.0</b>	<b>PENALTIES, COMPLAINTS, INFORMAL REVIEWS FOR APPLICANTS, INFORMAL HEARINGS FOR PARTICIPANTS.....</b>	<b>67</b>
15.1	PENALTIES.....	67
15.2	COMPLAINTS.....	67
15.3	INFORMAL REVIEW FOR THE APPLICANT 24 CFR 982.554 .....	67
15.4	INFORMAL HEARINGS FOR PARTICIPANTS 24 CFR 982.555 .....	69
<b>16.0</b>	<b>REPAYMENT AGREEMENTS 24 CFR 982.552 (C) (1) (VII) .....</b>	<b>74</b>
<b>17.0</b>	<b>PROJECT-BASED VOUCHERS.....</b>	<b>74</b>
<b>PART I:</b>	<b>GENERAL REQUIREMENTS .....</b>	<b>75</b>
<b>PART II:</b>	<b>PBV OWNER PROPOSALS.....</b>	<b>78</b>
<b>PART III:</b>	<b>DWELLING UNITS.....</b>	<b>87</b>
<b>PART IV:</b>	<b>REHABILITATED AND NEWLY CONSTRUCTED UNITS .....</b>	<b>90</b>
<b>PART V:</b>	<b>HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP).....</b>	<b>93</b>
<b>PART VI:</b>	<b>SELECTION OF PBV PROGRAM PARTICIPANTS.....</b>	<b>99</b>
<b>PART VII:</b>	<b>OCCUPANCY.....</b>	<b>105</b>
<b>PART VIII:</b>	<b>DETERMINING RENT TO OWNER.....</b>	<b>113</b>
<b>PART IX:</b>	<b>PAYMENTS TO OWNER.....</b>	<b>119</b>
<b>18.0</b>	<b>RENTING TO FAMILY MEMBERS 982.306 (D).....</b>	<b>122</b>
<b>19.</b>	<b>HOMEOWNERSHIP 24 CFR 982.625-641 .....</b>	<b>122</b>

19.1. GENERAL PROVISIONS: .....	122
19.2 QUALIFICATIONS FOR PARTICIPATION: .....	123
19.3 TIME FRAME FOR UTILIZATION: .....	125
19.4 CONTRACT FOR SALE AND INSPECTION REQUIREMENTS: .....	125
19.5 FINANCING: .....	126
19.6 FAILURE TO COMPLETE PURCHASE: .....	126
19.7 HOMEOWNERSHIP ASSISTANCE PAYMENTS: .....	127
19.8 HOMEOWNER OBLIGATIONS: .....	128
19.9 DEFAULTS: .....	130
19.10 WAIVER: .....	130
<b>20.0 ELIGIBILITY OF STUDENTS FOR ASSISTED HOUSING UNDER HCVP OF THE U.S. HOUSING ACT OF 1937: .....</b>	<b>130</b>
20.1 INCOME FACTORS: .....	131
<b>21.0 VISITORS .....</b>	<b>131</b>
<b>GLOSSARY .....</b>	<b>131</b>
<b>APPENDIX A .....</b>	<b>146</b>
<b>(A COPY OF THE IRS PUBLICATION 502 WILL BE INSERTED UPON ADOPTION OF THE ADMINISTRATIVE PLAN) .....</b>	<b>146</b>

# HOUSING CHOICE VOUCHER PROGRAM (HCVP) ADMINISTRATIVE PLAN

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## INTRODUCTION

The purpose of this Administrative Plan is to:

Establish policies for issues not covered under Federal regulations for the HCVP Voucher, and Family Self-Sufficiency programs administered by the Iowa City Housing Authority.

The provisions of this Administrative Plan govern administration of the HCVP Voucher and Family Self-Sufficiency programs administered by the Iowa City Housing Authority.

This plan conforms to all current HUD regulations. The Authority will comply with any subsequent changes in HUD regulations pertaining to program administration. If such changes conflict with the provisions of this policy, HUD regulations will have precedence.

The ICHA administers the HCVP Rental Voucher programs in the Metropolitan Statistical Area (MSA) of Iowa City, which includes all of Johnson and parts of Iowa and Washington Counties in Iowa. The primary objective of these programs is to provide decent, safe, sanitary and affordable rental housing for low income households and to provide these households with housing choices and the opportunity to move outside of areas with a concentration of low income households.

The ICHA also operates a HCVP Homeownership Program to assist qualified low-income families in becoming homeowners.

## 1.0 EQUAL OPPORTUNITY 24 CFR 982.53

### 1.1 FAIR HOUSING

It is the policy of the Iowa City Housing Authority (ICHA) to comply fully with all federal, state, and local nondiscrimination laws, the Americans with Disabilities Act and the U.S. Department of Housing and Urban Development regulations governing Fair Housing and Equal Opportunity.

No person shall, on the grounds of race, color, sex, religion, marital status, creed, sexual orientation, gender identity, age, national or ethnic origin, familial status or disability, be

excluded from participation in, denied the benefits of, or otherwise subjected to discrimination under the Iowa City Housing Authority's programs.

To further its commitment to full compliance with applicable civil rights laws, the Iowa City Housing Authority will provide federal/state/local information to applicants/tenants of the HCVP Program regarding discrimination and any recourse available to them if they believe they may be victims of discrimination. Such information and all other applicable Fair Housing information and discrimination complaint forms will be made available at the ICHA office.

The Iowa City Housing Authority will assist any household that believes it has suffered illegal discrimination by providing copies of the housing discrimination form. If requested, the Iowa City Housing Authority will also assist them in completing the form and will provide them with the address of the nearest HUD Office of Fair Housing and Equal Opportunity.

## ***1.2 REASONABLE ACCOMMODATION 24 CFR 100.204***

Individuals with disabilities may need a reasonable accommodation in order to take full advantage of the Iowa City Housing Authority housing programs and related services. Request for reasonable accommodations must be submitted in writing and include supporting documentation including statements from medical professionals. When such accommodations are granted, they do not confer special treatment or advantage for the person with a disability, rather, they make the program accessible to them in a way that would not otherwise be possible due to their disability.

## ***1.3 SERVICES FOR NON-ENGLISH SPEAKING APPLICANTS AND PARTICIPANTS 24 CFR 5.502***

The Iowa City Housing Authority will endeavor to provide accommodations for people who are not proficient in the English language. The City of Iowa City subscribes to a telephone interpreter service that provides interpretation in over 140 languages. At any time, a non-English speaking client family may request the use of this service in their contacts with the Housing Authority.

## ***1.4 HOUSEHOLD/OWNER OUTREACH***

When necessary, the Iowa City Housing Authority will publicize the availability and nature of the HCVP Program for extremely low-income, very low and low-income families by all suitable media.

To reach persons who cannot or do not read newspapers, the Iowa City Housing Authority may distribute fact sheets to the broadcasting media and initiate personal contacts with members of the news media and community service personnel. The ICHA may also try to utilize public service announcements.

The Iowa City Housing Authority will communicate the status of program availability to other service providers in the community and advise them of housing eligibility guidelines so that they can make proper referral of their clients to the program.

The Iowa City Housing Authority will assist managers and owners who participate in, or who are seeking information about the HCVP Program by:

- A. Explaining how the program works;
- B. Explaining how the program benefits owners;
- C. Explaining owners' responsibilities under the program; and
- D. Providing opportunities for owners to ask questions, obtain written materials, and meet ICHA staff.

## **1.5 RIGHT TO PRIVACY 24 CFR 5.212**

All adult members of both applicant and participant households are required to sign HUD Form 9886, *Authorization for Release of Information and Privacy Act Notice*. The *Authorization for Release of Information and Privacy Act Notice* states how household information will be released and includes the *Federal Privacy Act Statement*.

Any request for applicant or participant information received and pursuant to said authorization will not be released unless there is a signed release of information from the applicant or participant, with the exception of that information subject to the Iowa Open Records law.

## **1.6 REQUIRED AVAILABILITY OF INFORMATION**

The Iowa City Housing Authority will post in a conspicuous place or have available at the reception desk the following information:

- A. The HCVP Administrative Plan
- B. Notice of the status of the waiting list (opened or closed)

- C. Address of the Iowa City Housing Authority office, office hours, telephone numbers, TDD numbers and hours of operation
- D. Income Limits for Admission
- E. Informal Review and Informal Hearing Procedures
- F. Fair Housing Poster
- G. Equal Opportunity in Employment Poster

## **2.0 IOWA CITY HOUSING AUTHORITY/OWNER RESPONSIBILITIES/OBLIGATIONS OF THE HOUSEHOLD**

This section outlines the responsibilities and obligations of the Iowa City Housing Authority, the HCVP landlords and the participating families.

### **2.1 IOWA CITY HOUSING AUTHORITY RESPONSIBILITIES**

- A. The Iowa City Housing Authority will comply with the consolidated HUD Annual Contributions Contract (ACC), the application, HUD regulations and other requirements and the Iowa City Housing Authority HCVP Administrative Plan. 24 CFR 982.153
- B. In administering the program, the Iowa City Housing Authority must:
  - 1. Publish and disseminate information about the availability and nature of housing assistance under the program
  - 2. Explain the program to owners and families
  - 3. Seek expanded opportunities for assisted families to locate housing in all locations
  - 4. Encourage owners to make units available for leasing in the program
  - 5. Further fair housing goals and comply with equal opportunity requirements
  - 6. Make efforts to help disabled persons find satisfactory housing

7. Receive applications from families, determine eligibility, maintain the waiting list, select applicants, issue a voucher to each approved household and provide housing information to families selected
8. Determine who can live in the assisted unit at admission and during the household's participation in the program
9. Obtain and verify evidence of citizenship and eligible immigration status in accordance with 24 CFR, Part 5
10. Review the household's request for approval of tenancy
11. Inspect the unit before the assisted occupancy begins and at least biennially during the assisted tenancy
12. Determine the amount of the housing assistance payment for a household
13. Determine the maximum rent to the owner and whether the rent is reasonable
14. Make timely housing assistance payments to an owner in accordance with the HAP contract
15. Examine household income, size and composition at admission and throughout the household's participation in the program. The examination includes verification of income and other household information
16. Establish and adjust the Iowa City Housing Authority's utility allowance
17. Administer and enforce the Housing Assistance Payments Contract with an owner including taking appropriate action as determined by the ICHA, if the owner defaults (e.g., HQS violation)
18. Determine whether to terminate assistance to a participant household for violation of household obligations
19. Conduct informal reviews of certain ICHA decisions concerning application for participation in the program
20. Conduct informal hearings on certain ICHA decisions concerning participant families

- 21. Provide sound financial management of the program, including engaging an independent public accountant to conduct audits
- 22. Administer a Family Self Sufficiency Program

## **2.2 OWNER RESPONSIBILITIES 24 CFR 982.452**

- A. The owner is responsible for performing all of the owner's obligations under the HAP contract and the lease.
- B. The owner is responsible for:
  - 1. Performing all management and rental functions for the assisted unit, including selecting a voucher holder to lease the unit and deciding if the household is suitable for tenancy of the unit
  - 2. Maintaining the unit in accordance with HQS, including performance of ordinary and extraordinary maintenance
  - 3. Complying with equal opportunity requirements
  - 4. Preparing and furnishing to the ICHA, information required under the HAP contract
  - 5. Collecting from the household:
    - a. Any security deposit required under the lease
    - b. The tenant contribution (the part of rent to owner not covered by the housing assistance payment)
    - c. Any charges for unit damage by the household
  - 6. Enforcing tenant obligations under the lease
  - 7. Paying for utilities and services (unless paid by the household under the lease)
- C. Allow reasonable modifications to a dwelling unit occupied or to be occupied by a person with disabilities 24 CFR 100.203

- D. Screening is the responsibility of the owner. Upon request, the Housing Authority will also supply the following factual information if known:
1. Drug related or violent criminal activity
  2. Landlord evictions
  3. Lease violations
  4. Termination of housing assistance
  5. Client's current address, name and previous landlord contact

### **2.3 OBLIGATIONS OF THE PARTICIPANT 24 CFR 982.551**

This section states the obligations of a participant household under the program.

#### **A. Supplying Required Information**

1. The household must supply any information that the ICHA or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status. Information includes any requested certification, release or other documentation.
2. The household must supply any information requested by ICHA or HUD for use in a regularly scheduled reexamination or interim reexamination of household income and composition in accordance with HUD requirements.
3. The household must provide social security cards and certified birth certificates for all members and photo identification for adult members, and must sign and submit consent forms for obtaining information.
4. Any information supplied by the household must be true and complete.

#### **B. HQS Breach Caused by the Household**

The household is responsible for any HQS breach caused by the household or its guests who are under the household's control.

#### **C. Allowing Iowa City Housing Authority Inspection**

The household must allow the ICHA to inspect the unit at reasonable times and after at least 24 hours' notice.

D. Violation of Lease

The household may not commit any serious or repeated violations of the lease.

E. Household Notice of Move or Lease Termination

The household must provide the ICHA with a 30-day written notice before the household moves out of the unit or terminates the lease by a notice to the owner. The household must provide notice to move or terminate the lease to the landlord in accordance with the terms of the lease.

F. Owner Eviction Notice

The household must promptly provide the ICHA with a copy of any owner eviction notice it receives.

G. Use and Occupancy of the Unit

1. The household must use the assisted unit for a residence by the household. The unit must be the household's only residence.
2. The Iowa City Housing Authority must approve the composition of the assisted household residing in the unit after receiving written approval from the landlord. The household must promptly inform ICHA of the birth, adoption or court-awarded custody of a child. The household must request approval from the ICHA to add any other household member as an occupant of the unit. No other person (e.g., no one but members of the assisted household) may reside in the unit (except for a foster child/foster adult or live-in aide as provided in paragraph four (4) of this section.)
3. The household must promptly notify the Iowa City Housing Authority if any household member no longer resides in the unit.
4. A foster child/foster adult or a live-in aide may reside in the unit, if the ICHA has given approval.
5. Members of the household may engage in legal profit making activities in the unit, but only if such activities are incidental to primary use of the unit for residence by members of the household. Any business uses of the unit

must comply with zoning requirements and the affected household member must obtain all appropriate licenses and landlord approval if required by the lease.

6. The household must not sublease or sublet the unit.
7. The household must not assign the lease or transfer the unit.

#### H. Absence from the Unit

The household must supply any information or certification requested by the Iowa City Housing Authority (ICHA) to verify that the household is living in the unit, or relating to household absence from the unit, including ICHA requested information or certification on the purposes of household absences. The household must cooperate with the ICHA for this purpose. The household must promptly notify the Iowa City Housing Authority of any absence from the unit.

Absence means that no member of the household is residing in the unit. The household may be absent from the unit for up to sixty (60) consecutive days in a calendar year. The household must request permission from the ICHA for absences exceeding sixty (60) days in a calendar year. The household may not be absent from the unit for a period of more than 180 consecutive calendar days in any circumstance, or for any reason 24 CFR 982.312(a). A household absent for more than sixty (60) consecutive days in a calendar year without authorization may be terminated from the program.

Authorized absences may include, but are not limited to: Medical treatment, hospitalization, or rehabilitation; or to provide care for a spouse, child, or parent experiencing a serious health condition; or absences beyond the control of the household (e.g., death in the household, other household member illness) as deemed necessary by the ICHA.

#### I. Interest in the Unit

The household may not own or have any interest in the unit (except for owners of manufactured housing renting the manufactured home space.)

#### J. Fraud and Other Program Violation

The members of the household must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program.

K. Crime by Household Members

The members of the household may not engage in drug-related criminal activity or other violent criminal activity.

L. Other Housing Assistance

An assisted household, or members of the household, may not receive HCVP tenant-based assistance while receiving another housing subsidy, for the same unit or for a different unit, under any duplicative (as determined by HUD or in accordance with HUD requirements) federal, state or local housing assistance program.

### **3.0 ELIGIBILITY FOR ADMISSION**

#### **3.1 INTRODUCTION**

There are six (6) eligibility requirements for admission to the HCVP Program: 1) Qualifies as a family 2) Has an income within the income limits 3) Meets citizenship/eligible immigrant criteria 4) Provides documentation of social security numbers 5) Signs consent authorization documents 6) Has not been involved in drug-related or violent criminal activity or has not displayed a pattern of criminal behavior in the past 5 years (See section 4.8).

#### **3.2 ELIGIBILITY CRITERIA**

A. Family status 24 CFR 982.201(c)

A family is defined as:

1. A single person 62 years or older
2. A disabled person either who is 18 years or older and is not declared as a dependent by a parent or guardian or who is a dependent living in a group home or similar supervised residence.
3. A household with a child or children who resides in the unit more than 51% of the time (A child who is temporarily away from the home because of placement in foster care is considered a member of the family)
4. Two or more elderly persons or disabled persons living together, or one or more elderly or disabled persons living with one or more live-in aides

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Adopted March 1, 2022 (Resolution #22-52)

5. Two or more persons related by blood, marriage, domestic partnership (certified by City of Iowa City Clerk), adoption or placement by a governmental or social service agency, as defined by City of Iowa City code.
6. A single adult that is not part of another household.

B. Income eligibility 24 CFR 982.201(b)

1. To be eligible to receive assistance, a household shall, at the time the household initially receives assistance under the HCVP Program, be a low-income household that is:
  - a. A very low-income household (below 50% median income); or
  - b. A low-income household continuously assisted under programs authorized by the 1937 Housing Act (below 80% median income).

30% of median income is defined as an income targeting standard which HUD requires the ICHA to admit 75% of all new admissions under this level.
2. Income limits apply only at admission and are not applicable for continued occupancy; however, as income rises, the assistance will decrease.
3. Eligibility for the HCVP program is based on the highest income limit (50% of the median income) for the family size in ICHA's jurisdiction. Admission to the program is based on the family's income qualifying under the income limits for the location of the chosen unit.
4. Families who are moving into the ICHA's jurisdiction under portability and have the status of applicant rather than of participant at their initial housing authority must meet the income limit for the area where they are assisted under the program.
5. Families who are moving into the Iowa City Housing Authority's jurisdiction under portability and are already program participants at their initial housing authority do not have to meet the income eligibility requirement for the ICHA HCVP Program.

6. Income limit restrictions do not apply to families transferring units within the ICHA HCVP Program.

C. Citizenship/Eligible Immigrant status 24 CFR 5.500

To be eligible, each member of the household must be a citizen, national, or a non-citizen who has eligible immigration status under one of the categories set forth in Section 214 of the Housing and Community Development Act of 1980 (see 42 U.S.C. 1436a(a)).

Household eligibility for assistance: 24 CFR 5.520

1. A household shall not be eligible for assistance unless every member of the household residing in the unit is determined to have eligible status, with the exception as described in paragraph two (2) below.
2. Despite the ineligibility of one or more household members, a mixed household may be eligible for one of three types of assistance. (See Section 11.4(F) (2) for calculating rents under the non-citizen rule)

D. Social Security Number Documentation 24 CFR 5.216

To be eligible, all household members are required to provide a social security number. All household members will be required to provide copies of social security cards.

E. Signing Consent Forms 24 CFR 5.230

1. In order to be eligible each member of the household who is 18 years of age and older and each household head and spouse regardless of age, shall sign one or more consent forms.
2. The consent form must contain, at a minimum, the following:
  - a. A provision authorizing HUD and the ICHA to obtain from Iowa Workforce Development Center any information or materials necessary to complete or verify the application for participation or for eligibility for continued occupancy;
  - b. A provision authorizing HUD and ICHA to verify with previous or current employers income information pertinent to the household's eligibility for, or level of, assistance;

- c. A provision authorizing HUD and the ICHA to request income information from the IRS, Department of Human Services, and the Social Security Administration for the sole purpose of verifying income information pertinent to the household's eligibility or level of benefits; and
- d. A statement that the authorization to release the information requested by the consent form expires 15 months after the date the consent form is signed.

F. Screening Criteria.

The Iowa City Housing Authority determines eligibility for participation and will conduct a national criminal background check (5 year “look-back” from the start date of the eligibility determination process) on all household members (new participants and families porting into our jurisdiction), including live-in aides pursuant to 24 CFR 5.903. This check will be made through Iowa Courts Online, the Iowa Department of Criminal Investigation (DCI), and the Federal Bureau of Investigation’s (FBI) National Crime Information Center (NCIC). The ICHA may contact law enforcement agencies and court officials, where the individual had lived. The ICHA will check with the Dru Sjodin National Sex Offender Public Website and any relevant state sex offender registration program and will ban for life any individual who is registered as a lifetime sex offender. Any individual subject to any other sex offender registry may be denied assistance.

**3.3 SPECIAL ELIGIBILITY PROVISIONS RELATING TO LIVE-IN AIDE (24 CFR 5.403, 982.316)**

A family may include a live-in aide who:

- A. Has been verified by the ICHA to be essential to the care and well-being of the elderly, handicapped or disabled;
- B. Is not obligated for the support of the elderly, handicapped or disabled member;
- C. Would not be living in the unit except to provide care of the elderly, handicapped or disabled member;
- D. Has income which will not be counted for purposes of eligibility or rent; and
- E. Will not be considered the remaining member of the household.

## **4.0 APPLICATION AND WAITING LIST PROCESS**

### **4.1 *OPENING AND CLOSING THE WAITING LIST***

Opening of the waiting list will be announced via public notice that applications for HCVP will again be accepted. The public notice will state where, when and how to apply. The notice will be published in a local newspaper of general circulation. The public notice will state any limitations to who may apply. 24 CFR 982.206 (a)

The notice will state that applicants already on waiting lists for other housing programs must apply separately for this program and such applicants will not lose their place on other waiting lists when they apply for HCVP. The notice will be in compliance with Fair Housing requirements.

### **4.2 *ACCEPTING AND PROCESSING APPLICATIONS 24 CFR 982.202***

Families wishing to apply for the HCVP Program will be required to complete an application for housing assistance.

Applications are available online and computers are available at the Iowa City Housing Authority, 410 E. Washington Street, Iowa City, Iowa 52240. Applications may be mailed to families upon written request for a reasonable accommodation.

Applications are taken to compile a waiting list. Due to the demand for HCVP assistance in the Iowa City Housing Authority jurisdiction, the Iowa City Housing Authority may take applications on an open enrollment basis depending on the length of the waiting list.

When the waiting list is open, completed applications will be accepted from all applicants. The Iowa City Housing Authority will later verify the information in the applications relevant to the applicant's eligibility, admission and level of benefit.

All applications are electronically date and time stamped by HAPPY Software's WaitlistCheck system.

Persons with disabilities who require a reasonable accommodation in completing an application may call the Iowa City Housing Authority to make special arrangements to complete their application. A Telecommunication Device for the Deaf (TDD) is available for the hearing impaired. The TDD telephone number is (319) 356-5404.

The application process will involve two phases. The first phase requires the household to provide limited basic information including name, address, phone number, household composition, racial or ethnic designation, income and information establishing any

preferences to which they may be entitled. This first phase results in the household's placement on the waiting list.

Upon receipt of the family's application, the Iowa City Housing Authority will make a preliminary determination of eligibility. The Iowa City Housing Authority will notify the household in writing of the date and time of placement on the waiting list. If the Iowa City Housing Authority determines the household to be ineligible, the notice will state the reasons and offer the household the opportunity for an informal review of this determination.

An applicant must, at any time, report changes in their applicant status in writing including changes in household composition, income, legal domicile, address, or preference factors. The Iowa City Housing Authority will annotate the applicant's file and will update their placement on the waiting list.

The second phase is the final determination of eligibility. The full application takes place when the household reaches the top of the waiting list. The Iowa City Housing Authority will ensure that verification of all preferences, eligibility and suitability selection factors are current in order to determine the household's final eligibility for admission into the HCVP Program.

#### **4.3 ORGANIZATION OF THE WAITING LIST 24 CFR 982.204(b)**

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

- A. The application will be part of an active applicant's/tenant's permanent file. All inactive applications will be kept for three (3) years.
- B. All applications will be maintained in order of preference and then in order of date and time of application.
- C. Contact or communication between the ICHA and the applicant will be documented in the applicant file.

#### **4.4 FAMILIES NEARING THE TOP OF THE WAITING LIST**

When a household reaches the top of the waiting list, the household verification process will begin. It is at this point the household's waiting list preference will be verified. If the household does not qualify for the preference, the household's name will be returned to the appropriate spot on the waiting list with the original date and time of application. The Iowa City Housing Authority must notify the household in writing of this determination and give the household the opportunity for an informal review.

If not already done, the family will provide copies of social security cards, certified birth certificates, photo identification for all adult members, citizenship/eligible immigrant information and sign the consent for release of information forms.

#### **4.5 MISSED APPOINTMENTS**

All applicants who fail to keep a scheduled appointment in accordance with the paragraph below will be sent a notice of denial.

The Iowa City Housing Authority will allow the household to reschedule appointments for good cause, as determined by the ICHA. When good cause exists, the Iowa City Housing Authority will work closely with the household to find a more suitable time.

#### **4.6 PURGING THE WAITING LIST**

If necessary the Iowa City Housing Authority will update and purge its waiting list to ensure the pool of applicants reasonably represents interested families.

#### **4.7 REMOVAL OF APPLICANTS FROM THE WAITING LIST 24 CFR 982.204(c)**

The Iowa City Housing Authority will not remove an applicant's name from the waiting list unless:

- A. The applicant requests in writing that their name be removed;
- B. The applicant fails to respond to a written request for information or a request to declare their continued interest in the program (this includes mail undeliverable by the Postal Service which is returned to the ICHA) or missed scheduled appointments; or
- C. The applicant does not meet either the eligibility or screening criteria for the program.

Application forms from applicants removed from the waiting list will be destroyed three (3) years from date of removal.

#### **4.8 HCVP TENANT SELECTION CRITERIA (24CFR 982.552 & 982.553)**

In selecting families for admission to its HCVP Housing Choice Voucher program, the Housing Authority is responsible for screening family behavior and suitability for assistance. The Housing Authority may consider all relevant information. The tenant selection criteria and information are reasonably related to individual attributes and behavior of an applicant and not related to those which may be imputed to a particular group or category of persons of which an applicant may be a member. This policy takes into account the importance of screening for program integrity, and the demand for assisted housing by families who will adhere to program responsibilities.

Under federal regulations found at 24 CFR 982.552, the Housing Authority must deny certain applicants and it has the discretion to deny others based on certain actions or inactions by family members. Denial of assistance for an applicant may include any or all of the following: denying listing on the Housing Authority waiting list, denying or withdrawing a voucher, refusing to enter into a HAP contract or approve a lease, and refusing to process or provide assistance under portability procedures.

### **MUST DENY-LIFE TIME BAN**

Is subject to a “lifetime” registration requirement under a State sex offender registrations program.

### **MUST DENY -3 YEAR PERIOD OF INELIGIBILITY**

The Housing Authority must deny assistance:

- 1) For a family evicted from housing assisted under the program for serious violation of the lease.
- 2) For three years from the date of eviction, if a household member has been evicted from federally assisted housing for drug-related criminal activity. However, the Housing Authority may admit the household if the Housing Authority determines:
  - a) That the evicted household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program approved by the Housing Authority; or
  - b) That the circumstances leading to eviction no longer exist (for example, the criminal household member has died or is imprisoned).
- 3) If the Housing Authority determines that any household member is currently engaging in illegal use of a drug.
- 4) If the Housing Authority determines that it has reasonable cause to believe that a household member's illegal drug use or a pattern of illegal drug use may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

- 5) If any household member has ever been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing.

If a person is denied for any reason listed above, the person will be ineligible for assistance for three years after the date of the denial notice.

### **MUST DENY - 1 YEAR PERIOD OF INELIGIBILITY**

- 1) In accordance with 24 CFR 5.216, applicants and participants (including each member of the household) must disclose his/her assigned Social Security Number. Failure to disclose will result in denial of assistance.
- 2) If the family fails to sign and submit consent forms for obtaining information in accordance with 24 CFR, part 5, subparts B and F.

### **MAY DENY-LIFE TIME BAN**

The Housing Authority may deny assistance if any household member is subject to “any” registration requirement under a State sex offender registration program.

### **MAY DENY – THREE (3) YEAR PERIOD OF INELIGIBILITY**

#### **A. Criminal Activity**

If any household member is currently engaged in, or has engaged in within five years before admission the following criminal activity, the Housing Authority may deny assistance based on a preponderance of evidence, regardless of whether the household member has been arrested or convicted for such activity:

1. Drug-related criminal activity (defined at 24 CFR 5.100). A “drug” is also any controlled substance listed in Chapter 124 of the Iowa Code;
2. Violent criminal activity (defined at 24 CFR 5.100) [Note Section E: Exception for persons subjected to dating violence, domestic violence, sexual assault, and stalking.];
3. Other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity.
4. Other criminal activity which may threaten the health or safety of the owner, property management staff, or persons performing a contract administration function or responsibility on behalf of the Housing Authority (including a Housing Authority employee or a Housing Authority contractor, subcontractor or agent);
5. Criminal Street Gang Activity as defined in Chapter 723A of the Iowa Code or any federal, state, or city law that substantially corresponds to this section;

6. Theft in the 3<sup>rd</sup> degree or higher or fraudulent practice in the 3<sup>rd</sup> degree or higher as defined in Chapter 714 of the Iowa Code or any federal, state, or city law that substantially corresponds to this section;
7. Forgery or fraudulent criminal acts as defined in Chapter 715A of the Iowa Code or any federal, state, or city law that substantially corresponds to this section;
8. Burglary in the 3<sup>rd</sup> degree or higher as defined in Chapter 713 of the Iowa Code or any federal, state, or city law that substantially corresponds to this section;
9. Disorderly conduct as defined in HCVP-5-1 of the City Code or section 723.4 of the Iowa Code or any federal, state, or city law that substantially corresponds to this section; If the activity constitutes violent criminal behavior.
10. Fraud, bribery or any other corrupt or criminal act in connection with the programs.

If a person is denied for any reason listed above, the person will be ineligible for assistance for three years from the date of the denial notice.

#### **B. Miscellaneous Reasons (1-year period of ineligibility)**

The Housing Authority may deny assistance:

1. If a Housing Authority has ever terminated assistance under the program for any member of the family.
2. Disorderly house as defined in HCVP-5-5 of the City Code or a law of any city, county, or state that substantially corresponds to this section;
3. Disorderly conduct as defined in HCVP-5-1 of the City Code or section 723.4 of the Iowa Code or a law of any city, county, or state that substantially corresponds to this section. If the activity does not constitute violent criminal behavior.
4. If the family currently owes rent or other amounts to the a) ICHA; b) to any other Housing Authority; c) to other Federally assisted housing under the 1937 Act (as amended); d) Federally assisted housing as defined in 24 CFR 5.100; or, e) any other affordable housing program receiving any Federal, State, or Local government assistance (e.g., CDBG, HOME, Tax Credits, General Obligation bonds, other grants and/or loans that establish limits on the rent a landlord may charge).
5. If the family has not reimbursed any Housing Authority for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.
6. If the family breaches an agreement with the Housing Authority to pay amounts owed to a Housing Authority, or amounts paid to an owner by a Housing Authority. (The Housing Authority, at its discretion, may offer a family the opportunity to enter an agreement to pay amounts owed to a Housing Authority or amounts paid to an owner by a Housing Authority. The Housing Authority may prescribe the terms of the agreement.)

7. If a family participating in the FSS program fails to comply, without good cause, with the family's FSS contract of participation.
8. If the family has engaged in or threatened abusive or violent behavior toward Housing Authority personnel.
9. If a family member has violated a public housing requirement including but not limited to community service requirements.
10. If the Housing Authority determines that it has reasonable cause to believe that a household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.
11. Use of an alias in the commission of a crime, in the application for government benefits or assistance, or to mislead or defraud a creditor.
12. The family must supply any information requested by the Housing Authority or HUD in accordance with HUD requirements.
13. Any information supplied by the family must be true and complete.
14. Other housing assistance. An assisted family, or members of the family, may not receive HCVP tenant-based assistance while receiving another housing subsidy, for the same unit or for a different unit, under any duplicative (as determined by HUD or in accordance with HUD requirements) federal, State or local housing assistance program.

If a person is denied for any reason listed above, the person will be ineligible for assistance for one year after the date of the denial notice

### **C. Additional Considerations**

In determining whether to deny assistance because of action or failure to act by members of the family:

1. The Housing Authority may consider all relevant circumstances such as the seriousness of the case, the extent of participation or culpability of individual family members, mitigating circumstances related to the disability of a family member, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure. Such consideration also includes the effect the denial will have on family members not involved in the criminal activity and the extent to which the offending family member and applicant have taken personal responsibility and have taken all reasonable steps to prevent or mitigate the offending behavior.
2. The Housing Authority may impose, as a condition of continued assistance for other family members, a requirement that other family members who participated in or were culpable for the action or failure will not reside in the unit. The Housing Authority may permit the other members of a participant family to continue receiving assistance.
3. In determining whether to deny admission for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the Housing Authority consider whether such household member is participating in or has successfully

- completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully (42 U.S.C. 13661). For this purpose, the Housing Authority may require the applicant or tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.
4. If the family includes a person with disabilities, the Housing Authority decision concerning such action is subject to consideration of reasonable accommodation in accordance with part 8 of this title.

#### **E. Exception for persons subjected to dating violence, domestic violence, sexual assault, and stalking.**

Although the Housing Authority may deny HCVP assistance if a member of the tenant family has engaged in violent criminal activity, there is an exception for persons subjected to dating violence, domestic violence, sexual assault, and stalking, as those terms are defined in 42 U.S.C. 1437f. The Housing Authority may deny the voucher assistance to the member of the household who committed the dating violence, domestic violence, sexual assault, and stalking but not to the victim. The Housing Authority may, however, deny the assistance to the victim for other reasons not premised on the act of dating violence, domestic violence, sexual assault, and stalking.

### **4.9 NOTIFICATION OF NEGATIVE ACTIONS**

Any applicant whose name is being removed from the waiting list will be notified by the Iowa City Housing Authority, in writing, that they have ten (10) calendar days, from the date of the written correspondence, to present mitigating circumstances or request an informal review. The letter will also indicate that their name will be removed from the waiting list if they fail to respond within the time frame specified. The Iowa City Housing Authority's system of removing applicants' names from the waiting list will not violate the rights of persons with disabilities. If an applicant's failure to respond to a request for information or updates was caused by the applicant's disability, the Iowa City Housing Authority may provide a reasonable accommodation. If the applicant indicates that they did not respond due to a disability, the Iowa City Housing Authority will consider this when determining whether to grant a reasonable accommodation. An example of a reasonable accommodation would be to reinstate the applicant on the waiting list based on the date and time of the original application.

### **4.10 INFORMAL REVIEW**

If the Iowa City Housing Authority determines that an applicant does not meet the criteria for receiving HCVP assistance, the Iowa City Housing Authority will promptly provide

the applicant with written notice of the determination. The notice must contain a brief statement of the reason(s) for the decision and state that the applicant may request an informal review of the decision within ten (10) calendar days of the denial. The Iowa City Housing Authority will describe how to obtain the informal review. The informal review process is described in Section 15.3 of this plan.

## **5.0 SELECTING FAMILIES FROM THE WAITING LIST**

### **5.1 *WAITING LIST ADMISSIONS AND SPECIAL ADMISSIONS 24 CFR 982.203 AND .204***

The Housing Authority may admit an applicant for participation in the program either as a special admission or as a waiting list admission.

If HUD awards funding that is targeted for families with specific characteristics such as families living in specific units (e.g. HUD project based opt out), the Iowa City Housing Authority will use the special admission for those families.

#### **5.2.1 *PREFERENCES 24 CFR 982.207***

- A. Displaced: Individuals or families displaced by government action or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to federal disaster relief laws. For the State of Iowa only.
- B. Families with children under the age of 18 or elderly or disabled families who are residents (have a legal domicile) in the Iowa City Housing Authority jurisdiction 24 CFR 982.207(b)(1);
- C. Adult families (2 or more household members) with no children under 18 years of age who are residents (have a legal domicile) in the Iowa City Housing Authority jurisdiction;
- D. Elderly or disabled families who are not residents (do not have a legal domicile) in the Iowa City Housing Authority jurisdiction;
- E. Families with children under the age of 18 who are not residents (do not have a legal domicile) in the Iowa City Housing Authority jurisdiction 24 CFR 982.207(b)(1);
- F. Adult families (2 or more household members) with no children under 18 years of age who are not residents (do not have a legal domicile) in the Iowa City Housing Authority jurisdiction;

- G. Single, non-elderly, non-disabled families with no children under the age of 18 years of age regardless of residency.

### **5.2.2 TARGETED PREFERENCES:**

- Families referred by the Mid-Eastern Council on Chemical Abuse (MECCA);
- Public housing tenants who have resided in their Public Housing unit longer than 1 year and whose total tenant payment is higher than \$499 (See Section 19 Homeownership);
- If HOME Investment Funds received from the State of Iowa and City of Iowa City to provide Tenant-Based-Rental-Assistance is depleted, participating families will be admitted into the HCV program.
- Individuals referred by Shelter House for Permanent Supportive Housing (e.g., Fairweather Lodge, Cross Park Place).

NOTE: The use of a residency preference will not have the purpose or effect of delaying or otherwise denying admission to the HCV program based on the race, color, ethnic origin, gender, religion, disability, or age of any member of an applicant family.

### **5.3 *SELECTION FROM THE WAITING LIST 24 CFR 982.204***

The date and time of application will be utilized to determine the admission sequence for all applicants including special admission within the above-prescribed preferences.

The Iowa City Housing Authority retains the right to skip higher income families on the waiting list if necessary to meet the statutory requirement that 75% of newly admitted families in any fiscal year be families who are extremely low-income as defined by HUD. This measure will only be taken if it appears the goal will not otherwise be met. To ensure this goal is met, the Housing Authority will monitor incomes of newly admitted families and the income of the families on the waiting list.

If there are not enough extremely low-income families on the waiting list, the ICHA will conduct outreach on a non-discriminatory basis to attract extremely low-income families to reach the statutory requirement.

## **6.0 ASSIGNMENT OF BEDROOM SIZES (SUBSIDY STANDARDS) 24 CFR 982.402**

The intent of HUD requirements is that the smallest appropriate bedroom size be assigned to participant families without overcrowding. Subsidy assignments will allow at least one bedroom for each two persons.

Subsidy will be determined using the following guidelines:

- A. A one (1) bedroom will be assigned to any family consisting of a single person.
- B. An unborn child will not be counted in determining subsidy standards when the family size is greater than one (1).
- C. A family that consists of a pregnant woman only will be treated as a two-person family.
- D. One-bedroom will be assigned for two children of the same sex regardless of age.
- E. One-bedroom will be assigned for children of the opposite sex who are both under the age of six (6).
- F. One-bedroom will be assigned for every two adults regardless of relationship, unless younger than 23 or a disabled adult.
- G. One-bedroom will be added for a live-in aide.

In the case of shared custody of a child (children), the child (children) must be in the household no less than 50% of the time to be considered when determining subsidy. Pending custody issues will be evaluated on a case-by-case basis considering the reasonable likelihood of success. The household may be required to provide written verification that a child resides with the family such as a court order, school registration documents, etc. At the sole discretion of the Housing Authority, additional subsidy may be granted for 50/50 shared custody. Only one (1) household will be granted the dependent deduction

In determining subsidy, the Iowa City Housing Authority will include children who are temporarily away from home because of placement in foster care. Temporary is defined as less than one year.

Subsidy allowances will be adjusted accordingly for foster parents who have not had a foster child in placement for one year.

The Iowa City Housing Authority may grant exceptions to its established subsidy standards if the ICHA determines the age, sex, handicap, or relationship of family members or other personal circumstance justifies the exception. The ICHA will review documents from DHS, physicians, or other similar sources to make this determination.

The household unit size will be determined by the Iowa City Housing Authority in accordance with the above guidelines and will determine the maximum rent subsidy for the household. However, the household may select a unit that is larger or smaller than the household unit size. If the household selects a smaller unit, the payment standard for the actual unit size will be used to calculate the subsidy. If the household selects a larger size unit, the payment standard for the issued voucher size will determine the maximum subsidy.

The Iowa City Housing Authority will issue a voucher for a particular bedroom size; the bedroom size is a factor in determining the household's level of assistance. The following guidelines will determine each household's unit size without overcrowding or overhousing:

Number of Bedrooms	Number of Persons	
	Minimum	Maximum
0	1	1
1	1	2
2	2	4
3	3	6
4	4	8
5	5	10

#### **6.1 BRIEFING 24 CFR 982.301(a)**

When the Iowa City Housing Authority selects a household from the waiting list and determines eligibility, the household will be invited to attend a briefing explaining how the program works. In order to receive a voucher the household is required to attend the briefing. If they cannot attend the originally scheduled briefing, they may attend a later session. If the household fails to attend one of two offered briefings without good cause, they will be denied admission.

If an applicant with a disability requires additional aids to gain full benefit from the briefing, the Housing Authority will furnish such aids where doing so would not result in a major alteration of the nature of the program, or an undue financial or administrative burden. In determining the most suitable aid, the housing authority will give consideration to the requests of the applicant. Families unable to attend a briefing due to a disability may submit a written request a reasonable accommodation.

The briefing will cover at least the following subjects:

- A. A description of how the program works;
- B. Household and owner responsibilities;
- C. Where the household may rent a unit, including inside and outside the housing authority's jurisdiction;
- D. Types of eligible housing;
- E. An explanation of how portability works;
- F. An explanation of the advantages of living in an area that does not have a high concentration of low-income families; and
- G. An explanation that the household share of rent may not exceed 40% of the household's monthly adjusted income.

## **6.2 BRIEFING PACKET 24 CFR 982.301 (b)**

During the briefing, the ICHA is required to give the household a briefing packet covering at least the following subjects:

- A. The term of the voucher and the ICHA's policy on extensions and suspensions of the term, how to request an extension;
- B. How the ICHA determines the housing assistance payment (HAP) and total tenant payment (TTP) for the household;
- C. Information on the payment standard, exception payment standard rent areas and the utility allowance schedule;
- D. How the ICHA determines the maximum rent for an assisted unit;

- E. Where the household may lease a unit and an explanation of how portability works;
- F. The HUD-required tenancy addendum that provides the language that must be included in any assisted lease;
- G. The Request for Tenancy Approval form and an explanation of how to request ICHA approval of a unit;
- H. A statement of the ICHA's policy on providing information to prospective owners. Upon request, the ICHA will also supply the following factual information, if known:
  - 1. Drug-related or violent criminal activity
  - 2. Landlord evictions
  - 3. Lease violations
  - 4. Termination of housing assistance
- I. The ICHA's subsidy standards, including when the ICHA will consider granting exceptions to the standards;
- J. The HUD brochure on how to select a unit ("A Good Place to Live");
- K. The HUD-required lead-based paint brochure;
- L. Information on federal, state and local equal opportunity laws; the brochure "Fair Housing: It's Your Right", and a copy of the housing discrimination complaint form;
- M. Links to online landlord listings;
- N. Notice that if the household includes a person with disabilities, the household may request a current list of accessible units known to the Iowa City Housing Authority that may be available;
- O. The family's obligations under the program;
- P. The grounds upon which the Housing Authority may terminate assistance because of the household's action or inaction;

- Q. Iowa City Housing Authority informal hearing procedures, including when the Housing Authority is required to provide the opportunity for an informal hearing, and information on how to request a hearing; and
- R. Other information; e.g. FSS, change of income/family composition form.

### **6.3 *ISSUANCE OF VOUCHER: REQUEST FOR TENANCY APPROVAL (RFTA)*** **24 CFR 982.302**

Once all household information has been verified, eligibility determined, and their subsidy size determined, the Iowa City Housing Authority will issue a voucher to the household when they attend the briefing. At this point the household begins their search for a unit.

When the household finds a unit that the owner is willing to lease under the program, the household and the owner will complete and sign the RFTA form. The household will submit the proposed lease and the RFTA form to the ICHA during the term of the voucher. The ICHA will review and make an initial determination for approval of tenancy. The ICHA may assist in negotiating changes that may be required for the tenancy to be approvable. Once it appears the tenancy may be approvable, ICHA will schedule an appointment to inspect the unit within 15 days after the receipt of the RFTA. The 15 day period is suspended during any period the unit is unavailable for inspection. The ICHA will promptly notify the owner and the household whether the unit and tenancy is approved.

During the initial stage of qualifying the unit, the ICHA will provide the prospective owner, upon request, with information regarding the program. Information can include Housing Authority and owner responsibilities for screening and other essential program elements.

All tenant screening is the responsibility of the owner.

### **6.4 *TERM OF THE VOUCHER*** **24 CFR 982.303**

The initial term of the voucher will be 120 days and will be stated on the Housing Choice Voucher.

The Iowa City Housing Authority may grant extensions of the initial term, but the initial term plus any extensions may not exceed 365 calendar days from the initial date of issuance, unless approved as a reasonable accommodation. To obtain an extension, the household must make a request in writing prior to the expiration date. If the household documents their efforts and additional time can reasonably be expected to result in success,

the ICHA will grant the length of request sought by the household, or in 60 day increments, whichever is less.

If the household includes a person with disabilities and the household requires an extension due to the disability, the ICHA will grant an extension allowing the household time to search for a unit.

Upon submission of a completed RFTA, the Iowa City Housing Authority will suspend the term of the voucher. The term will be in suspended until the date the RFTA is approved or denied which may be after the owner makes any necessary repairs. This policy allows families the full term (120 days, or more, with extensions) to find a unit, not penalizing them for the period during which the ICHA is taking action on their request.

#### **6.5 APPROVAL TO LEASE A UNIT 24 CFR 982.305**

The Iowa City Housing Authority will approve a tenancy if all of the following conditions are met:

- A. The unit is eligible;
- B. The unit is inspected by the Housing Authority and passes inspection;
- C. The lease includes the language of the tenancy addendum;
- D. The rent to owner is reasonable;
- E. The household's share of the rent does not exceed 40% of their monthly adjusted income;
- F. The owner has not been found to be debarred, suspended, or subject to a limited denial of participation by HUD or the Housing Authority; (24 CFR 982.306) and
- G. The household continues to meet all eligibility and screening criteria.

If tenancy approval is denied, the Housing Authority will advise the owner and the household of any actions they could take that would enable the Housing Authority to approve the tenancy.

The assisted lease term may begin only after all of the following conditions are met:

- A. The unit passes the Iowa City Housing Code/HQS inspection;

- B. The household's share of rent does not exceed 40% of their monthly adjusted income;
- C. The landlord and tenant sign the lease to include the HUD required addendum; and
- D. The Housing Authority approves the assisted tenancy.

The Housing Authority will prepare the HAP contract after the unit passes inspection and the signed lease is received. The Housing Authority will not pay any housing assistance to the owner until the contract is executed and a signed lease is received by the ICHA.

The contract must be executed no later than 60 days after the beginning of the assisted lease term.

Any contract executed after the 60-day period will be void and the Housing Authority will not pay housing assistance to the owner.

#### **6.6 IOWA CITY HOUSING AUTHORITY DISAPPROVAL OF OWNER**

The Housing Authority will deny participation by an owner at the direction of HUD. The Housing Authority will also deny the owner's participation for any of the reasons per 24 CFR 982.453

#### **6.7 SPECIAL HOUSING TYPES**

The Iowa City Housing Authority may approve the following special housing types:

- A. Congregate housing;
- B. Group homes;
- C. Shared housing \*;
- D. Cooperative housing;
- E. Homeownership;
- I. Single room occupancy housing;
- J. Single household dwellings;
- K. Apartments/Duplex/Condominiums/Townhouse;

- L. Manufactured housing;
- M. Manufactured home space rentals;

\* Shared housing is limited to the population of families (including individuals) with disabilities that significantly interfere with their ability to obtain and maintain housing; Such families will not be able to obtain or maintain themselves in housing without appropriate supportive services from a recognized service provider; and Such services cannot be provided in a non-segregated setting. Definition is adapted from the HOME Investments Partnership Program 24 CFR 92.253(d)(3)(ii)

#### **6.8 SECURITY DEPOSIT 24 CFR 982.313**

The owner may collect a security deposit from the tenant in an amount not in excess of amounts charged in private market practice and not in excess of amounts charged by the owner to unassisted tenants per Iowa Code §562A.12.

### **7.0 MOVES WITH CONTINUED ASSISTANCE 24 CFR 982.314**

Participating families are allowed to move to another unit after the initial lease term has expired or if the landlord and the participant have mutually agreed to terminate the lease, or if the Housing Authority has terminated the HAP contract. The Iowa City Housing Authority will issue the household a new voucher if the following apply:

- A. The household does not owe the Iowa City Housing Authority or any other Housing Authority money,
- B. The household has not violated a Family Obligation,
- C. The ICHA has sufficient funding for continued assistance, and
- D. The household has fulfilled lease obligations and proper notice was given to the landlord and the ICHA.
- E. Provisions for persons subjected to dating violence, domestic violence, sexual assault, and stalking.
  - 1. If a family breaks up as a result of dating violence, domestic violence, sexual assault, and stalking, the ICHA will ensure the victim retains HCVP assistance.
  - 2. A move with continued assistance will be approved if the move is needed to protect the health or safety of the family, or any family

member that has been the victim of a sexual assault that occurred on the premises during the 90-day calendar-day period preceding the family's request to move.

## **7.1 PROCEDURES REGARDING HOUSEHOLD MOVES 24 CFR 982.314**

Families are required to give the ICHA proper written notice (no less than 30 days) of their intent to vacate the unit. During the lease, families may not end the lease. Owners may generate a request to the tenant to mutually agree to end the lease. If the household moves from the unit before the initial term of the lease ends without the owner's and the Iowa City Housing Authority's approval, it will be considered a serious lease violation, a violation of family obligation, and subject the household to termination from the program.

The household is required to give the Iowa City Housing Authority a copy of the notice to vacate the unit at the same time as it gives notice to the landlord. A household's failure to provide a copy of the lease termination notice to the Iowa City Housing Authority will be considered a violation of Family Obligations and may cause the household to be terminated from the program.

The ICHA can provide a standard notice to vacate form for the client. The ICHA also can provide a standard rescind notice to the owner if requested.

If a family has moved out of their assisted unit in violation of the lease, the ICHA will terminate assistance in compliance with Section 14.0, Grounds for Termination of the Lease and Contract.

Failure to follow the above procedures may subject the household to termination from the program.

## **8.0 PORTABILITY 24 CFR 982.353**

### **8.1 GENERAL POLICIES OF THE ICHA**

A family, whose head of household or spouse has a domicile (legal residence) in the jurisdiction of the ICHA at the time the family first submits its application for participation in the program to the ICHA, may lease a unit anywhere in the jurisdiction of the ICHA or outside the ICHA jurisdiction as long as there is another entity operating a tenant-based HCVP Program covering the location of the proposed unit.

If the head of household or spouse of the assisted family did not have a legal residence in the jurisdiction of the ICHA at the time of its application, the family will not have any right to lease a unit outside of the ICHA jurisdiction for a 12-month period beginning when the

family is first admitted to the program (has an assisted lease). During this period, the family may only lease a unit located in the jurisdiction of the ICHA.

Assisted families may only move to a jurisdiction where a HCVP Program is being administered.

The Iowa City Housing Authority may deny permission to move if the Iowa City Housing Authority does not have sufficient funding for continued assistance. (24 CFR 982.314(e) (1).

If funds are owed to the Iowa City Housing Authority, the amount must be paid in full prior to an approval to move.

## **8.2 INCOME ELIGIBILITY**

- A. At admission, a family must be income-eligible in the area where the family first leases a unit with assistance in the voucher program.
- B. If a portable family is already a participant in the initial housing authority's voucher program, income eligibility is not re-determined.

## **8.3 PORTABILITY: ADMINISTRATION BY RECEIVING HOUSING AUTHORITY**

- A. When a family utilizes portability to move to an area outside the initial housing authority jurisdiction, another housing authority (the receiving housing authority) must administer assistance for the family if that housing authority has a tenant-based program covering the area where the unit is located.
- B. A housing authority with jurisdiction in the area where the family wants to lease a unit must issue the family a voucher. If there is more than one such housing authority, the family may choose which housing authority shall become the receiving housing authority.

## **8.4 PORTABILITY PROCEDURES**

- A. When the ICHA is the initial housing authority:
  - 1. The ICHA will brief the family on the process that must take place to exercise portability.
  - 2. The ICHA will determine whether the applicant family is income-eligible in the area where the family wants to lease a unit.

3. The ICHA will advise the family how to contact and request assistance from the receiving housing authority.
4. The ICHA will, within ten (10) calendar days, notify the receiving housing authority to expect the family.
5. The ICHA will mail to the receiving housing authority the most recent HUD Form 50058 (Family Report) for the family and related verification information.

B. When the ICHA is the receiving housing authority:

1. When the portable family requests assistance from the ICHA, the ICHA will, within ten (10) calendar days, inform the initial housing authority whether it will bill the initial housing authority for assistance on behalf of the portable family, or absorb the family into its own program.
2. The ICHA will issue a voucher to the family. The term of the ICHA's voucher will not expire before 30 days have passed from the expiration date of any initial housing authority's voucher. The ICHA will determine whether to extend the voucher term. The family must submit a Request for Tenancy Approval (RFTA) to the ICHA during the term of the ICHA's voucher.
3. The ICHA will determine the family unit size for the portable family. The family unit size is determined in accordance with the ICHA's subsidy standards.
4. The ICHA will, within ten (10) calendar days, notify the initial housing authority if the family has leased an eligible unit under the program, or if the family fails to submit a RFTA for an eligible unit within the term of the voucher.
5. If the ICHA opts to conduct a new reexamination, the ICHA will not delay issuing a participating family a voucher or otherwise delay approval of a unit unless the re-certification is necessary to determine income eligibility for an applicant.
6. In order to provide tenant-based assistance for portable families, the ICHA will perform all housing authority program functions, such as reexaminations of family income and composition. At any time, either the

initial housing authority or the ICHA may make a determination to deny or terminate assistance to the family in accordance with 24 CFR 982.552.

7. A portable family will be required to attend a client briefing.
8. Portable families are subject to the same criminal background check as applicants (see Section 3.2 F. above). The processing of applicant families may be delayed.

C. Absorption by the ICHA

1. If funding is available under the Annual Contributions Contract (ACC) for the ICHA's voucher program when the portable family is received, the ICHA may absorb the family into its voucher program. After absorption, the family is assisted with funds available under the consolidated ACC for the ICHA's tenant-based program.

D. Portability Billing

1. To cover assistance for a portable family, the receiving housing authority may bill the initial housing authority for housing assistance payments and administrative fees. The billing procedure will be as follows:
  - a. As the initial housing authority, the ICHA will promptly reimburse the receiving housing authority for the full amount of the housing assistance payments made by the receiving housing authority for the portable family. The amount of the housing assistance payment for a portable family in the receiving housing authority's program is determined in the same manner as for other families in the receiving housing authority's program.
  - b. The initial housing authority will promptly reimburse the receiving housing authority for 80% of the initial housing authority's on-going administrative fee for each unit month that the family receives assistance under the tenant-based programs and is assisted by the receiving housing authority. If both housing authorities agree, they may negotiate a different amount of reimbursement.

E. When a Portable Family Moves

When a portable family moves out of the tenant-based program of a receiving housing authority that has not absorbed the family, the housing authority in the new

jurisdiction to which the family moves becomes the receiving housing authority and the first receiving housing authority is no longer required to provide assistance for the family. The initial receiving Housing Authority will notify the initial Housing Authority of the family's intention by forwarding the necessary paperwork to them. It is then the initial Housing Authority's responsibility to notify the new Housing Authority.

## **9.0 DETERMINATION OF FAMILY INCOME 24 CFR 5.609 AND .611**

### **9.1 *INCOME, EXCLUSIONS FROM INCOME, DEDUCTIONS FROM INCOME***

To determine annual income, the Iowa City Housing Authority will count the income of all family members, excluding the types and sources of income that are specifically excluded. Once annual income is determined, the ICHA subtracts all allowable deductions (allowances) as the next step in determining the Total Tenant Payment. When determining income, deductions and exclusions, the ICHA reference is 24 CFR 5.609 and IRS Publication 502 (see Appendix B), HUD Handbook 4350.3 Change 27 and HUD Guidebook 7420.10G.

### **9.2 *INCOME 24 CFR 5.609***

Annual income, as defined in 24 CFR 5.609 and HUD Guidebook 7420.10G will be used to determine tenant rent. Income includes, but is not limited to payment for services, business earnings, income from real or personal property, payments from pensions, SSI, annuities, insurance policies and the like, unemployment, disability, and worker's compensation payments, welfare assistance, alimony, child support, and regular gifts from persons not living in the household.

A. The following will also apply:

1. If it is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income), the ICHA will use past income to estimate future income.
2. Average income from various sources will be used when there is a history of temporary work employment that is steady throughout the year.
3. The ICHA will calculate projected annual income by annualizing current income.

B. Income of Temporarily Absent Family Members:

If a family member is out of the home for employment or other similar purposes, their income will be counted as part of the household income, even if this person is in a lease agreement elsewhere.

C. Alimony or Child Support Income:

The ICHA will include all amounts contained in the court or administration order unless able to verify the amounts that are not received or that an amount other than what was ordered is being received. The ICHA will attempt to verify this by reviewing correspondence from attorneys, computer print-outs from the Child Support Recovery Unit, court documents or any other documentation submitted for review that can be verified.

D. Income from Real Estate:

Notes & Mortgages Held by Active HCVP Participants - The interest portion of the payment multiplied by the number of payments will be counted as income.

Income Producing Real Estate owned by HCVP Participants - If income tax returns are available, the net income on the return will be included with annual income.

If no income tax return is available, the following will be calculated:

1. Rental income received multiplied by the frequency of payment
2. If there is a balance owed on the property, the annual interest will be deducted from income.

E. Overpayment Deductions:

When previous overpayments, such as from the Social Security Administration, are currently being deducted, the gross amount of the benefit minus the deduction for repayment will be used when determining annual income

F. Assets converted to Trusts.

**9.3 EXCLUSIONS FROM INCOME 24 CFR 5.609(c)**

Annual income as defined in 24 CFR 5.609(c) and HUD Guidebook 7420.10G, Section

5.3., will be excluded from income. Examples of exclusion from annual income include but are not limited to wages of children, payments received for providing foster care, lump sum payments or periodic gifts, student financial aid, payments under HUD funded training programs.

The following will also apply:

- A. The ICHA must include welfare amounts withheld from participants for noncompliance with welfare-to-work requirements; however such welfare income will be excluded in calculating annual income for new applicants.
- B. If the family member is a full time student, living away from home and is in a current lease agreement, this person will not be considered a dependent and therefore they will not be considered part of the assisted family. Their income will not be counted.
- C. If a family member is residing outside of the assisted family home and the ICHA verifies that they are not currently part of the “family” (such as a divorce decree, restraining order, or other documentation), the income of this family member will not be counted.

#### **9.4 DEDUCTIONS FROM ANNUAL INCOME 24 CFR 5.611**

Applicable deductions will be made as provided in 24 CFR (5.611) and HUD Guidebook 7420.10G, Section 5.5 Adjusted Income.

In addition, when calculating medical expenses the ICHA will use IRS Publication 502 for allowable medical deductions. Only those expenses specifically outlined in IRS 502 or 24 CFR 5.611 will be allowed.

## **10.0 VERIFICATION 24 CFR PART 5, SUBPART B**

The Iowa City Housing Authority will verify information related to waiting list preferences, eligibility, admission and level of benefits prior to admission. Periodically during occupancy, items related to eligibility and rent determination shall also be reviewed and verified. Income, assets, and expenses will be verified, as well as disability status, need for a live-in aide and other reasonable accommodations, full time student status of household members 18 years of age and older, social security numbers, and citizenship/eligible non-citizen status. Age and relationship will only be verified in those instances where needed to make a determination of level of assistance.

## **10.1 ACCEPTABLE METHODS OF VERIFICATION**

Age, relationship, U.S. citizenship and social security numbers will generally be verified with documentation provided by the household. For United States citizenship, the household's self-certification will be accepted. Other necessary verifications utilized are social security cards and other documents presented by the household, INS verification, certified copies of birth certificates and other forms signed by the household.

Other information will be verified by third party verification. This type of verification includes a) written documentation, b) computer generated information supplied by clients (e.g., pay stubs, bank statements, etc.). This verification may also be direct contact with the source, in person or by telephone. It may also be a report generated by a request from the Iowa City Housing Authority or automatically by another government agency, e.g. the Social Security Administration. Verification forms and reports received will be contained in the applicant/tenant file. Oral third party documentation will include the same information as if the documentation had been written, e.g. name, date of contact, amount received, etc.

### **NOTICE PIH 2013-03 (HA)**

The Iowa City Housing Authority will accept a family's declaration of the amount of assets less than \$5,000, and the amount of income expected to be received from those assets. The Tenant Information Packet will serve as the declaration.

If the family has net family assets in excess of \$5,000, the PHA will obtain supporting documentation (SEE 10.2 Types of Verification) from the family to confirm the assets.

### **NOTICE PIH 2016-05 (HA)**

The Iowa City Housing Authority will verify all assets via 3<sup>rd</sup> party documentation every 3<sup>rd</sup> year regardless of total asset amounts. Self-declaration for assets under \$5,000 is acceptable for years 1 and 2.

## **10.2 TYPES OF VERIFICATION**

The chart below outlines the factors that may be verified and gives common examples of the verification that will be sought. To obtain written third party verification, the ICHA will send a request form to the source or client.

Verification Requirements for Individual Items		
Item to be Verified	3 <sup>rd</sup> Party Verification	Provided by Client
Social Security Number	An original SSN card issued by SSA; An original SSA-issued document, which contains the name and SSN of the individual; or An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual.	Social security card.
Citizenship	N/A	Signed HUD self-certification, birth certificate, etc.
Eligible immigration status	INS verification	Permanent lawful resident card, I 551 stamp on passport, or other INS documentation
Proof of Age	N/A	State certified birth certificate
Physical Characteristics (if >18)	N/A	Photo ID
Disability	Disability verification form signed by a medical professional (MD/Psychologist), SSI, etc.	Proof of SSI or Social Security disability payments
Full time student status (if >18)	Verification from the school/educational institution where enrolled	High school students documents showing enrollment
Need for a live-in aide	Form signed by MD/Psychologist verifying condition requires a live-in-aide	Written request for a reasonable accommodation
Childcare costs	Verification from child care provider of out of pocket expenses	Bills and receipts, computer printouts

Verification Requirements for Individual Items		
Item to be Verified	3 <sup>rd</sup> Party Verification	Provided by Client
Disability assistance expenses	Verification from suppliers, care givers, etc.	Bills and records of payment, computer printouts
Medical expenses	Verification from providers, Prescription record from pharmacy, medical professional's letter stating assistance or a companion animal is needed, etc.	Bills, receipts, records of payment, dates of trips, mileage log, receipts for fares and tolls
Value of and Income from Assets		
Savings, checking accounts	Verification from financial institution	Most current statements;  Family's declaration of the amount of assets less than \$5,000 and the amount of income expected to be received from those assets.
CDs, bonds, etc.	Verification from financial institution	Tax return, information brochure from institution, the CD, the bond;  Family's declaration of the amount of assets less than \$5,000 and the amount of income expected to be received from those assets.
Stocks	Verification from broker or holding company	Stock or most current statement, price in newspaper or through the internet;  Family's declaration of the amount of assets less than \$5,000 and the amount of income expected to be received from those assets.

Verification Requirements for Individual Items		
Item to be Verified	3 <sup>rd</sup> Party Verification	Provided by Client
Real property	Letter from tax office, assessment, etc. Notice PIH 2012-3 (HA) Housing Choice Voucher – Homeownership Option 10 Year Asset Exclusion	Property tax statement (for current value), assessment, records or income and expenses, tax return;  Family’s declaration of the amount of assets less than \$5,000 and the amount of income expected to be received from those assets.
Personal property	Assessment, bluebook, etc.	Receipt for purchase, other evidence of worth;  Family’s declaration of the amount of assets less than \$5,000 and the amount of income expected to be received from those assets.
Cash value of life insurance policies	Letter from insurance company	Current statement;  Family’s declaration of the amount of assets less than \$5,000 and the amount of income expected to be received from those assets.
Assets disposed of for less than fair market value	N/A	Original receipt and receipt at disposition, other evidence of worth;  Family’s declaration of the amount of assets less than \$5,000 and the amount of income expected to be received from those assets.
<b>Income</b>		

Verification Requirements for Individual Items		
Item to be Verified	3 <sup>rd</sup> Party Verification	Provided by Client
Earned income	<p>Verification from HUD (EIV);</p> <p>Verification from employer or employer's agent (e.g., The Work Number);</p> <p>Verification from Iowa Workforce Development</p>	<p>Most recent pay stubs.</p> <p>Employer Wage Record.</p>
Self-employed	N/A	Tax return from prior year, books of accounts, Taxi logs, etc.
Regular gifts and contributions	Letter from source, letter from organization receiving gift (e.g., if grandmother pays day care provider, letter from the day care provider stating this)	Bank deposits, other similar evidence
Alimony/child support	Court order, letter from source, letter from Human Services or Child Support Recovery Unit	Record of deposits, Collection Services Center, certified payment history, payment record from Clerk of Court
Periodic payments (i.e., social security, welfare, pensions, workers' compensation, unemployment)	<p>Verification from HUD (EIV);</p> <p>Verification or electronic reports from the source</p>	Award letter, letter announcing change in amount of future payments
Training program participation	<p>Letter from program provider indicating</p> <ul style="list-style-type: none"> <li>- whether enrolled or completed</li> <li>- whether training is HUD-funded</li> <li>- whether Federal, State, local govt., or local program</li> <li>- whether it is employment training</li> </ul>	Letter of acceptance from Institution, Agency, or Program.

Verification Requirements for Individual Items		
Item to be Verified	3 <sup>rd</sup> Party Verification	Provided by Client
	<ul style="list-style-type: none"> <li>- whether it has clearly defined goals and objectives</li> <li>- whether program has supportive services</li> <li>- whether payments are for out-of-pocket expenses incurred in order to participate in a program</li> <li>- date of first job after program completion</li> </ul>	

### **10.3 VERIFICATION OF CITIZENSHIP OR ELIGIBLE NONCITIZEN STATUS 24 CFR 5.512**

The citizenship or eligible non-citizen status of each household member, regardless of age, must be determined.

Prior to being admitted all citizens and nationals will be required to sign a declaration under penalty of perjury. They will also be required to show proof of their status by such means as social security card, birth certificate, military ID or military DD 214 Form.

Prior to admission, all eligible non-citizens must sign a declaration of their status and a verification consent form and provide their original INS documentation. The ICHA will make a copy of the individual's INS documentation and place the copy in the file. The ICHA also will verify their status through the INS system. If the INS system cannot confirm initial eligibility, the Iowa City Housing Authority will request additional information via the internet from the INS.

Household members who do not claim to a citizen, national or eligible non-citizen, or whose status cannot be confirmed, must identify in writing to the responsible entity, the family member (or members) who will elect not to contend that he or she has eligible immigration status.

Non-citizen students on student visas, though in the country legally, are not eligible to be admitted to the HCVP Program.

If no household member is determined to be eligible under this section, the household's admission will be denied.

The household's assistance will not be denied, delayed, reduced or terminated because of a delay in the process of determining eligible status under this section, with the exception of a delay caused by the household.

If the ICHA determines that a household member has knowingly permitted an ineligible non-citizen (other than any ineligible non-citizens listed on the lease) to permanently reside in their assisted unit, the household's assistance will be terminated.

#### **10.4 VERIFICATION OF SOCIAL SECURITY NUMBERS 24 CFR 5.216**

Prior to admission, each household member who has been assigned a social security number must provide verification of the number to the ICHA, in accordance with Notice PIH 2016-05.

If necessary, participant families will have 90 days to provide the SSN of a newborn; however, the number should be provided to the ICHA upon receipt.

Verification of the social security number is the original social security card; an original SSA issued document containing the name and SSN of the individual; or an original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual.

#### **10.5 TIMING OF VERIFICATION**

3<sup>rd</sup> party verifications must be dated within 60 days of issuance of a voucher or 120 days of a reexamination. If the verification is older than this, the source will be contacted and asked to provide information regarding any changes.

When an interim reexamination is conducted, the ICHA will verify and update only those elements reported to have changed. It is the client's responsibility to report any changes within 30 days of the event.

#### **10.6 FREQUENCY OF OBTAINING VERIFICATION**

For each household member, citizenship/eligible non-citizen status will be verified only once, unless a change is reported by the family. This verification will be obtained prior to admission. In addition, prior to a new member joining the household, their status will be verified. It is the household's responsibility to report any change in citizenship status to ICHA within 30 days of the change.

For each household member, verification of social security number will be obtained only once. This verification will be obtained prior to admission or with guidelines of PIH Notice 2016-05.

Family composition, annual household income, and other factors affecting subsidy level will be verified at least annually.

## **11.0 RENT AND HOUSING ASSISTANCE PAYMENT**

### **11.1 RENT REASONABLENESS 24 CFR 982.507 (a)**

The ICHA will not approve an initial rent or a rent increase in the tenant-based program without determining that the rent amount is reasonable. Reasonableness is determined prior to the initial lease and at the following times:

- A. Before any increase in rent to owner is approved;
- B. If 60 days before the contract anniversary date there is a 5% decrease in the published FMR as compared to the previous FMR; and
- C. If the Iowa City Housing Authority or HUD directs that reasonableness be re-determined.

### **11.2 COMPARABILITY 24 CFR 982.507 (b) AND 3507 (c)**

In making a rent reasonableness determination, the ICHA will compare the rent for the unit to the rent of comparable units in the same or comparable neighborhoods. The ICHA will consider the location, quality, size, number of bedrooms, age, amenities, housing services, maintenance and utilities of the unit and the comparable units.

The ICHA will maintain current survey information on rental units in its jurisdiction. Owners are invited to submit information to the survey at any time. Owners may review the determination made on their unit and may submit additional information or make improvements to the unit that will enable the ICHA to establish a higher value.

The owner must certify the rents charged for other units. By accepting the housing assistance payment each month the owner is certifying that the rent to owner is not more than the rent charged by the owner for comparable unassisted units in the premises.

### **11.3 MAXIMUM SUBSIDY 24 CFR 982.508**

The maximum payment standard for a voucher issued by the ICHA will be set annually between 90 - 110% of the published FMR or the exception payment standard approved by HUD.

The Fair Market Rent (FMR) published by HUD is used in calculating the payment standard which is used in determining the maximum subsidy for a household.

For manufactured home space rental, the maximum subsidy is calculated using 40% of the two (2) bedroom FMR, as outlined in 24 CFR 982.623.

### **11.3.1 Setting the Payment Standard**

HUD requires that the payment standard be set annually between 90 – 110% of the Fair Market Rent (FMR). The ICHA will review its determination of the payment standard annually after publication of the FMRs. The ICHA will consider vacancy rates and rents in the market area, size and quality of units leased under the program, rents for units leased under the program, success rates of voucher holders in finding units and the percentage of annual income families are paying for rent under the voucher program, and HUD approved budget authority (ABA).

If success levels are projected to be extremely high and rents are projected to be at or below 30% of income, then reduction of the payment standard will be considered. Payment standards for each bedroom size are evaluated separately so that the payment standard for one bedroom size may increase or decrease while another remains unchanged. The ICHA may consider adjusting payment standards at times other than the annual review when circumstances warrant.

Before increasing any payment standard, the Iowa City Housing Authority will conduct a financial feasibility test to ensure that in using the higher standard, adequate funds will continue to be available to assist families in the program.

### **11.3.2 Selecting the Correct Payment Standard for a Household**

The intent of HUD requirements is that the smallest appropriate bedroom size be assigned to participant families without overcrowding. Bedroom size assignments will allow at least one bedroom for each two persons (24 CFR 982.402)

- A. The payment standard for a household is the lower of: 24 CFR 982.503
  - 1. The payment standard for the issued family unit size (listed on voucher); or

2. The payment standard for the unit size rented by the household.
- B. If the unit rented by a household is located in an exception rent area, the ICHA will use the appropriate payment standard for the exception rent area.
  - C. If there is a change in household unit size resulting from a change in household size or composition, the new household unit size will be considered when determining the payment standard at the next annual reexamination.

### **11.3.3 Area Exception Rents**

In order to help families find housing outside areas of high poverty, or when voucher holders are having trouble finding housing for lease under the program, the ICHA may request that HUD approve an exception payment standard rent for certain areas within its jurisdiction. The areas may be of any size, though generally not smaller than a census tract. The ICHA may request one such exception payment standard area or many. Exception payment standard rent authority may be requested for all or some unit sizes, or for all or some unit types.

When an exception payment standard rent has been approved and the FMR increases, the exception rent remains unchanged until such time as the ICHA requests and HUD approves a higher exception payment standard rent. If the FMR decreases, the exception payment standard rent authority automatically expires.

### **11.4 ASSISTANCE AND RENT FORMULAS 24 CFR 982.505**

- A. Total Tenant Payment\* 24 CFR 5.628

The total tenant payment is equal to the highest of:

1. 10% of monthly income
2. 30% of adjusted monthly income
3. \$50 Minimum rent

\*Note that the participant is responsible to pay any rent above the payment standard.

- B. Minimum Rent 24 CFR 5.630

The Iowa City Housing Authority has set the minimum rent as \$50.00. If the household requests a hardship exemption, the ICHA may suspend the minimum rent for the household beginning the month following the household's hardship

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Adopted March 1, 2022 (Resolution #22-52)

request. The suspension will continue until the ICHA can determine whether hardship exists and whether the hardship is of a temporary or long-term nature. During suspension, the household will not be required to pay a minimum rent and the Housing Assistance Payment will be increased accordingly.

1. A hardship exists in the following circumstances:
  - a. When the household has lost eligibility for or is awaiting an eligibility determination for a federal, state or local assistance program;
  - b. When the household would be evicted as a result of the imposition of the minimum rent requirement;
  - c. When the income of the household has decreased because of changed circumstances, including loss of employment (excludes termination or voluntary dismissal);
  - d. When the household has an increase in expenses because of changed circumstances, for medical costs, childcare, transportation, education, or similar items; or
  - e. When a death has occurred in the household.
2. No hardship: If the ICHA determines there is no qualifying hardship, the minimum rent will be reinstated, including requiring back payment of minimum rent to the ICHA for the time of suspension.
3. Temporary hardship: If the ICHA determines that there is a qualifying hardship, but that it is of a temporary nature, the minimum rent will not be imposed for a period of 90 days from the date of the household's request. At the end of the 90-day period, the minimum rent will be imposed retroactively to the time of suspension. The ICHA will offer a reasonable repayment agreement for any minimum rent back payment paid by the ICHA on the household's behalf during the period of suspension.
4. Long-term hardship: If the ICHA determines there is a long-term hardship, the household will be exempt from the minimum rent requirement until the hardship no longer exists.
5. Appeals: The household may use the informal hearing procedure to appeal the ICHA's determination regarding the hardship.

- C. HCVP Housing Choice Vouchers 24 CFR 982.508 and .628
1. The payment standard is set by the ICHA between 90% and 110% of the FMR or higher or lower with HUD approval. 24 CFR 982.503
  2. The participant pays the greater of the Total Tenant Payment or the minimum rent, plus the amount by which the gross rent exceeds the payment standard. 24 CFR 982.518
  3. No participant shall pay more than 40% of their monthly adjusted income for rent when initially renting any unit (initial lease up & moves).
- E. Manufactured Home Space Rental: HCVP Vouchers 24 CFR 982.620-.624
1. The payment standard for a participant renting a manufactured home space is 40% of the published two (2) bedroom FMR.
  2. The space rent is the sum of the following as determined by the Iowa City Housing Authority:
    - a. Rent to the owner for the manufactured home space;
    - b. Owner maintenance and management charges for the space; and
    - c. Utility allowance for tenant paid utilities.
  3. The participant pays the rent to owner less the HAP.
  4. HAP equals the lesser of:
    - a. The payment standard minus the total tenant payment; or
    - b. The rent paid for rental of the real property on which the manufactured home owned by the household is located.
- F. Rent for Families under the Non-citizen Rule 24 CFR 5.516, .518, and .520
1. A mixed household will receive full continuation of assistance if all of the following conditions are met:
    - a. The household's head or spouse has eligible immigration status; and

- b. The household does not include any person who does not have eligible status other than the head of household, the spouse of the head of household, any parent of the head or spouse, or any child (under the age of 18) of the head or spouse.
- 2. If these conditions are not met the household's assistance is prorated in the following manner:
  - a. Find the prorated Housing Assistance Payment (HAP) by dividing the HAP by the total number of household members then multiplying the result by the number of eligible household members.
  - b. Obtain the prorated household share by subtracting the prorated HAP from the gross rent (contract rent plus utility allowance).
  - c. The prorated tenant rent equals the prorated household share minus the full utility allowance.

#### **11.5 UTILITY ALLOWANCE 24 CFR 982.517**

The ICHA maintains a utility allowance schedule for tenant-paid utilities (telephone & cable excluded), for cost of tenant-supplied refrigerators and ranges and for other tenant-paid housing services (e.g., trash collection, disposal of waste and refuse).

The utility allowance schedule is determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of a similar size and type in the same locality. In developing the schedule, the ICHA uses normal patterns of consumption for the community as whole and current utility rates.

The ICHA reviews the utility allowance schedule annually and revises any allowance for a utility category if there has been a change of 10% or more in the utility rate since the last time the utility allowance schedule was revised. The ICHA maintains information supporting the annual review of utility allowances and any revisions made in its utility allowance schedule. Participants may review this information at any time by making an appointment with the ICHA.

The ICHA is required to use the lesser of the size of dwelling unit actually leased by the family or the family unit size as determined under the Iowa City Housing Authority's subsidy standards. At each reexamination, the ICHA applies the utility allowance from the most current utility allowance schedule.

The ICHA will approve a request for a utility allowance that is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the household member with a disability.

The utility allowance will be subtracted from the household's share to determine the amount of the tenant rent. The tenant rent is the amount the household owes each month to the owner. The amount of the utility allowance is then still available to the household to pay the cost of their utilities. Any utility cost above the allowance is the responsibility of the tenant. Any savings resulting from utility costs below the amount of the allowance belong to the tenant.

#### **11.6 *DISTRIBUTION OF HOUSING ASSISTANCE PAYMENT 24 CFR 982.514***

The Iowa City Housing Authority pays the Housing Assistance Payment (HAP) documented on the HAP Contract or any subsequent addendums to the owner. The HAP may be all or part of the total rent. The ICHA is responsible only for the HAP and not the tenant payment. If HAP payments from the ICHA are not made when due, the owner may charge the ICHA a late payment agreed to in the contract and in accordance with generally accepted practices in the ICHA's jurisdiction.

#### **11.7 *CHANGE OF OWNERSHIP***

The ICHA requires a written request from a new owner to process a change of ownership. The following documents must accompany the written request:

- A. Deed showing the transfer of title; and
- B. Tax Identification Number or social security number.

New owners will be required to execute IRS form W-9. ICHA may withhold the HAP until the taxpayer identification number is received.

In addition, the Iowa City Housing Authority requires a written request by the owner or agent who executed the HAP contract in order to make changes regarding who is to receive ICHA's HAP payment or the address as to where the HAP payment should be sent.

## **12.0 INSPECTION POLICIES, HOUSING QUALITY STANDARDS 24 CFR 982.405**

The Iowa City Housing Authority will inspect all units to ensure that they meet Housing Quality Standards (HQS). No unit will be initially accepted into the HCVP Program unless the HQS are met. Units will be inspected at least biennially, and at other times as needed, to determine if the units meet HQS.

The Iowa City Housing Authority must be allowed to inspect the dwelling unit at reasonable times with reasonable notice. The household and owner will be notified of the inspection appointment. If the household cannot be at home for the scheduled inspection appointment, the household must call and reschedule the inspection or make arrangements to enable the ICHA to enter the unit and complete the inspection.

If the household misses the scheduled inspection and fails to reschedule the inspection, the Iowa City Housing Authority will schedule one more inspection. If the household misses two inspections, the ICHA will consider the household to have violated a Family Obligation and their assistance may be terminated.

#### ***12.1 HOUSING QUALITY STANDARDS (HQS) 24 CFR 982.401***

The City of Iowa City has integrated the Housing Quality Standards (HQS) into the Iowa City Housing Code to be enforced by the city, as stringent as, or more stringent than, those in the HQS standard to insure the health safety and welfare of the occupants of dwellings.

### **13.0 RECERTIFICATION**

#### ***13.1 ANNUAL REEXAMINATION 24 CFR 982.516***

At least annually, the Iowa City Housing Authority will conduct a reexamination of household income, household composition and other circumstances. The results of the reexamination determine the rent the household will pay and whether the household subsidy is correct based on the household unit size.

The ICHA will send a notification letter to the household letting them know it is time for their annual reexamination. The letter includes forms for the household to complete and states what documents will need to be provided. The letter informs families who might need alternate arrangements, due to a disability, that they may contact staff to request accommodations.

The household will provide all information regarding income, assets, expenses and other information necessary to determine the household's share of rent. The household will sign the HUD consent form and other consent forms that later will be used to verify the household circumstances.

Upon receipt of verification, the Iowa City Housing Authority will determine the household's adjusted annual income and will calculate tenant rent.

The Iowa City Housing Authority will determine whether any change in family composition will make a change in allowable subsidy.

### **13.1.1 Effective Date of Rent Changes for Annual Reexaminations**

The new household share will generally be effective on the annual renewal date with 30 days notice of any rent increase to the household.

If the rent determination is delayed due to a reason beyond the control of the household, any rent increase will be effective the first of the month following the households receiving a 30 day notice of the amount. If the new rent is a reduction and the delay is beyond the control of the household, the reduction will be effective as scheduled on the anniversary date.

If the household caused the delay they will not receive a 30 day notice of any increase in rent. The increase will be effective on the annual renewal date.

If a client does not submit annual renewal paperwork in time for the ICHA to perform the renewal, the client is responsible for the full contract rent to owner until the ICHA can complete the review.

### **13.1.2 Missing Paperwork**

If the household fails to respond to a letter requesting missing information, a second reminder letter will be mailed. If there is no response to either request a termination letter will be sent.

## **13.2 INTERIM REEXAMINATIONS**

During an interim reexamination, only the information affected by the changes being reported will be reviewed and verified.

Families are required to report increases in household income or changes in family composition, in writing, to the Iowa City Housing Authority between regular reexaminations within 30 days of the effective date of the change (example, from the date of employment.)

The following are samples of changes that will trigger an interim reexamination:

- A. A member has been added to the household through birth, adoption or court-awarded custody;
- B. The family's income changes for at least 30 days;
- C. A household member is leaving or has left the household;
- D. Household break-up: In circumstances of a household break-up, the ICHA will make a determination which household member will retain the voucher, taking into consideration the following factors:
  - 1. To whom the voucher was issued;
  - 2. The interest of minor children or of ill, elderly, or disabled household members;
  - 3. Whether the assistance should remain with the household members remaining in the unit; and
  - 4. Whether household members were forced to leave the unit as a result of actual or threatened physical violence by a spouse or other member(s) of the household.

If a court determines the disposition of property between members of the assisted household in a divorce or separate maintenance decree, the Iowa City Housing Authority will be bound by the court's determination of which household members continue to receive assistance in the program.

Because of the number of possible circumstances in which a determination will have to be made, the ICHA will make determinations on a case by case basis.

The ICHA will issue a determination within ten (10) calendar days of the request for a determination. The household member requesting the determination may request an informal hearing in compliance with the informal hearings in Section 15.4.

In order to add a household member other than through birth or adoption the household must request from the owner that the new member be added to the lease. Before adding the new member to the lease, the individual must complete an application form stating their income, assets and all other information required of an applicant. The individual must provide their social security number if they have one and must verify their citizenship/eligible immigrant status (Their housing will not be delayed due to delays in verifying eligible immigrant status other than delays caused by the household.) The new

household member will go through the screening process similar to the process for applicants. The ICHA will determine the eligibility of the individual before allowing them to be added to the household. If the individual is found to be ineligible, or does not pass the screening criteria, the family will be advised in writing and given the opportunity for an informal review.

If they are found to be eligible and do pass the screening criteria, the Iowa City Housing Authority will grant approval to add them to the household. At the same time, the household's annual income will be recalculated, taking into account the income and circumstances of the new household member. The effective date of the new rent will be in accordance with paragraph 13.2.2 below. In some instances new members are added prior to the ICHA receiving criminal background information. If adverse information is received, the new members would need to leave the household.

Families are not required to, but may at any time, request an interim reexamination based on a decrease in income, an increase in allowable expenses, or other changes in household circumstances. Upon such request, the ICHA will take timely action to process the interim reexamination and recalculate the household share.

Rent reductions, based on tenant reported changes, will take effect the month following the tenant's written notification to the ICHA. If a 3<sup>rd</sup> party verification cannot be secured prior to the first of the month, the ICHA will accept the tenant's notification to process the change and secure the 3<sup>rd</sup> party verification. If the 3<sup>rd</sup> party verification does not support the information supplied by the family, the ICHA will require reimbursement by the tenant and will enforce the family obligations.

Interim reexaminations based on increases in earned and unearned income will be processed. \*

\* Social Security cost of living increases will be processed at annual review only; unless this information is gathered as a result of other interim changes reported by the family (e.g., Medicare changes).

Decreases in income due to voluntary leaves of absence from employment without pay will not result in an increase of HAP. Temporary absences for continuing education are acceptable and will result in an increase in HAP.

### **13.2.1 Special Reexaminations**

If a household's income is too unstable to project for 12 months, including families that temporarily have no income or have a temporary decrease in income, the Iowa City

Housing Authority may schedule special reexaminations periodically until the income stabilizes and an annual income can be determined.

The ICHA will conduct interim examinations in the event of maternity leave and temporary decreases in income such as those employed by the school district (off for summer months) or quitting employment at annual review time. Zero income households may also be subject to special reexaminations.

### **13.2.2 Effective Date of Rent Changes Due to Interim or Special Reexaminations**

A change in circumstances or household income that would result in a decrease in the tenant's rent must be expected to last for at least thirty days before an interim review will be conducted. Any decrease in household income or increase in allowances or deductions that is reported to the Iowa City Housing Authority will be effective the first of the following month. The participant will receive a 30 day notice of any increase in their portion of the rent due to reported increases of household income. This notice is waived if the participant fails to report as required.

If the new rent is a reduction and the household caused the delay or did not report the change in a timely manner, the change will be effective the first day of the month after the rent amount is determined.

## **14.0 HCVP TENANT TERMINATION CRITERIA (24CFR 982.552 & 982.553)**

Under federal regulations found at 24 CFR 982.552, the Housing Authority must terminate the HCVP assistance of certain families and it has the discretion to terminate others based on certain actions or inactions by family members. 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, and refusing to process or provide assistance under portability procedures.

### **MUST TERMINATE - LIFE TIME BAN**

The Housing Authority must terminate assistance if any household member is subject to a lifetime registration requirement under a State sex offender registration program.

### **MUST TERMINATE -3 YEAR PERIOD OF INELIGIBILITY**

S:\PHA Policies\March 2022 HCV Administrative Plan.docx  
Adopted March 1, 2022 (Resolution #22-52)

The HA must terminate assistance:

1. For three years from the date of eviction, if a household member has been evicted from federally assisted housing for drug-related criminal activity. However, the Housing Authority may admit the household if the Housing Authority determines:
  - a. That the evicted household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program approved by the Housing Authority; or
  - b. That the circumstances leading to eviction no longer exist (for example, the criminal household member has died or is imprisoned).
2. The Housing Authority determines that any household member is currently engaging in illegal use of a drug.
3. The Housing Authority determines that it has reasonable cause to believe that a household member's illegal drug use or a pattern of illegal drug use may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.
4. If any household member has ever been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing.

If a person is terminated for any reason listed above, the person will be ineligible for assistance for three years from the last day housing assistance is paid; if no assistance is currently being paid, the 3 year period of ineligibility begins with the date of the termination notice.

#### **MUST TERMINATE - 1 YEAR PERIOD OF INELIGIBILITY**

1. For a family evicted from housing assisted under the program for serious violation of the lease.
2. If the family fails to sign and submit consent forms for obtaining information in accordance with 24 CFR, part 5, subparts B and F.

#### **MAY DENY-LIFE TIME BAN**

The Housing Authority may deny assistance if any household member is subject to a registration requirement under a State sex offender registration program.

#### **MAY TERMINATE – 3 YEAR PERIOD OF INELIGIBILITY**

##### **A. Criminal Activity**

If any household member is currently engaged in, or has engaged in within five years the following criminal activity, the Housing Authority may terminate assistance, based on a preponderance of evidence, regardless of whether the household member has been arrested or convicted for such activity:

1. Drug-related criminal activity (defined at 24 CFR 5.100)
2. Violent criminal activity (defined at 24 CFR 5.100) [Note Section E: Exception for persons subjected to dating violence, domestic violence, sexual assault, and stalking.];
3. Other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity.
4. Other criminal activity which may threaten the health or safety of the owner, property management staff, or persons performing a contract administration function or responsibility on behalf of the Housing Authority (including a Housing Authority employee or a Housing Authority contractor, subcontractor or agent)

If a person is terminated for any reason listed above, the person will be ineligible for assistance for a period of three years.

#### **B. Family Obligations (1-year period of ineligibility)**

The Housing Authority may terminate assistance for the violation of any obligation of a participant family under the program, which is:

1. Supplying required information (“Information” includes any requested certification, release or other documentation):
  - a. The family must supply any information that the Housing Authority or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status (as provided by 24 CFR part 5).
  - b. The family must supply any information requested by the Housing Authority or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements.
  - c. The family must disclose and verify social security numbers (as provided by 24 CFR part 5, subpart B, of this title) and must sign and submit consent forms for obtaining information in accordance with 24 CFR part 5, subpart B, of this title.
  - d. Any information supplied by the family must be true and complete.
2. The family must not breach Housing Quality Standards as described in 24 CFR 982.404(b).
3. The family must allow the Housing Authority to inspect the unit at reasonable times and after reasonable notice.

4. The family may not commit any serious or repeated violation of the lease.
5. The family must notify the Housing Authority in writing and the owner 30 days before the family moves out of the unit, or terminates the lease on notice to the owner.
6. The family must promptly give the Housing Authority a copy of any owner eviction notice.
7. Use and occupancy of unit.
  - a. The family must use the assisted unit for residence by the family. The unit must be the family's only residence.
  - b. The composition of the assisted family residing in the unit must be approved by the Housing Authority. The family must promptly inform the Housing Authority of the birth, adoption or court-awarded custody of a child. The family must request in writing Housing Authority approval to add any other family member as an occupant of the unit. No other person [i.e., nobody but members of the assisted family] may reside in the unit (except for a foster child or live-in aide as provided in paragraph (h) (4) of this section).
  - c. The family must promptly notify the Housing Authority in writing if any family member no longer resides in the unit.
  - d. If the Housing Authority has given approval, a foster child or a live-in-aide may reside in the unit. The Housing Authority has the discretion to adopt reasonable policies concerning residence by a foster child or a live-in-aide, and defining when Housing Authority consent may be given or denied.
  - e. Members of the household may engage in legal profit making activities in the unit, but only if such activities are incidental to primary use of the unit for residence by members of the family.
  - f. The family must not sublease or let the unit.
  - g. The family must not assign the lease or transfer the unit.
8. Absence from unit. The family must supply any information or certification requested by the Housing Authority to verify that the family is living in the unit, or relating to family absence from the unit, including any Housing Authority requested information or certification on the purposes of family absences. The family must cooperate with the Housing Authority for this purpose. The family must promptly notify the Housing Authority of absence from the unit of more than 30 days.
9. Interest in unit. The family must not own or have any interest in the unit.
10. Fraud and other program violation. The members of the family must not commit fraud, bribery or any other corrupt or criminal act in connection with the programs.
11. Alcohol abuse by household members. The members of the household must not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.
12. Other housing assistance. An assisted family, or members of the family, may not receive HCVP tenant-based assistance while receiving another housing subsidy, for the same unit

or for a different unit, under any duplicative (as determined by HUD or in accordance with HUD requirements) federal, State or local housing assistance program.

13. Any increases in household income must be reported to the HA in writing within 30 days of the change (Examples: employment start date; receipt of government benefits such as FIP, Social Security, SSI, or unemployment benefits)
14. The family may not allow any person to use the address of the assisted unit to receive mail.

If a person is terminated for any reason listed above, the person will be ineligible for assistance for one (1) year from the last day housing assistance is paid; if no assistance is currently being paid, the 1-year period of ineligibility begins with the date of the termination notice.

### **C. Miscellaneous Reasons (1-year period of ineligibility)**

The HA may terminate assistance for any of the following reasons:

1. If a Housing Authority has ever terminated assistance under the program for any member of the family;
2. Fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program;
3. If the family has not reimbursed any Housing Authority for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.
4. If the family breaches an agreement with the Housing Authority to pay amounts owed to a Housing Authority, or amounts paid to an owner by a Housing Authority. (The Housing Authority, at its discretion, may offer a family the opportunity to enter an agreement to pay amounts owed to a Housing Authority or amounts paid to an owner by a Housing Authority. The Housing Authority may prescribe the terms of the agreement.)
5. If a family participating in the FSS program fails to comply, without good cause, with the family's FSS contract of participation.
6. If the family has engaged in or threatened abusive or violent behavior toward Housing Authority personnel.
7. If a welfare-to-work (WTW) family fails, willfully and persistently, to fulfill its obligations under the welfare-to-work voucher program.
8. If the Housing Authority determines that a household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

If a person is terminated for any reason listed above, the person will be ineligible for assistance for one (1) year from the last day housing assistance is paid; if no assistance is currently being paid, the 1-year period of ineligibility begins with the date of the termination notice.

### **D. Additional Considerations**

In determining whether to terminate assistance because of action or failure to act by members of the family:

1. The Housing Authority may consider all relevant circumstances such as the seriousness of the case, the extent of participation or culpability of individual family members, mitigating circumstances related to the disability of a family member, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure. Such consideration also includes the effect the termination will have on family members not involved in the criminal activity and the extent to which the offending family member and participant have taken personal responsibility and have taken all reasonable steps to prevent or mitigate the offending behavior.
2. The Housing Authority may impose, as a condition of continued assistance for other family members, a requirement that other family members who participated in or were culpable for the action or failure will not reside in the unit. The Housing Authority may permit the other members of a participant family to continue receiving assistance.
3. In determining whether to terminate assistance for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the Housing Authority consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully (42 U.S.C. 13661). For this purpose, the Housing Authority may require the applicant or tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.
4. If the family includes a person with disabilities, the Housing Authority decision concerning such action is subject to consideration of reasonable accommodation in accordance with part 8 of this title.

**E. Exception for persons subjected to dating violence, domestic violence, sexual assault, and stalking.**

Although the Housing Authority may terminate HCVP assistance if a member of the tenant family has engaged in violent criminal activity, there is an exception for persons subjected to dating violence, domestic violence, sexual assault, and stalking, as those terms are defined in 42 U.S.C. 1437f. The Housing Authority may terminate the voucher assistance to the member of the household who committed the dating violence, domestic violence, sexual assault, and stalking but not to the victim. The Housing Authority may, however, deny the assistance to the victim for other reasons not premised on the act of dating violence, domestic violence, sexual assault, and stalking.

## **15.0 PENALTIES, COMPLAINTS, INFORMAL REVIEWS FOR APPLICANTS, INFORMAL HEARINGS FOR PARTICIPANTS**

### **15.1 PENALTIES**

Tenants terminated (or applicants denied) by the Iowa City Housing Authority will be denied all forms of rental assistance and are ineligible for assistance for a minimum of 1 year and a maximum of 3 years pending the determination of the ICHA or the Hearing Officer. Severity and duplication of the violation will be taken into consideration when determining the duration of the penalty and the tenant will be notified in writing of the decision. An applicant will be denied for 1 or three years from the date of denial. A participant will be denied assistance for 1 or three (3) years from the date of the last Housing Assistance Payment; if no assistance is currently being paid, the 1-year period of ineligibility begins with the date of the termination notice. Upon denial/termination an applicant/participant will be removed from all ICHA waiting lists.

### **15.2 COMPLAINTS**

The ICHA will investigate and respond to complaints by participant families, owners and the general public. The ICHA may require that complaints, other than HQS violations be put in writing. Anonymous complaints are investigated whenever possible.

### **15.3 INFORMAL REVIEW FOR THE APPLICANT 24 CFR 982.554**

#### **A. Informal Review for the Applicant:**

The Iowa City Housing Authority will give an applicant for the HCVP Program, prompt notice of a decision denying assistance. The notice will contain a brief statement of the reasons for the ICHA decision. The notice will state that the applicant may request an informal review within ten (10) calendar days of the denial and will describe how to obtain the informal review.

#### **B. When an Informal Review is not required:**

The ICHA will not provide the applicant an opportunity for an informal review for any of the following reasons:

1. A determination of the household unit size under ICHA subsidy standards.

2. An ICHA determination not to approve an extension or suspension of a voucher term.
3. An ICHA determination not to grant approval to lease a unit under the program or to approve a proposed lease.
4. An ICHA determination that a unit selected by the applicant is not in compliance with HQS.
5. An ICHA determination that the unit is not in accordance with HQS because of household size or composition.
6. General policy issues or class grievances.
7. Discretionary administrative determinations by the ICHA.

#### C. Review Process:

The ICHA will give an applicant an opportunity for an informal review of the ICHA decision denying assistance to the applicant. The procedure is as follows:

1. The review will be conducted by any person or persons designated by the ICHA, other than the person who made or approved the decision under review, or a subordinate of this person.
2. The applicant will be given an opportunity to present written or oral objections to the ICHA decision.
3. The ICHA will notify the applicant of the Hearing Officer's decision within fourteen (14) calendar days of receiving the decision. The notification will include a brief statement of the reasons for the final decision.

#### D. Consideration of Circumstances: 24 CFR 982.552 (c)(2)

In deciding whether to deny assistance because of action or inaction by members of the household, the ICHA may consider all of the circumstances in each case, including the seriousness of the case, the extent of participation or culpability of individual household members and the effects of denial of assistance on other household members who were not involved in the action or inaction.

The ICHA may impose, as a condition of continued assistance for other household members, a requirement that household members who participated in, or were culpable

for, the action or inaction will not reside in or visit the unit. The ICHA may permit other members of a household to receive assistance.

If the ICHA denies assistance because of illegal use, or possession for personal use, of a controlled substance or pattern of abuse of alcohol, ICHA provides notice to the household of the ICHA determination to deny or terminate assistance. In determining whether to terminate assistance for these reasons the ICHA may consider evidence of whether the household member:

1. Has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol;
  2. Has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol; or
  3. Is participating in a supervised drug or alcohol rehabilitation program and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol.
- E. Informal Review Procedures for Denial of Assistance on the Basis of Ineligible Immigration Status: 24 CFR 982.554 (d)

The applicant household may request that the ICHA provide for an informal review after the household has notification of the INS decision on appeal, or in lieu of request of appeal to the INS. This request must be made by the applicant household within 30 days of receipt of the *Notice of Denial or Termination of Assistance*, or within 30 days of receipt of the INS appeal decision.

For applicant families, the Informal Review Process above will be utilized with the exception that the applicant household will have up to 30 days from receipt of the *Notice of Denial or Termination of Assistance*, or of the INS appeal decision to request the review.

#### **15.4 INFORMAL HEARINGS FOR PARTICIPANTS 24 CFR 982.555**

- A. When a Hearing is not required:

The ICHA will not provide a participant household an opportunity for an informal hearing for any of the following reasons:

1. Discretionary administrative determinations by the ICHA.

2. General policy issues or class grievances.
3. Establishment of the ICHA schedule of utility allowances for families in the program.
4. An ICHA determination not to approve an extension or suspension of a voucher term.
5. An ICHA determination not to approve a unit or lease.
6. An ICHA determination that an assisted unit is not in compliance with HQS. However, the Iowa City Housing Authority will provide the opportunity for an informal hearing for a decision to terminate assistance for a breach of the HQS caused by the household.
7. An ICHA determination that the unit is not in accordance with HQS because of the household size.
8. A determination by the ICHA to exercise or not exercise any right or remedy against the owner under a HAP contract.

B. Notice to the Household:

1. The ICHA will notify the household that the household may ask for an explanation of the basis of the ICHA's determination and that if the household does not agree with the determination, the household may request an informal hearing on the decision.
2. The ICHA will give the household prompt written notice that the household may request a hearing within ten (10) calendar days of the notification. The notice will:
  - a. Contain a brief statement of the reasons for the decision; and
  - b. State if the household does not agree with the decision, the household may request an informal hearing on the decision within ten (10) calendar days of the notification.

C. Hearing Procedures:

The ICHA and participants will adhere to the following procedures:

S:\PHA Policies\March 2022 HCV Administrative Plan.docx  
 Adopted March 1, 2022 (Resolution #22-52)

1. Discovery

- a. The household will be given the opportunity to examine, before the hearing, any ICHA documents that are directly relevant to the hearing. The household will be allowed to copy any such documents at the household's expense. If ICHA does not make the documents available for examination on request of the household, the ICHA may not rely on the documents at the hearing.
- b. The ICHA will be given the opportunity to examine, at ICHA's offices before the hearing, any household documents that are directly relevant to the hearing. The ICHA will be allowed to copy any such document at the ICHA's expense. If the household does not make the documents available for examination on request of the ICHA, the household may not rely on the document at the hearing.

Note: The term **document** includes records and regulations.

2. Representation of the Household

A lawyer or other representative may represent the household at the households' expense.

3. Hearing Officer

- a. The hearing will be conducted by any person or persons designated by the ICHA, other than a person who made or approved the decision under review, or a subordinate of this person.
- b. The person who conducts the hearing will regulate the conduct of the hearing in accordance with the ICHA hearing procedures.

4. Evidence

The ICHA and the household must have the opportunity to present evidence and may question any witnesses. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

5. Issuance of Decision

The person who conducts the hearing must issue a written decision, stating the reasons for the decision. The ICHA will notify the participant of Hearing Officer's decision within fourteen (14) calendar days of receiving the decision. Factual determinations relating to the individual circumstances of the household shall be based on a preponderance of the evidence presented at the hearing.

6. Effect of the Decision

The Iowa City Housing Authority is not bound by a hearing decision:

- a. Concerning a matter for which the ICHA is not required to provide an opportunity for an informal hearing under this section, or that otherwise exceeds the authority of the person conducting the hearing under the ICHA hearing procedures.
- b. Contrary to HUD regulations or requirements, or otherwise contrary to federal, state, or local law.
- d. If the ICHA determines that it is not bound by a hearing decision, the ICHA will notify the household within fourteen (14) calendar days of the determination and provide reasons for the determination.

D. Consideration of Circumstances: 24 CFR 982.552 (c) (2)

In deciding whether to terminate assistance because of action or inaction by members of the household, the ICHA may consider all of the circumstances in each case, including the seriousness of the case, the extent of participation or culpability of individual household members and the effects of denial or termination of assistance on other household members who were not involved in the action or inaction.

The ICHA may impose, as a condition of continued assistance for other household members, a requirement that household members who participated in, or were culpable for, the action or inaction will not reside in or visit the unit. The ICHA may permit the other members of a participant household to continue receiving assistance.

If the ICHA seeks to terminate assistance because of illegal use, or possession for personal use, of a controlled substance or pattern of abuse of alcohol, ICHA provides notice to the household of the ICHA determination to deny or terminate assistance. In determining whether to terminate assistance for these reasons the ICHA may consider evidence of whether the household member:

1. Has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol;
  2. Has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol; or
  3. Is participating in a supervised drug or alcohol rehabilitation program and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol.
- E. Informal Hearing Procedures for Denial of Assistance on the Basis of Ineligible Immigration Status: 24 CFR 982.555(g)

The participant household may request that the ICHA provide for an informal hearing after the household has notification of the INS decision on appeal, or in lieu of request of appeal to the INS. This request must be made by the participant household within 30 days of receipt of the *Notice of Denial* or *Termination of Assistance*, or within 30 days of receipt of the INS appeal decision.

For the participant families, the Informal Hearing Process above will be utilized with the exception that the participant household will have up to 30 days of receipt of the *Notice of Denial* or *Termination of Assistance*, or of the INS appeal decision.

F. Determination of Good Cause:

Purpose: To provide substantive guidelines for the determination of good cause for permitting untimely action or excusing the failure to act as required for good cause shown (e.g., late appeals, request to reschedule hearings, etc.).

Substantive Guidelines: In determining whether good cause has been shown for permitting an untimely action or excusing the failure to act as required, the Housing Authority may consider any relevant factors including, but not limited to, whether the party acted in the manner that a reasonably prudent individual would have acted under the same or similar circumstances, whether the party received timely notice of the need to act, whether there was administrative error by the Housing Authority, whether there were factors outside the control of the party that prevented a timely action, the efforts made by the party to seek an extension of time by promptly notifying the Housing Authority, the party's physical inability to take timely action, the length of time the action was untimely, and whether any other interested party has been prejudiced by the untimely action. However, good cause cannot be established to accept or permit an untimely action or to excuse the failure to act, as required, that was caused by the party's failure to keep the Housing Authority

directly and promptly informed by written, signed statement of his or her current and correct mailing address in person, by mail, by facsimile machine, or by Housing Authority-approved electronic means. A written decision concerning the existence of good cause need not contain findings of fact on every relevant factor, but the basis for the decision must be apparent from the order.

## **16.0 REPAYMENT AGREEMENTS 24 CFR 982.552 (C) (1) (VII)**

**Family Break-Ups** - If there is a family break up and the initial household owes the ICHA a debt, the person leaving the household (if head, spouse, other adult) will be held jointly liable for the debt. The responsible parties may not receive assistance in another assisted household until the debt is paid. This includes an individual being added as a live-in aid.

If a participant owes money to the ICHA, the ICHA requires the participant to enter into a repayment agreement or repay the entire amount on demand. If the participant does not comply with the repayment agreement, the ICHA may terminate the participant from the program. However, the ICHA will consider extenuating circumstances on a case-by-case basis.

If the ICHA determines that the family committed fraud or was grossly irresponsible, the ICHA may require the family to repay the entire amount in full or terminate assistance, since fraud or gross irresponsibility are considered a violation of a family obligation.

The ICHA does not have a responsibility to enter into a repayment agreement. If the family's assistance is terminated and repayment has not been made, the money will still be considered a debt and the ICHA may take action to collect the amounts owed. The Iowa City Housing Authority may file a claim in court or place the debt in the State of Iowa's Income Offset Program (e.g., income taxes, casino/lottery winnings, other vendor payments from the State of Iowa). The debt and termination information is reported to the HUD EIV system for review by Public Housing Authorities nationwide.

(See also Section II, A. (8) Eligibility Criteria, Section XI, D. (6) Family Moves with Continued Assistance and Section XII, B. Housing Assistance Terminations, l.i.)

## **17.0 PROJECT-BASED VOUCHERS**

### **INTRODUCTION**

This chapter describes HUD regulations and PHA policies related to the project-based voucher (PBV) program in nine parts:

Part I: General Requirements. This part describes general provisions of the PBV program including maximum budget authority requirements, relocation requirements, and equal opportunity requirements.

Part II: PBV Owner Proposals. This part includes policies related to the submission and selection of owner proposals for PBV assistance. It describes the factors the PHA will consider when selecting proposals, the type of housing that is eligible to receive PBV assistance, the cap on assistance at projects receiving PBV assistance, subsidy layering requirements, site selection standards, and environmental review requirements.

Part III: Dwelling Units. This part describes requirements related to housing quality standards, the type and frequency of inspections, and housing accessibility for persons with disabilities.

Part IV: Rehabilitated and Newly Constructed Units. This part describes requirements and policies related to the development and completion of rehabilitated and newly constructed housing units that will be receiving PBV assistance.

Part V: Housing Assistance Payments Contract. This part discusses HAP contract requirements and policies including the execution, term, and termination of the HAP contract. In addition, it describes how the HAP contract may be amended and identifies provisions that may be added to the HAP contract at the PHA's discretion.

Part VI: Selection of PBV Program Participants. This part describes the requirements and policies governing how the PHA and the owner will select a family to receive PBV assistance.

Part VII: Occupancy. This part discusses occupancy requirements related to the lease, and describes under what conditions families are allowed or required to move. In addition, exceptions to the occupancy cap (which limits PBV assistance to 25 percent of the units in any project) are also discussed.

Part VIII: Determining Rent to Owner. This part describes how the initial rent to owner is determined, and how rent will be redetermined throughout the life of the HAP contract. Rent reasonableness requirements are also discussed.

Part IX: Payments to Owner. This part describes the types of payments owners may receive under this program.

## **PART I: GENERAL REQUIREMENTS**

### **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 5% 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 amount 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.

### PHA Policy

The PHA will not set aside units above the 5% authorized units.

### **Units Not Subject to the PBV Program Limitation [FR Notice 1/18/17]**

PBV units under the RAD program and HUD-VASH PBV set-aside vouchers do not count toward the 20 percent limitation when PBV assistance is attached to them.

In addition, units that were previously subject to certain federal rent restrictions or were receiving another type of long-term housing subsidy provided by HUD are not subject to the cap. The unit must be covered under a PBV HAP contract that first became effective on or after 4/18/17.

#### PHA Policy

The PHA will not set aside units above the 5% authorized units.

### **17-I.B. TENANT-BASED VS. PROJECT-BASED VOUCHER ASSISTANCE [24 CFR 983.2]**

Much of the tenant-based voucher program regulations also apply to the PBV program. Consequently, many of the PHA policies related to tenant-based assistance also apply to PBV assistance. The provisions of the tenant-based voucher regulations that do not apply to the PBV program are listed at 24 CFR 983.2.

#### PHA 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 PBV program and its participants.

### **17-I.C. RELOCATION REQUIREMENTS [24 CFR 983.7]**

Any persons displaced as a result of implementation of the PBV program must be provided relocation assistance in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)[42 U.S.C. 4201-4655] and implementing regulations at 49 CFR part 24.

The cost of required relocation assistance may be paid with funds provided by the owner, local public funds, or funds available from other sources. PHAs may not use voucher program funds to cover relocation costs, except that PHAs may use their administrative fee reserve to pay for relocation expenses after all other program administrative expenses are satisfied, and provided that payment of the relocation benefits is consistent with state and local law. Use of the administrative fee for these purposes must also be consistent with other legal and regulatory requirements, including the requirement in 24 CFR 982.155 and other official HUD issuances. The acquisition of real property for a PBV project is subject to the URA and 49 CFR part 24, subpart B. It is the responsibility of the PHA to ensure the owner complies with these requirements.

### **17-I.D. EQUAL OPPORTUNITY REQUIREMENTS [24 CFR 983.8]**

The PHA must comply with all equal opportunity requirements under federal law and regulations in its implementation of the PBV program. This includes the requirements and authorities cited at 24 CFR 5.105(a). In addition, the PHA must comply with the PHA Plan certification on civil rights and affirmatively furthering fair housing, submitted in accordance with 24 CFR 903.7(o).

## **PART II: PBV OWNER PROPOSALS**

### **17-II.A. OVERVIEW**

With certain exceptions, the PHA must describe the procedures for owner submission of PBV proposals and for PHA selection of PBV proposals [24 CFR 983.51]. Before selecting a PBV proposal, the PHA must determine that the PBV proposal complies with HUD program regulations and requirements, including a determination that the property is eligible housing [24 CFR 983.53 and 983.54], complies with the cap on the number of PBV units per project [24 CFR 983.56], and meets the site selection standards [24 CFR 983.57]. The PHA may not commit PBVs until or unless it has followed the proposal selection requirements defined in 24 CFR 983.51 [Notice PIH 2011-54].

### **17-II.B. OWNER PROPOSAL SELECTION PROCEDURES [24 CFR 983.51(b)]**

The PHA must select PBV proposals in accordance with the selection procedures in the PHA administrative plan. The PHA must select PBV proposals by either of the following two methods.

- PHA request for PBV Proposals. The PHA may solicit proposals by using a request for proposals to select proposals on a competitive basis in response to the PHA request. The PHA may not limit proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites.
- The PHA may select proposal that were previously selected based on a competition. This may include selection of a proposal for housing assisted under a federal, state, or local government housing assistance program that was subject to a competition in accordance with the requirements of the applicable program, community development program, or supportive services program that requires competitive selection of proposals (e.g., HOME, and units for which competitively awarded LIHTCs have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date, and the earlier competitive selection proposal did not involve any consideration that the project would receive PBV assistance. The PHA need not conduct another competition.

### **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.

#### PHA Policy

The PHA will not attach PBVs to projects owned by the PHA as described above.

### **Solicitation and Selection of PBV Proposals [24 CFR 983.51(c)]**

PHA procedures for selecting PBV proposals must be designed and actually operated to provide broad public notice of the opportunity to offer PBV proposals for consideration by the PHA. The public notice procedures may include publication of the public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice. The public notice of the PHA request for PBV proposals must specify the submission deadline. Detailed application and selection information must be provided at the request of interested parties.

#### PHA Policy

#### PHA Request for Proposals for Rehabilitated and Newly Constructed Units

The City of Iowa City will only issue an RFP for City of Iowa City sponsored projects. All request for proposals (RFP) for rehabilitated and newly constructed housing will follow the procedures outlined in the City of Iowa City's Purchasing policy. The criteria used by the PHA to rate and rank proposals for rehabilitated and newly constructed housing will include, but not be limited to the following:

- Owner experience and capability to build or rehabilitate housing as identified in the RFP;
- Extent to which the project furthers the PHA goal of scattered site housing, 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
- Percentage of units assisted. Projects with the lowest percent of assisted units will receive the highest score.

#### PHA Requests for Proposals for Existing Housing Units

The City of Iowa City will only issue an RFP for City of Iowa City sponsored projects. All request for proposals (RFP) for existing housing units will follow the procedures outlined

in the City of Iowa City's Purchasing policy. The criteria used by the PHA to rate and rank proposals for existing housing will include, but not be limited to the following:

- Experience as an owner in the tenant-based voucher program and owner compliance with the owner's obligations under the tenant-based program;
- Extent to which the project furthers the PHA goal of scattered site housing, deconcentrating poverty and expanding housing and economic opportunities;
- If applicable, extent to which services for special populations are provided on site or in the immediate area for occupants of the property; and
- Extent to which units are occupied by families that are eligible to participate in the PBV program.

PHA Selection of Proposals Subject to a Previous Competition under a Federal, State, or Local Housing Assistance Program

The PHA will review proposals for PBV assistance from owners that were competitively selected under another federal, state or local housing assistance program, including projects that were competitively awarded (e.g., funds via the National Housing Trust Fund, Low-Income Housing Tax Credits, etc.). In addition to, or in place of advertising, the PHA may also directly contact specific owners that have already been selected for Federal, state, or local housing assistance based on a previously held competition, to inform them of available PBV assistance.

If the City of Iowa City issues an RFP subject to a previous competition under a Federal, State, or Local Housing Assistance Program, the City of Iowa City will follow the procedures outlined in the City of Iowa City's Purchasing policy. The criteria used by the PHA to rate and rank proposals subject to a previous competition under a Federal, State, or Local Housing Assistance program will include, but not be limited to the following:

- Extent to which the project furthers the PHA goal of scattered site housing, deconcentrating poverty and expanding housing and economic opportunities; and
- Extent to which the proposal complements other local activities such as a "Housing First" project providing permanent supportive housing for homeless individuals/households with a disabling condition, the redevelopment of a public housing site under the HOPE VI program, the HOME program, CDBG activities, other development activities in a HUD-designated Enterprise Zone, Economic Community, Renewal Community.

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**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.

#### PHA Policy

The PHA does not plan on submitting proposals 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.

#### **PHA Notice of Owner Selection [24 CFR 983.51(d)]**

The PHA must give prompt written notice to the party that submitted a selected proposal and must also give prompt public notice of such selection. Public notice procedures may include publication of public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice.

#### PHA Policy

Within 10 business days of the PHA making the selection, the PHA will notify the selected owner in writing of the owner's selection for the PBV program. The PHA will also notify in writing all owners that submitted proposals that were not selected and advise such owners of the name of the selected owner.

The PHA will make available to any interested party its rating and ranking sheets and documents that identify the PHA basis for selecting the proposal. These documents will be available for review by the public and other interested parties for one month after publication of the notice of owner selection. The PHA will not make available sensitive

owner information that is privileged, such as financial statements and similar information about the owner.

### **17-II.C. HOUSING TYPE [24 CFR 983.52]**

The PHA may attach PBV assistance for units in existing housing or for newly constructed or rehabilitated housing developed under and in accordance with an agreement to enter into a housing assistance payments contract that was executed prior to the start of construction. A housing unit is considered an existing unit for purposes of the PBV program, if, at the time of notice of PHA selection, the units substantially comply with HQS. Units for which new construction or rehabilitation began after the owner's proposal submission but prior to the execution of the HAP do not subsequently qualify as existing housing. Units that were newly constructed or rehabilitated in violation of program requirements also do not qualify as existing housing.

The PHA must decide what housing type, new construction, rehabilitation, or existing housing, will be used to develop project-based housing. The PHA choice of housing type must be reflected in its solicitation for proposals.

### **17-II.D. PROHIBITION OF ASSISTANCE FOR CERTAIN UNITS**

#### **Ineligible Housing Types [24 CFR 983.53]**

The PHA may not attach or pay PBV assistance to shared housing units; units on the grounds of a penal reformatory, medical, mental, or similar public or private institution; nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care (except that assistance may be provided in assisted living facilities); units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students; manufactured homes; and transitional housing. In addition, the PHA may not attach or pay PBV assistance for a unit occupied by an owner and the PHA may not select or enter into an agreement to enter into a HAP contract or HAP contract for a unit occupied by a family ineligible for participation in the PBV program. A member of a cooperative who owns shares in the project assisted under the PBV program is not considered an owner for purposes of participation in the PBV program. Finally, PBV assistance may not be attached to units for which construction or rehabilitation has started after the proposal submission and prior to the execution of an AHAP.

#### **Subsidized Housing [24 CFR 983.54]**

A PHA may not attach or pay PBV assistance to units in any of the following types of subsidized housing:

- A public housing unit;
- A unit subsidized with any other form of Section 8 assistance;
- A unit subsidized with any governmental rent subsidy;
- A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing;
- A unit subsidized with Section 236 rental assistance payments (except that a PHA may attach assistance to a unit subsidized with Section 236 interest reduction payments);
- A Section 202 project for non-elderly with disabilities;
- Section 811 project-based supportive housing for persons with disabilities;
- Section 202 supportive housing for the elderly;
- A Section 101 rent supplement project;
- A unit subsidized with any form of tenant-based rental assistance;
- A unit with any other duplicative federal, state, or local housing subsidy, as determined by HUD or the PHA in accordance with HUD requirements.

**17-ILE. 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.

## **17-II.F. CAP ON NUMBER OF PBV UNITS IN EACH PROJECT**

### **25 Percent per Project Cap [24 CFR 983.56, FR Notice 1/18/17, and Notice PIH 2017-21]**

In general, the PHA may not select a proposal to provide PBV assistance for units in a project or enter into an agreement to enter into a HAP or a HAP contract to provide PBV assistance for units in a project, if the total number of dwelling units in the project that will receive PBV assistance during the term of the PBV HAP contract is more than the greater of 25 units or 25 percent of the number of dwelling units (assisted or unassisted) in the project.

### **Exceptions to 25 Percent per Project Cap [FR Notice 1/18/17; Notice PIH 2017-21]**

As of April 18, 2017, units are not counted against the 25 percent or 25-unit per project cap if:

- The units are exclusively for elderly families
- The units are for households eligible for supportive services available to all families receiving PBV assistance in the project
  - If the project is 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, the project cap is the greater of 25 units or 40 percent (instead of 25 percent) of the units in the project [FR Notice 7/14/17].

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The Housing Opportunity Through Modernization Act of 2016 (HOTMA) eliminated the project cap exemption for projects that serve disabled families and modified the exception for supportive services. Projects where these caps were implemented prior to HOTMA (HAP contracts executed prior to 4/18/17) may continue to use the former exceptions and may renew their HAP contracts under the old requirements, unless the PHA and owner agree to change the conditions of the HAP contract. However, this change may not be made if it would jeopardize an assisted family's eligibility for continued assistance in the project.

### ***Supportive Services***

PHAs must include in the PHA administrative plan the type of services offered to families for a project to qualify for the exception and the extent to which such services will be provided. As of 4/18/17, the project must make supportive services available to all families receiving PBV assistance in the project, but the family does not actually have to accept and receive supportive services for the exception to apply to the unit, although the family must be eligible to receive the supportive services. It is not necessary that the services be provided at or by the project, but must be reasonably available to families receiving PBV assistance at the project and designed to help

families in the project achieve self-sufficiency or live in the community as independently as possible. A PHA may not require participation in the supportive service as a condition of living in the excepted unit, although such services may be offered.

PHA Policy

Excepted units will be limited to units in a “Housing First” project providing permanent supportive housing for homeless individuals/households with a disabling condition. List services?

**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.

PHA Policy

The PHA does not have any PBV units that are subject to the per project cap exception.

**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.

PHA Policy:

Excepted units will be limited to units in a “Housing First” project providing permanent supportive housing for homeless individuals/households with a disabling condition.

**17-II.G. SITE SELECTION STANDARDS**

**Compliance with PBV Goals, Civil Rights Requirements, and HQS Site Standards [24 CFR 983.57(b)]**

The PHA may not select a proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an agreement to enter into a HAP contract or HAP contract for units on the site, unless the PHA has determined that PBV assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic

opportunities. The standard for deconcentrating poverty and expanding housing and economic opportunities must be consistent with the PHA Plan under 24 CFR 903 and the PHA administrative plan.

In addition, prior to selecting a proposal, the PHA must determine that the site is suitable from the standpoint of facilitating and furthering full compliance with the applicable Civil Rights Laws, regulations, and Executive Orders, and that the site meets the HQS site and neighborhood standards at 24 CFR 982.401(l).

#### PHA Policy

It is the PHA goal to select sites for PBV housing that comply with the City of Iowa City's Affordable Housing Location model.

#### **Existing and Rehabilitated Housing Site and Neighborhood Standards [24 CFR 983.57(d)]**

The PHA may not enter into an agreement to enter into a HAP contract nor enter into a HAP contract for existing or rehabilitated housing until it has determined that the site complies with the HUD required site and neighborhood standards. The site must:

- Be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- Have adequate utilities and streets available to service the site;
- Promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.
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#### **New Construction Site and Neighborhood Standards [24 CFR 983.57(e)]**

In order to be selected for PBV assistance, a site for newly constructed housing must meet the following HUD required site and neighborhood standards:

- The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- The site must have adequate utilities and streets available to service the site;
- The site must not be located in an area of minority concentration unless the PHA determines that sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration or that the

project is necessary to meet overriding housing needs that cannot be met in that housing market area;

- The site must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
- The site must promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate;
- The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Except for housing designed for elderly persons, the housing must be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

## **17-II.H. ENVIRONMENTAL REVIEW [24 CFR 983.58]**

The PHA activities under the PBV program are subject to HUD environmental regulations in 24 CFR parts 50 and 58. The *responsible entity* is responsible for performing the federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). The PHA may not enter into an agreement to enter into a HAP contract nor enter into a HAP contract until it has complied with the environmental review requirements.

In the case of existing housing, the responsible entity that is responsible for the environmental review under 24 CFR part 58 must determine whether or not PBV assistance is categorically excluded from review under the National Environmental Policy Act and whether or not the assistance is subject to review under the laws and authorities listed in 24 CFR 58.5.

The PHA may not enter into an agreement to enter into a HAP contract or a HAP contract with an owner, and the PHA, the owner, and its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities under this part, until the environmental review is completed.

The PHA must supply all available, relevant information necessary for the responsible entity to perform any required environmental review for any site. The PHA must require the owner to carry out mitigating measures required by the responsible entity (or HUD, if applicable) as a result of the environmental review.

## **PART III: DWELLING UNITS**

### **17-III.A. OVERVIEW**

This part identifies the special housing quality standards that apply to the PBV program, housing accessibility for persons with disabilities, and special procedures for conducting housing quality standards inspections.

### **17-III.B. HOUSING QUALITY STANDARDS [24 CFR 983.101]**

The housing quality standards (HQS) for the tenant-based program, including those for special housing types, generally apply to the PBV program. HQS requirements for shared housing, manufactured home space rental, and the homeownership option do not apply because these housing types are not assisted under the PBV program. The physical condition standards at 24 CFR 5.703 do not apply to the PBV program.

#### **Lead-based Paint [24 CFR 983.101(c)]**

The lead-based paint requirements for the tenant-based voucher program do not apply to the PBV program. Instead, The Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR part 35, subparts A, B, H, and R, apply to the PBV program.

### **17-III.C. HOUSING ACCESSIBILITY FOR PERSONS WITH DISABILITIES**

The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. The PHA must ensure that the percentage of accessible dwelling units complies with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR 8, subpart C. Housing first occupied after March 13, 1991, must comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205, as applicable. (24 CFR 983.102)

### **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)]**

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.

##### PHA 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.

##### PHA Policy

The PHA will inspect all PBV units on a biennial basis to determine if the contract units and the premises are maintained in accordance with HQS.

#### **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.

## **PART IV: REHABILITATED AND NEWLY CONSTRUCTED UNITS**

### **17-IV.A. OVERVIEW [24 CFR 983.151]**

There are specific requirements that apply to PBV assistance for newly constructed or rehabilitated housing that do not apply to PBV assistance in existing housing. This part describes the requirements unique to this type of assistance. Housing selected for this type of assistance may not at a later date be selected for PBV assistance as existing housing.

### **17-IV.B. AGREEMENT TO ENTER INTO HAP CONTRACT**

In order to offer PBV assistance in rehabilitated or newly constructed units, the PHA must enter into an agreement to enter into HAP contract (Agreement) with the owner of the property. The Agreement must be in the form required by HUD [24 CFR 983.152(b)]. The PHA may not enter into an Agreement if commencement of construction or rehabilitation has commenced after proposal submission [24 CFR 983.152(c)]. Construction begins when excavation or site preparation (including clearing of the land) begins for the housing. Rehabilitation begins with the physical commencement of rehabilitation activity on the housing.

In the Agreement the owner agrees to develop the PBV contract units to comply with HQS, and the PHA agrees that upon timely completion of such development in accordance with the terms of the Agreement, the PHA will enter into a HAP contract with the owner for the contract units [24 CFR 983.152(a)].

#### **Content of the Agreement [24 CFR 983.152(d)]**

At a minimum, the Agreement must describe the following features of the housing to be developed and assisted under the PBV program:

- Site and the location of the contract units;
- Number of contract units by area (size) and number of bedrooms and bathrooms;
- Services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner and utility services to be paid by the tenant;

- An indication of whether or not the design and construction requirements of the Fair Housing Act and section 504 of the Rehabilitation Act of 1973 apply to units under the Agreement. If applicable, any required work item resulting from these requirements must be included in the description of work to be performed under the Agreement;
- Estimated initial rents to owner for the contract units;
- Description of the work to be performed under the Agreement. For rehabilitated units, the description must include the rehabilitation work write up and, where determined necessary by the PHA, specifications and plans. For new construction units, the description must include the working drawings and specifications.
- Any additional requirements for quality, architecture, or design over and above HQS.

#### **Execution of the Agreement [24 CFR 983.153]**

The Agreement must be executed promptly after PHA notice of proposal selection to the selected owner. The PHA may not enter into the Agreement if construction or rehabilitation has started after proposal submission. Generally, the PHA may not enter into the Agreement with the owner until the subsidy layering review is completed. Likewise, the PHA may not enter into the Agreement until the environmental review is completed and the PHA has received environmental approval. However, the PHA does not need to conduct a subsidy layering review in the case of a HAP contract for existing housing or if the applicable state or local agency has conducted such a review. Similarly, environmental reviews are not required for existing structures unless otherwise required by law or regulation.

#### PHA Policy

The PHA will enter into the Agreement with the owner within 10 business days of receiving both environmental approval and notice that subsidy layering requirements have been met, and before construction or rehabilitation work is started.

### **17-IV.C. CONDUCT OF DEVELOPMENT WORK**

#### **Labor Standards [24 CFR 983.154(b)]**

If an Agreement covers the development of nine or more contract units (whether or not completed in stages), the owner and the owner's contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in the development of housing. The HUD-prescribed form of the Agreement will include the labor standards clauses required by HUD, such as those involving Davis-Bacon wage rates.

The owner, contractors, and subcontractors must also comply with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other applicable federal labor relations laws and regulations. The PHA must monitor compliance with labor standards.

### **Equal Opportunity [24 CFR 983.154(c)]**

The owner must comply with Section 3 of the Housing and Urban Development Act of 1968 and the implementing regulations at 24 CFR part 135. The owner must also comply with federal equal employment opportunity requirements.

### **Owner Disclosure [24 CFR 983.154(d) and (e)]**

The Agreement and HAP contract must include a certification by the owner that the owner and other project principals are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs. The owner must also disclose any possible conflict of interest that would be a violation of the Agreement, the HAP contract, or HUD regulations.

## **17-IV.D. COMPLETION OF HOUSING**

The Agreement must specify the deadlines for completion of the housing, and the owner must develop and complete the housing in accordance with these deadlines. The Agreement must also specify the deadline for submission by the owner of the required evidence of completion.

### **Evidence of Completion [24 CFR 983.155(b)]**

At a minimum, the owner must submit the following evidence of completion to the PHA in the form and manner required by the PHA:

- Owner certification that the work has been completed in accordance with HQS and all requirements of the Agreement; and
- Owner certification that the owner has complied with labor standards and equal opportunity requirements in development of the housing.
- 

At the PHA's discretion, the Agreement may specify additional documentation that must be submitted by the owner as evidence of housing completion.

#### PHA Policy

The PHA will determine the need for the owner to submit additional documentation as evidence of housing completion on a case-by-case basis depending on the nature of the PBV project. The PHA will specify any additional documentation requirements in the Agreement to enter into HAP contract.

### **PHA Acceptance of Completed Units [24 CFR 983.156]**

Upon notice from the owner that the housing is completed, the PHA must inspect to determine if the housing has been completed in accordance with the Agreement, including compliance with HQS and any additional requirements imposed under the Agreement. The PHA must also determine if the owner has submitted all required evidence of completion. If the work has not been completed in accordance with the Agreement, the PHA must not enter into the HAP contract. If the PHA determines the work has been completed in accordance with the Agreement and that the owner has submitted all required evidence of completion, the PHA must submit the HAP contract for execution by the owner and must then execute the HAP contract.

## **PART V: HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP)**

### **17-V.A. OVERVIEW**

The PHA must enter into a HAP contract with an owner for units that are receiving PBV assistance. The purpose of the HAP contract is to provide housing assistance payments for eligible families. Housing assistance is paid for contract units leased and occupied by eligible families during the HAP contract term. With the exception of single-family scattered-site projects, a HAP contract shall cover a single project. If multiple projects exist, each project is covered by a separate HAP contract. The HAP contract must be in the form required by HUD [24 CFR 983.202(a)].

### **17-V.B. HAP CONTRACT REQUIREMENTS**

#### **Contract Information [24 CFR 983.203]**

The HAP contract must specify the following information:

- The total number of contract units by number of bedrooms;
- The project's name, street address, city or county, state and zip code, block and lot number (if known), and any other information necessary to clearly identify the site and the building;
- The number of contract units in each building, the location of each contract unit, the area of each contract unit, and the number of bedrooms and bathrooms in each contract unit;
- Services, maintenance, and equipment to be supplied by the owner and included in the rent to owner;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner (included in rent) and utility services to be paid by the tenant;
- Features provided to comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8;
- The HAP contract term;

- The number of units in any project that will exceed the 25 percent per project cap, which will be set aside for occupancy by qualifying families (elderly and/or disabled families and families receiving supportive services); and
- The initial rent to owner for the first 12 months of the HAP contract term.

### **Execution of the HAP Contract [24 CFR 983.204]**

The PHA may not enter into a HAP contract until each contract unit has been inspected and the PHA has determined that the unit complies with the Housing Quality Standards (HQS), 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. For existing housing, the HAP contract must be executed promptly after the PHA selects the owner proposal and inspects the housing units. For newly constructed or rehabilitated housing the HAP contract must be executed after the PHA has inspected the completed units and has determined that the units have been completed in accordance with the agreement to enter into HAP, and the owner furnishes all required evidence of completion.

#### PHA Policy

For existing housing, the HAP contract will be executed within 10 business days of the PHA determining that all units pass HQS. For rehabilitated or newly constructed housing, the HAP contract will be executed within 10 business days of the PHA determining that the units have been completed in accordance with the agreement to enter into HAP, all units meet HQS, and the owner has submitted all required evidence of completion.

### **Term of HAP Contract [24 CFR 983.205, FR Notice 1/18/17, and Notice PIH 2017-21]**

The PHA may enter into a HAP contract with an owner for an initial term of no less than one year and no more than 20 years for each contract unit. The length of the term of the HAP contract for any contract unit may not be less than one year, nor more than 20 years. In the case of PHA-owned units, the term of the HAP contract must be agreed upon by the PHA and the independent entity approved by HUD [24 CFR 983.59(b)(2)].

#### PHA Policy

The term of all PBV HAP contracts will be negotiated with the owner on a case-by-case basis.

At the time of the initial HAP contract term or any time before expiration of the HAP contract, the PHA may extend the term of the contract for an additional term of up to 20 years if the PHA determines an extension is appropriate to continue providing affordable housing for low-income families. A HAP contract extension may not exceed 20 years. A PHA may provide for multiple extensions; however, in no circumstances may such extensions exceed 20 years, cumulatively.

Extensions after the initial extension are allowed at the end of any extension term, provided that not more than 24 months prior to the expiration of the previous extension contract the PHA agrees to extend the term, and that such extension is appropriate to continue providing affordable housing for low-income families or to expand housing opportunities. Extensions after the initial extension term shall not begin prior to the expiration date of the previous extension term. Subsequent extensions are subject to the same limitations. All extensions must be on the form and subject to the conditions prescribed by HUD at the time of the extension. In the case of PHA-owned units, any extension of the term of the HAP contract must be agreed upon by the PHA and the independent entity approved by HUD [24 CFR 983.59(b)(2)].

### PHA Policy

When determining whether or not to extend an expiring PBV contract, the PHA will consider several factors including, but not limited to:

- The cost of extending the contract and the amount of available budget authority;
- The condition of the contract units;
- The owner's record of compliance with obligations under the HAP contract and lease(s);
- Whether the location of the units continues to support the goals of scattered site housing, deconcentrating poverty and expanding housing opportunities; and
- Whether the funding could be used more appropriately for tenant-based assistance.

### ***Termination by PHA [24 CFR 983.205(c) and FR Notice 1/18/17]***

The HAP contract must provide that the term of the PHA's contractual commitment is subject to the availability of sufficient appropriated funding as determined by HUD or by the PHA in accordance with HUD instructions. For these purposes, sufficient funding means the availability of appropriations, and of funding under the ACC from such appropriations, to make full payment of housing assistance payments payable to the owner for any contract year in accordance with the terms of the HAP contract. In times of insufficient funding, HUD requires that PHAs first take all cost-saving measures prior to failing to make payments under existing PBV HAP contracts. If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, the PHA may terminate the HAP contract by notice to the owner. The termination must be implemented in accordance with HUD instructions.

### ***Termination by Owner [24 CFR 983.205(d)]***

If in accordance with program requirements the amount of rent to an owner for any contract unit is reduced below the amount of the rent to owner at the beginning of the HAP contract term, the owner may terminate the HAP contract by giving notice to the PHA. In this case, families living in the contract units must be offered tenant-based assistance.

**Statutory Notice Requirements: Contract Termination or Expiration [24 CFR 983.206, FR Notice 1/18/17, and Notice PIH 2017-21]**

Not less than one year before the HAP contract terminates, or if the owner refuses to renew the HAP contract, the owner must notify the PHA and assisted tenants of the termination. The notice must be provided in the form prescribed by HUD. If the owner does not give timely notice, the owner must permit the tenants in assisted units to remain in their units for the required notice period with no increase in the tenant portion of their rent, and with no eviction as a result of the owner's inability to collect an increased tenant portion of rent. An owner may renew the terminating contract for a period of time sufficient to give tenants one-year advance notice under such terms as HUD may require. Upon termination or expiration of the contract, a family living at the property is entitled to receive a tenant-based voucher. Tenant-based assistance would not begin until the owner's required notice period ends. The PHA must provide the family with a voucher and the family must also be given the option by the PHA and owner to remain in their unit with HCV tenant-based assistance as long as the unit complies with inspection and rent reasonableness requirements. The family must pay their total tenant payment (TTP) and any additional amount if the gross rent exceeds the applicable payment standard. The family has the right to remain in the project as long as the units are used for rental housing and are otherwise eligible for HCV assistance. The owner may not terminate the tenancy of a family that exercises its right to remain except for serious or repeated lease violations or other good cause. Families that receive a tenant-based voucher at the expiration or termination of the PBV HAP contract are not new admissions to the PHA HCV tenant-based program, and are not subject to income eligibility requirements or any other admission requirements. If the family chooses to remain in their unit with tenant-based assistance, the family may do so regardless of whether the family share would initially exceed 40 percent of the family's adjusted monthly income.

**Remedies for HQS Violations [24 CFR 983.208(b)]**

The PHA may not make any HAP payment to the owner for a contract unit during any period in which the unit does not comply with HQS. If the PHA determines that a contract does not comply with HQS, the PHA may exercise any of its remedies under the HAP contract, for any or all of the contract units. Available remedies include termination of housing assistance payments, abatement or reduction of housing assistance payments, reduction of contract units, and termination of the HAP contract.

PHA Policy

The PHA will abate and terminate PBV HAP contracts for non-compliance with HQS in accordance with the policies used in the tenant-based voucher program.

## **17-V.C. AMENDMENTS TO THE HAP CONTRACT**

### **Substitution of Contract Units [24 CFR 983.207(a)]**

At the PHA's discretion and subject to all PBV requirements, the HAP contract may be amended to substitute a different unit with the same number of bedrooms in the same project for a previously covered contract unit. Before any such substitution can take place, the PHA must inspect the proposed unit and determine the reasonable rent for the unit.

### **Addition of Contract Units [FR Notice 1/18/17 and Notice PIH 2017-21]**

The PHA and owner may amend the HAP contract to add additional PBV contract units in projects that already have a HAP contract without having to fulfill the selection requirements found at 24 CFR 983.51(b) for those additional PBV units, regardless of when the HAP contract was signed. The additional PBV units, however, are still subject to the PBV program cap and individual project caps. Prior to attaching additional units without competition, the PHA must submit to the local field office information outlined in FR Notice 1/18/17. The PHA must also detail in the administrative plan their intent to add PBV units and the rationale for adding units to the specific PBV project.

#### PHA Policy

The PHA will not add contract units to the HAP contract.

## **17-V.D. HAP CONTRACT YEAR, ANNIVERSARY AND EXPIRATION DATES [24 CFR 983.207(b) and 983.302(e)]**

The HAP contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term. The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year. There is a single annual anniversary and expiration date for all units under a particular HAP contract, even in cases where contract units are placed under the HAP contract in stages (on different dates) or units are added by amendment. The anniversary and expiration dates for all units coincide with the dates for the contract units that were originally placed under contract.

### **17-V.E. OWNER RESPONSIBILITIES UNDER THE HAP [24 CFR 983.210]**

When the owner executes the HAP contract s/he certifies that at such execution and at all times during the term of the HAP contract:

- All contract units are in good condition and the owner is maintaining the premises and contract units in accordance with HQS;
- The owner is providing all services, maintenance, equipment and utilities as agreed to under the HAP contract and the leases;
- Each contract unit for which the owner is receiving HAP, is leased to an eligible family referred by the PHA, and the lease is in accordance with the HAP contract and HUD requirements;
- To the best of the owner's knowledge the family resides in the contract unit for which the owner is receiving HAP, and the unit is the family's only residence;
- The owner (including a principal or other interested party) is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit;
- The amount of the HAP the owner is receiving is correct under the HAP contract;
- The rent for contract units does not exceed rents charged by the owner for comparable unassisted units;
- Except for HAP and tenant rent, the owner has not received and will not receive any other payment or consideration for rental of the contract unit;
- The family does not own or have any interest in the contract unit (does not apply to family's membership in a cooperative); and
- Repair work on the project selected as an existing project that is performed after HAP execution within such post-execution period as specified by HUD may constitute development activity, and if determined to be development activity, the repair work undertaken shall be in compliance with Davis-Bacon wage requirements.

## **17-V.F. ADDITIONAL HAP REQUIREMENTS**

### **Housing Quality and Design Requirements [24 CFR 983.101(e) and 983.208(a)]**

The owner is required to maintain and operate the contract units and premises in accordance with HQS, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance, equipment, and utilities specified in the HAP contract with the PHA and in the lease with each assisted family. In addition, maintenance, replacement and redecoration must be in accordance with the standard practice for the building as established by the owner.

The PHA may elect to establish additional requirements for quality, architecture, or design of PBV housing. Any such additional requirements must be specified in the Agreement to enter into a HAP contract and the HAP contract. These requirements must be in addition to, not in place of, compliance with HQS.

#### PHA Policy

The PHA will identify the need for any special features on a case-by-case basis depending on the intended occupancy of the PBV project. The PHA will specify any special design standards or additional requirements in the invitation for PBV proposals, the agreement to enter into HAP contract, and the HAP contract.

### **Vacancy Payments [24 CFR 983.352(b)]**

At the discretion of the PHA, the HAP contract may provide for vacancy payments to the owner for a PHA-determined period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month. The amount of the vacancy payment will be determined by the PHA and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit).

#### PHA Policy

The PHA will decide on a case-by-case basis if the PHA will provide vacancy payments to the owner of a "Housing First" project providing permanent supportive housing for homeless individuals/households with a disabling condition. The HAP contract with the owner will contain any such agreement, including the amount of the vacancy payment and the period for which the owner will qualify for these payments.

## **PART VI: SELECTION OF PBV PROGRAM PARTICIPANTS**

## **17-VI.A. OVERVIEW**

Many of the provisions of the tenant-based voucher regulations [24 CFR 982] also apply to the PBV program. This includes requirements related to determining eligibility and selecting applicants from the waiting list. Even with these similarities, there are requirements that are unique to the PBV program. This part describes the requirements and policies related to eligibility and admission to the PBV program.

## **17-VI.B. ELIGIBILITY FOR PBV ASSISTANCE [24 CFR 983.251(a) and (b)]**

The PHA may select families for the PBV program from those who are participants in the PHA's tenant-based voucher program and from those who have applied for admission to the voucher program. For voucher participants, eligibility was determined at original admission to the voucher program and does not need to be redetermined at the commencement of PBV assistance. For all others, eligibility for admission must be determined at the commencement of PBV assistance.

Applicants for PBV assistance must meet the same eligibility requirements as applicants for the tenant-based voucher program. Applicants must qualify as a family as defined by HUD and the PHA, have income at or below HUD-specified income limits, and qualify on the basis of citizenship or the eligible immigration status of family members [24 CFR 982.201(a) and 24 CFR 983.2(a)]. In addition, an applicant family must provide social security information for family members [24 CFR 5.216 and 5.218] and consent to the PHA's collection and use of family information regarding income, expenses, and family composition [24 CFR 5.230]. The PHA may also not approve a tenancy if the owner (including a principal or other interested party) of the unit is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless needed as a reasonable accommodation. An applicant family must also meet HUD requirements related to current or past criminal activity.

### **PHA Policy**

The PHA will determine an applicant family's eligibility for the PBV program in accordance with the policies in Chapter 3.

### **In-Place Families [24 CFR 983.251(b)]**

An eligible family residing in a proposed PBV contract unit on the date the proposal is selected by the PHA is considered an "in-place family." These families are afforded protection from displacement under the PBV rule. If a unit to be placed under contract (either an existing unit or a unit requiring rehabilitation) is occupied by an eligible family on the date the proposal is selected, the in-place family must be placed on the PHA's waiting list. Once the family's continued eligibility is determined (the PHA may deny assistance to an in-place family for the grounds specified in 24 CFR 982.552 and 982.553), the family must be given an absolute

selection preference and the PHA must refer these families to the project owner for an appropriately sized PBV unit in the project. Admission of eligible in-place families is not subject to income targeting requirements.

This regulatory protection from displacement does not apply to families that are not eligible to participate in the program on the proposal selection date.

#### **17-VI.C. ORGANIZATION OF THE WAITING LIST [24 CFR 983.251(c)]**

The PHA may establish a separate waiting list for PBV units or it may use the same waiting list for both tenant-based and PBV assistance. The PHA may also merge the PBV waiting list with a waiting list for other assisted housing programs offered by the PHA. If the PHA chooses to offer a separate waiting list for PBV assistance, the PHA must offer to place applicants who are listed on the tenant-based waiting list on the waiting list for PBV assistance.

If a PHA decides to establish a separate PBV waiting list, the PHA may use a single waiting list for the PHA's whole PBV program, or it may establish separate waiting lists for PBV units in particular projects or buildings or for sets of such units.

##### PHA Policy

The PHA will use one waiting list for both the tenant-based and project-based voucher programs. The PHA will accept referrals from a PBV owner operating a "Housing First" project providing permanent supportive housing for homeless individuals/households with a disabling condition.

#### **17-VI.D. SELECTION FROM THE WAITING LIST [24 CFR 983.251(c)]**

Applicants who will occupy units with PBV assistance must be selected from the PHA's waiting list. The PHA may establish selection criteria or preferences for occupancy of particular PBV units. The PHA may place families referred by the PBV owner on its PBV waiting list.

##### **Income Targeting [24 CFR 983.251(c)(6)]**

At least 75 percent of the families admitted to the PHA's tenant-based and project-based voucher programs during the PHA fiscal year from the waiting list must be extremely-low income families. The income targeting requirement applies to the total of admissions to both programs.

##### **Units with Accessibility Features [24 CFR 983.251(c)(7)]**

When selecting families to occupy PBV units that have special accessibility features for persons with disabilities, the PHA must first refer families who require such features to the owner.

### **Preferences [24 CFR 983.251(d), FR Notice 11/24/08]**

The PHA may use the same selection preferences that are used for the tenant-based voucher program, establish selection criteria or preferences for the PBV program as a whole, or for occupancy of particular PBV developments or units. The PHA must provide an absolute selection preference for eligible in-place families as described in Section 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 “excepted units” for elderly families or 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 utilize the preferences outlined in Chapter 5.0 for all PBV projects. 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, or mobility impaired persons for accessible units).

### **17-VI.E. OFFER OF PBV ASSISTANCE**

#### **Refusal of Offer [24 CFR 983.251(e)(3)]**

The PHA is prohibited from taking any of the following actions against a family who has applied for, received, or refused an offer of PBV assistance:

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

**Disapproval by Landlord [24 CFR 983.251(e)(2)]**

If a PBV owner rejects a family for admission to the owner's units, such rejection may not affect the family's position on the tenant-based voucher waiting list.

**Acceptance of Offer [24 CFR 983.252]*****Family Briefing***

When a family accepts an offer for PBV assistance, the PHA must give the family an oral briefing. The briefing must include information on how the program works and the responsibilities of the family and owner. In addition to the oral briefing, the PHA must provide a briefing packet that explains how the PHA determines the total tenant payment for a family, the family obligations under the program, and applicable fair housing information.

***Persons with Disabilities***

If an applicant family's head or spouse is disabled, the PHA must assure effective communication, in accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written information packet. This may include making alternative formats available. In addition, the PHA must have a mechanism for referring a family that includes a member with a mobility impairment to an appropriate accessible PBV unit.

***Persons with Limited English Proficiency***

The PHA should take reasonable steps to assure meaningful access by persons with limited English proficiency in accordance with Title VI of the Civil Rights Act of 1964 and Executive Order 13166 (see Chapter 1).

**17-VI.F. OWNER SELECTION OF TENANTS**

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to fulfill their obligations under the lease. An owner must promptly notify in writing any rejected applicant of the grounds for any rejection [24 CFR 983.253(a)(2) and (a)(3)].

**Leasing [24 CFR 983.253(a)]**

During the term of the HAP contract, the owner must lease contract units to eligible families that are selected and referred by the PHA from the PHA's waiting list. The contract unit leased to the

family must be the appropriate size unit for the size of the family, based on the PHA's subsidy standards.

#### **Filling Vacancies [24 CFR 983.254(a)]**

The owner must promptly notify the PHA of any vacancy or expected vacancy in a contract unit. After receiving such notice, the PHA must make every reasonable effort to promptly refer a sufficient number of families for the owner to fill such vacancies. The PHA and the owner must make reasonable efforts to minimize the likelihood and length of any vacancy.

##### PHA Policy

The owner must notify the PHA in writing (mail, fax, or e-mail) within 5 business days of learning about any vacancy or expected vacancy. The PHA will make every reasonable effort to refer families to the owner within 10 business days of receiving such notice from the owner.

#### **Reduction in HAP Contract Units Due to Vacancies [24 CFR 983.254(b)]**

If any contract units have been vacant for 120 or more days since owner notice of the vacancy, the PHA may give notice to the owner amending the HAP contract to reduce the number of contract units by subtracting the number of contract units (according to the bedroom size) that have been vacant for this period.

##### PHA Policy

If any contract units have been vacant for 120 days, the PHA will give notice to the owner that the HAP contract will be amended to reduce the number of contract units that have been vacant for this period. The PHA will provide the notice to the owner within 10 business days of the 120<sup>th</sup> day of the vacancy. The amendment to the HAP contract will be effective the 1<sup>st</sup> day of the month following the date of the PHA's notice.

### **17-VI.G. TENANT SCREENING [24 CFR 983.255]**

#### **PHA Responsibility**

The PHA is not responsible or liable to the owner or any other person for the family's behavior or suitability for tenancy. However, the PHA may opt to screen applicants for family behavior or suitability for tenancy and may deny applicants based on such screening.

##### PHA Policy

The PHA will not conduct screening to determine a PBV applicant family's suitability for tenancy.

The PHA must provide the owner with an applicant family's current and prior address (as shown in PHA records) and the name and address (if known by the PHA) of the family's current landlord and any prior landlords.

In addition, the PHA may offer the owner other information the PHA may have about a family, including information about the tenancy history of family members or about drug trafficking and criminal activity by family members. The PHA must provide applicant families a description of the PHA policy on providing information to owners, and the PHA must give the same types of information to all owners.

The PHA may not disclose to the owner any confidential information provided in response to a request for documentation of domestic violence, dating violence, sexual assault, or stalking except at the written request or with the written consent of the individual providing the documentation [24 CFR 5.2007(a)(4)].

#### PHA Policy

The PHA will inform owners of their responsibility to screen prospective tenants, and will provide owners with the required known name and address information, at the time of the turnover HQS inspection or before. The PHA will not provide any additional information to the owner, such as tenancy history, criminal history, etc.

#### **Owner Responsibility**

The owner is responsible for screening and selection of the family to occupy the owner's unit. When screening families the owner may consider a family's background with respect to the following factors:

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

### **PART VII: OCCUPANCY**

#### **17-VII.A. OVERVIEW**

After an applicant has been selected from the waiting list, determined eligible by the PHA, referred to an owner and determined suitable by the owner, the family will sign the lease and occupancy of the unit will begin

#### **17-VII.B. LEASE [24 CFR 983.256]**

The tenant must have legal capacity to enter a lease under state and local law. *Legal capacity* means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

#### **Form of Lease [24 CFR 983.256(b)]**

The tenant and the owner must enter into a written lease agreement that is signed by both parties. If an owner uses a standard lease form for rental units to unassisted tenants in the locality or premises, the same lease must be used for assisted tenants, except that the lease must include a HUD-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease, such as a PHA model lease.

The PHA may review the owner's lease form to determine if the lease complies with state and local law. If the PHA determines that the lease does not comply with state or local law, the PHA may decline to approve the tenancy.

#### PHA Policy

The PHA may review the owner's lease for compliance with state or local law.

#### **Lease Requirements [24 CFR 983.256(c)]**

The lease for a PBV unit must specify all of the following information

- The names of the owner and the tenant;
- The unit rented (address, apartment number, if any, and any other information needed to identify the leased contract unit);
- The term of the lease (initial term and any provision for renewal);
- The amount of the tenant rent to owner, which is subject to change during the term of the lease in accordance with HUD requirements;
- A specification of the services, maintenance, equipment, and utilities that will be provide by the owner; and
- The amount of any charges for food, furniture, or supportive services.
-

### **Tenancy Addendum [24 CFR 983.256(d)]**

The tenancy addendum in the lease must state:

- The program tenancy requirements;
- The composition of the household as approved by the PHA (the names of family members and any PHA-approved live-in aide);
- All provisions in the HUD-required tenancy addendum must be included in the lease. The terms of the tenancy addendum prevail over other provisions of the lease.

### **Initial Term and Lease Renewal [24 CFR 983.256(f)]**

The initial lease term must be for at least one year. The lease must provide for automatic renewal after the initial term of the lease in either successive definitive terms (e.g. month-to-month or year-to-year) or an automatic indefinite extension of the lease term. For automatic indefinite extension of the lease term, the lease terminates if any of the following occur:

- The owner terminates the lease for good cause
- The tenant terminates the lease
- The owner and tenant agree to terminate the lease
- The PHA terminates the HAP contract
- The PHA terminates assistance for the family

### **Changes in the Lease [24 CFR 983.256(e)]**

If the tenant and owner agree to any change in the lease, the change must be in writing, and the owner must immediately give the PHA a copy of all changes.

The owner must notify the PHA in advance of any proposed change in the lease regarding the allocation of tenant and owner responsibilities for utilities. Such changes may only be made if approved by the PHA and in accordance with the terms of the lease relating to its amendment. The PHA must redetermine reasonable rent, in accordance with program requirements, based on any change in the allocation of the responsibility for utilities between the owner and the tenant. The redetermined reasonable rent will be used in calculation of the rent to owner from the effective date of the change.

### **Owner Termination of Tenancy [24 CFR 983.257]**

With two exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program (see Section 12-III.B. and 24 CFR 982.310). In the PBV program, terminating tenancy for “good cause” does not include doing so for a business

or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose.

***Tenant Absence from the Unit [24 CFR 983.256(g) and 982.312(a)]***

The lease may specify a maximum period of family absence from the unit that may be shorter than the maximum period permitted by PHA policy. According to program requirements, the family's assistance must be terminated if they are absent from the unit for more than 180 consecutive days. PHA termination of assistance actions due to family absence from the unit are subject to 24 CFR 981.312, except that the unit is not terminated from the HAP contract if the family is absent for longer than the maximum period permitted.

**Continuation of Housing Assistance Payments [24 CFR 982.258]**

Housing assistance payments shall continue until the tenant rent equals the rent to owner. The cessation of housing assistance payments at such point will not affect the family's other rights under its lease, nor will such cessation preclude the resumption of payments as a result of later changes in income, rents, or other relevant circumstances if such changes occur within 180 days following the date of the last housing assistance payment by the PHA. After the 180-day period, the unit shall be removed from the HAP contract pursuant to 24 CFR 983.211.

**PHA Policy**

If a participating family receiving zero assistance experiences a change in circumstances that would result in a HAP payment to the owner, the family must notify the PHA within 30 days of the change and request an interim reexamination before the expiration of the 180-day period.

## **Security Deposits [24 CFR 983.259]**

The owner may collect a security deposit from the tenant. The PHA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.

### PHA Policy

The PHA will allow the owner to collect a security deposit amount allowable in the State of Iowa Code, Chapter 562A.

When the tenant moves out of a contract unit, the owner, subject to state and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit, or other amounts owed by the tenant under the lease.

The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used to reimburse the owner, the owner must promptly refund the full amount of the balance to the tenant.

If the security deposit does not cover the amount owed by the tenant under the lease, the owner may seek to collect the balance from the tenant. The PHA has no liability or responsibility for payment of any amount owed by the family to the owner.

## **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.

If the PHA offers the family a tenant-based voucher, the PHA must terminate the housing assistance payments for a wrong-sized or accessible unit at the earlier of the expiration of the term of the family's voucher (including any extension granted by the PHA) or the date upon which the family vacates the unit. If the family does not move out of the wrong-sized unit or accessible unit by the expiration of the term of the family's voucher, the PHA must remove the unit from the HAP contract.

If the PHA offers the family another form of assistance that is not a tenant-based voucher, and the family does not accept the offer, does not move out of the PBV unit within a reasonable time as determined by the PHA, or both, the PHA must terminate the housing assistance payments for the unit at the expiration of a reasonable period as determined by the PHA and remove the unit from the HAP contract.

#### PHA Policy

When the PHA offers a family another form of assistance that is not a tenant-based voucher, the family will be given 30 days from the date of the offer to accept the offer and move out of the PBV unit. If the family does not move out within this 30-day time frame, the PHA will terminate the housing assistance payments at the expiration of this 30-day period.

The PHA may make exceptions to this 30-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

#### **Family Right to Move [24 CFR 983.261]**

The family may terminate the lease at any time after the first year of occupancy. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to the PHA. If the family wishes to move with continued tenant-based assistance, the family must contact the PHA to request the rental assistance prior to providing notice to terminate the lease.

If the family terminates the lease in accordance with these requirements, the PHA is required to offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant-based rental assistance. If voucher or other comparable tenant-based assistance is not immediately available upon termination of the family's lease in the PBV unit, the PHA must give the family priority to receive the next available opportunity for continued tenant-based assistance.

If the family terminates the assisted lease before the end of the first year, the family relinquishes the opportunity for continued tenant-based assistance.

### **Emergency Transfers under VAWA [Notice PIH 2017-08]**

Except where special consideration is needed for the project-based voucher program, the PHA will follow VAWA policies as outlined in Notice PIH 2017-08.

HUD requires that the PHA include policies that address when a victim has been living in a unit for less than a year or when a victim seeks to move sooner than a tenant-based voucher is available.

#### PHA Policy

Provisions for persons subjected to dating violence, domestic violence, sexual assault, and stalking.

1. If a family breaks up as a result of dating violence, domestic violence, sexual assault, and stalking, the ICHA will ensure the victim will remain continually assisted.

2. A move with continued assistance will be approved if the move is needed to protect the health or safety of the family, or any family member that has been the victim of a sexual assault that occurred on the premises during the 90-day calendar-day period preceding the family's request to move.

### **17-VII.D. EXCEPTIONS TO THE OCCUPANCY CAP [24 CFR 983.262]**

As of April 17, 2018, the PHA may not pay housing assistance under a PBV HAP contract for more than the greater of 25 units or 25 percent of the number of dwelling units in a project unless:

- The units are exclusively for elderly families
- The units are for households eligible for supportive services available to all families receiving PBV assistance in the project

If the project is 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, the project cap is the greater of 25 units or 40 percent (instead of 25 percent) of the units in the project [FR Notice 7/14/17].

If a family at the time of initial tenancy is receiving and while the resident of an excepted unit has received Family Self-Sufficiency (FSS) supportive services or any other service as defined

by the PHA and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit. However, if the FSS family fails to successfully complete the FSS contract of participation or supportive services objective and consequently is no longer eligible for the supportive services, the family must vacate the unit within a reasonable period of time established by the PHA, and the PHA shall cease paying HAP on behalf of the family.

Further, when a family (or remaining members of a family) residing in an excepted unit no longer meets the criteria for a “qualifying family” because the family is no longer an elderly family due to a change in family composition, the PHA has the discretion to allow the family to remain in the excepted unit. If the PHA does not exercise this discretion, the family must vacate the unit within a reasonable period of time established by the PHA, and the PHA must cease paying housing assistance payments on behalf of the non-qualifying family.

Individuals in units with supportive services who choose to no longer participate in a service or who no longer qualify for services they qualified for at the time of initial occupancy cannot subsequently be denied continued housing opportunity because of this changed circumstance. A PHA or owner cannot determine that a participant’s needs exceed the level of care offered by qualifying services or require that individuals be transitioned to different projects based on service needs.

If the family fails to vacate the unit within the established time, the unit must be removed from the HAP contract unless the project is partially assisted, and it is possible for the HAP contract to be amended to substitute a different unit in the building in accordance with program requirements; or the owner terminates the lease and evicts the family. The housing assistance payments for a family residing in an excepted unit that is not in compliance with its family obligations to comply with supportive services requirements must be terminated by the PHA.

The PHA may allow a family that initially qualified for occupancy of an excepted unit based on elderly family status to continue to reside in a unit, where through circumstances beyond the control of the family (e.g., death of the elderly family member or long-term or permanent hospitalization or nursing care), the elderly family member no longer resides in the unit. In this case, the unit may continue to be counted as an excepted unit for as long as the family resides in that unit. Once the family vacates the unit, in order to continue as an excepted unit under the HAP contract, the unit must be made available to and occupied by a qualified family.

### PHA Policy

The PHA will allow families who initially qualified to live in an excepted unit to remain when circumstances change due to circumstances beyond the remaining family members’ control. In all other cases, the PHA will provide written notice to the family and owner within 10 business days of making the determination. The family will be given 30 days

from the date of the notice to move out of the PBV unit. If the family does not move out within this 30-day time frame, the PHA will terminate the housing assistance payments at the expiration of this 30-day period.

The PHA may make exceptions to this 30-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

## **PART VIII: DETERMINING RENT TO OWNER**

### **17-VIII.A. OVERVIEW**

The amount of the initial rent to an owner of units receiving PBV assistance is established at the beginning of the HAP contract term. Although for rehabilitated or newly constructed housing, the agreement to enter into HAP Contract (Agreement) states the estimated amount of the initial rent to owner, the actual amount of the initial rent to owner is established at the beginning of the HAP contract term.

During the term of the HAP contract, the rent to owner is redetermined at the owner's request in accordance with program requirements, and at such time that there is a five percent or greater decrease in the published FMR.

### **17-VIII.B. RENT LIMITS [24 CFR 983.301]**

Except for certain tax credit units (discussed below), the rent to owner must not exceed the lowest of the following amounts:

- An amount determined by the PHA, not to exceed 110 percent of the applicable fair market rent (or any HUD-approved exception payment standard) for the unit bedroom size minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

#### **Certain Tax Credit Units [24 CFR 983.301(c)]**

For certain tax credit units, the rent limits are determined differently than for other PBV units. Different limits apply to contract units that meet all of the following criteria:

- The contract unit receives a low-income housing tax credit under the Internal Revenue Code of 1986;
- The contract unit is not located in a qualified census tract;

- There are comparable tax credit units of the same bedroom size as the contract unit in the same project, and the comparable tax credit units do not have any form of rental assistance other than the tax credit; and
- The tax credit rent exceeds 110 percent of the fair market rent or any approved exception payment standard;

For contract units that meet all of these criteria, the rent to owner must not exceed the lowest of:

- The tax credit rent minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner.
- 

### ***Definitions***

*A qualified census tract* is any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI), or where the poverty rate is at least 25 percent and where the census tract is designated as a qualified census tract by HUD.

*Tax credit rent* is the rent charged for comparable units of the same bedroom size in the project that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., tenant-based voucher assistance).

### **Reasonable Rent [24 CFR 983.301(e) and 983.302(c)(2)]**

The PHA must determine reasonable rent in accordance with 24 CFR 983.303. The rent to owner for each contract unit may at no time exceed the reasonable rent, except in cases where the PHA has elected within the HAP contract not to reduce rents below the initial rent to owner and, upon redetermination of the rent to owner, the reasonable rent would result in a rent below the initial rent. However, the rent to owner must be reduced in the following cases:

- To correct errors in calculations in accordance with HUD requirements
- If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required pursuant to 24 CFR 983.55
- If a decrease in rent to owner is required based on changes in the allocation of the responsibility for utilities between owner and tenant

If the PHA has not elected within the HAP contract to establish the initial rent to owner as the rent floor, the rent to owner shall not at any time exceed the reasonable rent.

### **PHA Policy**

The PHA will elect within the HAP contract not to reduce rents below the initial level, with the exception of circumstances listed in 24 CFR 983.302(c)(2). If, upon

redetermination of the rent to owner, the reasonable rent would result in a rent below the initial rent, the PHA will use the higher initial rent to owner amount.

### **Use of FMRs, Exception Payment Standards, and Utility Allowances [24 CFR 983.301(f)]**

When determining the initial rent to owner, the PHA must use the most recently published FMR in effect and the utility allowance schedule in effect at execution of the HAP contract. When redetermining the rent to owner, the PHA must use the most recently published FMR and the utility allowance schedule in effect at the time of redetermination. At its discretion, the PHA may for initial rent, use the amounts in effect at any time during the 30-day period immediately before the beginning date of the HAP contract, or for redeterminations of rent, the 30-day period immediately before the redetermination date.

Any HUD-approved exception payment standard amount under the tenant-based voucher program also applies to the project-based voucher program. HUD will not approve a different exception payment stand amount for use in the PBV program. Likewise, the PHA may not establish or apply different utility allowance amounts for the PBV program. The same utility allowance schedule applies to both the tenant-based and project-based voucher programs.

#### PHA Policy

The PHA will use the published FMR and utility allowance schedule in effect at the time the HAP contract is executed or at the time of rent determination.

### **Use of Small Area FMRs (SAFMRs) [24 CFR 888.113(h)]**

While small area FMRs (SAFMRs) do not apply to PBV projects, PHAs that operate a tenant-based program under SAFMRs may apply SAFMRs to all future PBV HAP contracts. If the PHA adopts this policy, it must apply to all future PBV projects and the PHA's entire jurisdiction. The PHA and owner may not subsequently choose to revert back to use of the FMRs once the SAFMRs have been adopted, even if the PHA subsequently changes its policy. Further, the PHA may apply SAFMRs to current PBV projects where the notice of owner selection was made on or before the effective date of PHA implementation, provided the owner is willing to mutually agree to doing so and the application is prospective. The PHA and owner may not subsequently choose to revert back to use of the FMRs once the SAFMRs have been adopted, even if the PHA subsequently changes its policy. If rents increase as a result of the use of SAFMRs, the rent increase may not be effective until the first anniversary of the HAP contract.

#### PHA Policy

The PHA will not apply SAFMRs to the PHA's PBV program.

**Redetermination of Rent [24 CFR 983.302]**

The PHA must redetermine the rent to owner upon the owner's request or when there is a 10 percent or greater decrease in the published FMR.

***Rent Increase***

If an owner wishes to request an increase in the rent to owner from the PHA, it must be requested at the annual anniversary of the HAP contract (see Section 17-V.D.). The request must be in writing and in the form and manner required by the PHA. The PHA may only make rent increases in accordance with the rent limits described previously. There are no provisions in the PBV program for special adjustments (e.g., adjustments that reflect increases in the actual and necessary expenses of owning and maintaining the units which have resulted from substantial general increases in real property taxes, utility rates, or similar costs).

**PHA Policy**

An owner's request for a rent increase must be submitted to the PHA 60 days prior to the anniversary date of the HAP contract, and must include the new rent amount the owner is proposing.

The PHA may not approve and the owner may not receive any increase of rent to owner until and unless the owner has complied with requirements of the HAP contract, including compliance with HQS. The owner may not receive any retroactive increase of rent for any period of noncompliance.

***Rent Decrease***

If there is a decrease in the rent to owner, as established in accordance with program requirements such as a change in the FMR or exception payment standard, or reasonable rent amount, the rent to owner must be decreased regardless of whether the owner requested a rent adjustment, except where the PHA has elected within the HAP contract to not reduce rents below the initial rent under the initial HAP contract.

***Notice of Rent Change***

The rent to owner is redetermined by written notice by the PHA to the owner specifying the amount of the redetermined rent. The PHA notice of rent adjustment constitutes an amendment of the rent to owner specified in the HAP contract. The adjusted amount of rent to owner applies for the period of 12 calendar months from the annual anniversary of the HAP contract.

### PHA Policy

The PHA will provide the owner with at least 30 days written notice of any change in the amount of rent to owner.

#### **PHA-Owned Units [24 CFR 983.301(g)]**

For PHA-owned PBV units, the initial rent to owner and the annual redetermination of rent at the anniversary of the HAP contract are determined by the independent entity approved by HUD. The PHA must use the rent to owner established by the independent entity.

#### **17-VIII.C. REASONABLE RENT [24 CFR 983.303]**

At the time the initial rent is established and all times during the term of the HAP contract, the rent to owner for a contract unit may not exceed the reasonable rent for the unit as determined by the PHA, except where the PHA has elected within the HAP contract to not reduce rents below the initial rent under the initial HAP contract.

#### **When Rent Reasonable Determinations Are Required**

The PHA must redetermine the reasonable rent for a unit receiving PBV assistance whenever any of the following occur:

- There is a 10 percent or greater decrease in the published FMR in effect 60 days before the contract anniversary (for the unit sizes specified in the HAP contract) as compared with the FMR that was in effect one year before the contract anniversary date;
- The PHA approves a change in the allocation of responsibility for utilities between the owner and the tenant;
- The HAP contract is amended to substitute a different contract unit in the same building or project; or
- There is any other change that may substantially affect the reasonable rent.

#### **How to Determine Reasonable Rent**

The reasonable rent of a unit receiving PBV assistance must be determined by comparison to rent for other comparable unassisted units. When making this determination, the PHA must consider factors that affect market rent. Such factors include the location, quality, size, type and age of the unit, as well as the amenities, housing services maintenance, and utilities to be provided by the owner.

#### ***Comparability Analysis***

For each unit, the comparability analysis must use at least three comparable units in the private unassisted market. This may include units in the premises or project that is receiving project-based assistance. The analysis must show how the reasonable rent was determined, including major differences between the contract units and comparable unassisted units, and must be retained by the PHA. The comparability analysis may be performed by PHA staff or by another qualified person or entity. Those who conduct these analyses or are involved in determining the housing assistance payment based on the analyses may not have any direct or indirect interest in the property.

### **PHA-Owned Units**

For PHA-owned units, the amount of the reasonable rent must be determined by an independent agency approved by HUD in accordance with PBV program requirements. The independent entity must provide a copy of the determination of reasonable rent for PHA-owned units to the PHA and to the HUD field office where the project is located.

### **Owner Certification of Reasonable Rent**

By accepting each monthly housing assistance payment, the owner certifies that the rent to owner is not more than rent charged by the owner for other comparable unassisted units in the premises. At any time, the PHA may require the owner to submit information on rents charged by the owner for other units in the premises or elsewhere.

## **17-VIII.D. EFFECT OF OTHER SUBSIDY AND RENT CONTROL**

In addition to the rent limits discussed in Section 17-VIII.B above, other restrictions may limit the amount of rent to owner in a PBV unit. In addition, certain types of subsidized housing are not even eligible to receive PBV assistance (see Section 17-II.D).

### **Other Subsidy [24 CFR 983.304]**

To comply with HUD subsidy layering requirements, at the discretion of HUD or its designee, a PHA shall reduce the rent to owner because of other governmental subsidies, including tax credits or tax exemptions, grants, or other subsidized funding.

For units receiving assistance under the HOME program, rents may not exceed rent limits as required by that program.

For units in any of the following types of federally subsidized projects, the rent to owner may not exceed the subsidized rent (basic rent) or tax credit rent as determined in accordance with requirements for the applicable federal program:

- An insured or non-insured Section 236 project;
- A formerly insured or non-insured Section 236 project that continues to receive Interest Reduction Payment following a decoupling action;
- A Section 221(d)(3) below market interest rate (BMIR) project;
- A Section 515 project of the Rural Housing Service;
- Any other type of federally subsidized project specified by HUD.
- 

### ***Combining Subsidy***

Rent to owner may not exceed any limitation required to comply with HUD subsidy layering requirements.

### **Rent Control [24 CFR 983.305]**

In addition to the rent limits set by PBV program regulations, the amount of rent to owner may also be subject to rent control or other limits under local, state, or federal law.

## **PART IX: PAYMENTS TO OWNER**

### **17-IX.A. HOUSING ASSISTANCE PAYMENTS [24 CFR 983.351]**

During the term of the HAP contract, the PHA must make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments must be made for each month that a contract unit complies with HQS and is leased to and occupied by an eligible family. The housing assistance payment must be paid to the owner on or about the first day of the month for which payment is due, unless the owner and the PHA agree on a later date.

Except for discretionary vacancy payments, the PHA may not make any housing assistance payment to the owner for any month after the month when the family moves out of the unit (even if household goods or property are left in the unit).

The amount of the housing assistance payment by the PHA is the rent to owner minus the tenant rent (total tenant payment minus the utility allowance).

In order to receive housing assistance payments, the owner must comply with all provisions of the HAP contract. Unless the owner complies with all provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.

### **17-IX.B. VACANCY PAYMENTS [24 CFR 983.352]**

If an assisted family moves out of the unit, the owner may keep the housing assistance payment for the calendar month when the family moves out. However, the owner may not keep the payment if the PHA determines that the vacancy is the owner's fault.

#### PHA Policy

If the PHA determines that the owner is responsible for a vacancy and, as a result, is not entitled to keep the housing assistance payment, the PHA will notify the landlord of the amount of housing assistance payment that the owner must repay. At the discretion of the PHA, the HAP contract may provide for vacancy payments to the owner. The PHA may only make vacancy payments if:

- The owner gives the PHA prompt, written notice certifying that the family has vacated the unit and identifies the date when the family moved out (to the best of the owner's knowledge);
- The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed;
- The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and
- The owner provides any additional information required and requested by the PHA to verify that the owner is entitled to the vacancy payment.

The owner must submit a request for vacancy payments in the form and manner required by the PHA and must provide any information or substantiation required by the PHA to determine the amount of any vacancy payment.

#### PHA Policy

If an owner's HAP contract calls for vacancy payments to be made, and the owner wishes to receive vacancy payments, the owner must have properly notified the PHA of the vacancy in accordance with the policy in Section 17-VI.F. regarding filling vacancies. In order for a vacancy payment request to be considered, it must be made within 10 business days of the end of the period for which the owner is requesting the vacancy payment. The request must include the required owner certifications and the PHA may require the owner to provide documentation to support the request. If the owner does not provide the information requested by the PHA within 10 business days of the PHA's request, no vacancy payments will be made.

### **17-IX.C. TENANT RENT TO OWNER [24 CFR 983.353]**

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by the PHA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in the PHA notice to the family and owner.

The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by the PHA is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the PHA. The owner must immediately return any excess payment to the tenant.

### **Tenant and PHA Responsibilities**

The family is not responsible for the portion of rent to owner that is covered by the housing assistance payment and the owner may not terminate the tenancy of an assisted family for nonpayment by the PHA.

Likewise, the PHA is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. The PHA is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. The PHA may not use housing assistance payments or other program funds (including administrative fee reserves) to pay any part of the tenant rent or other claim by the owner.

### **Utility Reimbursements**

If the amount of the utility allowance exceeds the total tenant payment, the PHA must pay the amount of such excess to the tenant as a reimbursement for tenant-paid utilities, and the tenant rent to the owner must be zero.

The PHA may pay the utility reimbursement directly to the family or to the utility supplier on behalf of the family. If the PHA chooses to pay the utility supplier directly, the PHA must notify the family of the amount paid to the utility supplier.

#### PHA Policy

The PHA will make utility reimbursements to the family.

## **17-IX.D. OTHER FEES AND CHARGES [24 CFR 983.354]**

### **Meals and Supportive Services**

With the exception of PBV assistance in assisted living developments, the owner may not require the tenant to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy.

In assisted living developments receiving PBV assistance, the owner may charge for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of the reasonable rent. However, non-payment of such charges is grounds for termination of the lease by the owner in an assisted living development.

### **Other Charges by Owner**

The owner may not charge extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.

## **18.0 RENTING TO FAMILY MEMBERS 982.306 (D)**

The PHA must not approve a unit if the owner is the parent, including step-parents, step-grandparents, sister-in-law, brother-in-law, child, grandparent, grandchild, sister, or brother of any member of the family, unless the PHA determines that approving the unit would provide reasonable accommodation for a family member who is a person with disabilities. This restriction against PHA approval of a unit only applies at the time a family initially receives tenant-based assistance for occupancy of a particular unit, it does not apply to PHA approval of a new tenancy with continued tenant-based assistance in the same unit. The above provision will also apply to the “would be” parent or other relative of an unborn child.

## **19. HOMEOWNERSHIP 24 CFR 982.625-641**

The Iowa City Housing Authority has established a HCVP Tenant-based Voucher Homeownership Option.

### **19.1. GENERAL PROVISIONS:**

The HCVP Homeownership Program of the Iowa City Housing Authority (ICHA) permits eligible participants in the HCVP Housing Choice Voucher Program, including participants with portable vouchers, the option of purchasing a home with their HCVP

S:\PHA Policies\March 2022 HCV Administrative Plan.docx  
Adopted March 1, 2022 (Resolution #22-52)

assistance rather than renting. The homeownership option is limited to three percent (3%) of the total HCVP voucher program budgeted by the ICHA in any fiscal year, excluding disabled and elderly families.

Eligible participants for the HCVP Homeownership Program must complete at a minimum a one-year lease term in an ICHA Public Housing unit or in a unit subsidized with HCVP rental assistance in the ICHA jurisdiction. They must not owe the ICHA or any other housing authority an outstanding debt and must meet the eligibility criteria set forth herein.

HCVP homeownership assistance payments may be used to purchase the following type of housing within Johnson County: new or existing single-family units, condominiums, cooperatives, lofts, and, or manufactured units. ICHA will also permit portability of HCVP homeownership payments to another jurisdiction, provided the receiving jurisdiction operates a HCVP Homeownership Program for which the participant qualifies, is accepting new families, or authorizes the ICHA to administer the homeownership assistance in their jurisdiction (24 CFR 982.636; 24 CFR 982.355(c)(5)).

## **19.2 QUALIFICATIONS FOR PARTICIPATION:**

Any HCVP program participant may utilize his or her subsidy to purchase rather than rent a home, if the following requirements are met:

- A. General Requirements (24 CFR 982.627(a). A family must meet the general requirements for admission to, or continued participation in, the ICHA HCVP Housing Choice Voucher Program.
- B. Previous Unsuccessful Participation (24 CFR 982.627(a) (5)). If a head of household, spouse or other adult household member who will hold ownership in the home has previously defaulted on a mortgage obtained through the HCVP Homeownership Program, the family will be ineligible to participate in the homeownership program.
- C. Participants Must be First-time Homeowners (24 CFR 982.627(b)). A member must not have owned title to a residence in the last three years, except single-parents or displaced homemakers whom previously owned a home with a spouse. Residents of limited equity cooperatives under the rental assistance program are eligible for the homeownership option.
- D. Homeownership Counseling Requirements (24 CFR 982.630). Program participants must be deemed “mortgage ready” (adequately prepared with information for the financial and physical responsibilities of owning a home) by the homeownership counseling program.

- E. Mortgage readiness will also be evaluated by the Housing Inspection Services Director or designee considering the following factors:
1. Verification of HCVP Housing Choice Voucher program compliance.
  2. History of meeting financial obligations, including rent and utilities.
  3. A satisfactory credit report.
  4. A satisfactory rental reference.
  5. Letter of recommendation from current employer.
  6. Any pattern of criminal behavior for 3 years preceding application.
  7. Other documentation as necessary.
- F. Employment Requirement (24 CFR 982.627(d)). The persons who will receive ownership of the home must, individually or jointly, be employed an average of 30 hours per week and have been continuously so employed throughout the year preceding the commencement of homeownership assistance. Families in which the head of household or spouse is disabled or elderly at the time of application are exempt from this requirement, and families with another disabled member may request an exemption by the Housing Inspection Services Director or designee as a reasonable accommodation.
- G. Minimum Income Requirements (24 CFR 982.627(c)). The purchasers' annual income must be not less than equal to 2,000 hours worked at the federal minimum wage or twelve times the monthly Federal Supplemental Security Income (SSI) benefit for a disabled individual living alone at the commencement of homeownership assistance. Income may not include public assistance income unless the head of household or spouse is disabled or elderly at the time of application. An exemption to this rule may be requested as a reasonable accommodation if another family member is disabled. Public Assistance includes federal housing assistance, TANF, SSI, SSDI, food stamps, or other assistance provided under a federal, state, or local program that assists families in meeting their living expenses.
- H. Completion of One Year Lease Term. Participants in the HCVP Housing Choice Voucher Program are ineligible for participation in the HCVP Homeownership Program until the completion of a one year HCVP lease term and participation in the first annual recertification for the HCVP Housing Choice Voucher Program.

- I. Repayment of Any Housing Authority Debts. Participants in the HCVP Housing Choice Voucher Program shall be ineligible for participation in the HCVP Homeownership Program in the event any debt remains owed to ICHA or other Housing Authority.
- J. Family Self-Sufficiency (FSS) Preference. Participants in the homeownership program are not required to participate in ICHA's FSS program; however FSS participants will be given preference for participation in the HCVP Homeownership Program.

### **19.3 TIME FRAME FOR UTILIZATION:**

An applicant will have a maximum of 120 days from the date of issuance of a homeownership voucher to find a home and enter into a "Contract for Sale".

An extension up to 60 additional days may be at the discretion of the Housing Inspection Services Director or designee.

### **19.4 CONTRACT FOR SALE AND INSPECTION REQUIREMENTS:**

- A. Time Frame. Once a home is located and ICHA approves a sale agreement signed by the family, the family shall have up to three (3) months to close, or such other time approved by the Housing Inspection Services Director or designee.
- B. Contract of Sale (Residential Purchase Agreement). Participants in the homeownership program must complete a "Contract of Sale" with the owner of the property to be purchased. The unit must exist or be under construction before the contract of sale is executed.

The Contract of Sale must include the home's price and terms of sale, the purchaser's pre-purchase inspection requirements and notice that the sale is conditional on the purchaser's acceptance of the inspection report, an agreement that the purchaser is not obligated to pay for necessary repairs, and certification that the seller is not disbarred, suspended, or subject to limited denial of participation (24 CFR 982.631(c) (2)). ICHA will provide a document to the purchaser outlining these items for inclusion in the Contract of Sale.

- C. Inspections (24 CFR 982.631). The unit must pass a Housing Quality Standards (HQS) inspection, unless the unit has passed one within the previous six (6) months. The purchaser must then obtain, at his/her own expense, an independent inspection by a licensed professional inspector. The inspection must include major building systems and components, including but not limited to the foundation and structure,

S:\PHA Policies\March 2022 HCV Administrative Plan.docx

Adopted March 1, 2022 (Resolution #22-52)

housing interior and exterior, roofing, plumbing, and electrical and heating systems. The independent inspection report must be provided to the ICHA for review.

- D. ICHA may disqualify a unit. The Housing Inspection Services Director or designee retains the right to disqualify the unit for inclusion in the homeownership program based on either the HQS inspection or the independent inspection report (24 CFR 982.631).
- E. Environmental Requirements (24 CFR 982.626(c)). It must be determined if the unit is in a flood hazard area, airport runway or airfield clear zones. Units in flood hazard areas must be insured for flood damage.

## **19.5 FINANCING:**

The purchaser is responsible for obtaining financing.

- A. Financing Terms. The proposed financing terms must be submitted to and approved by the ICHA prior to closing the sale (24 CFR 982.632(d)). The mortgager and ICHA shall determine the affordability of the family's proposed financing. The following may be taken into account when making such determinations: other family expenses, including but not limited to child care, un-reimbursed medical, education and training expenses. Financing, including but not limited to, balloon payment mortgages and interest rates; and personal circumstances that may influence potential earnings. Seller-financed mortgages will be considered on a case by case basis.
- B. Underwriting. If the mortgage of a home is financed using Federal Housing Administration (FHA) insurance, financing is subject to FHA mortgage underwriting standards. If a mortgage is not an FHA-insured loan, the ICHA will require the loan to comply with generally accepted mortgage underwriting standards (24 CFR 982.632(b)).
- C. Participant Obligations. All settlement costs required in the purchase of a home, e.g. down payments, commissions, attorney, loan origination, application, and appraisal fees, abstract and title searches, closing costs, and any other financial obligations, will be the responsibility of the participant.

## **19.6 FAILURE TO COMPLETE PURCHASE:**

If a HCVP Homeownership Program participant is unable to purchase the home within the maximum time permitted by ICHA, the ICHA shall continue the family's rental assistance in the

HCVP Housing Choice Voucher Program. The family may not re-apply for the HCVP Homeownership Program until they have completed an additional one-year lease.

## **19.7 HOMEOWNERSHIP ASSISTANCE PAYMENTS:**

HCVP homeownership assistance will only be provided for the months the family is in residence in the home (24 CFR 982.633(a)).

- A. Determining Amount of Assistance Payment (24 CFR 982.635(a)). The family's HCVP monthly homeownership assistance payment will be the lower of (1) the HCVP voucher payment standard minus the total tenant payment or (2) the monthly homeowner expenses minus the total tenant payment.
- B. Annual Reexaminations: ICHA will annually reexamine family income and composition and make appropriate adjustments to the amount of the monthly housing assistance payment. The new payment standard is the greater of that determined (1) at the commencement of homeownership assistance or (2) at the most recent regular reexamination since the commencement of homeownership assistance (24 CFR 982.635(b)(3)).
- C. Interim Reexaminations. Interim reexaminations based on increases in earned and unearned income will be processed. \*
  - \* Social Security cost of living increases will be processed at annual review only; unless this information is gathered as a result of other interim changes reported by the family (e.g., Medicare changes).
- D. Expenses Included. Homeownership expenses include principal and interest on mortgage debt, mortgage debt refinancing charges, taxes and other public assessments, homeowners' insurance, maintenance and major repair expenses, and the Public Housing utility allowance schedule. The ICHA allowance for maintenance expenses and major repairs or replacements will be based on standard allowances. For families with a disabled or elderly member allowances may include any debt incurred to make the home accessible for such persons (24 CFR 982.635(c)(2)(vii)). Expenses may also include land lease payments where a family does not own fee title to the real property on which the home sits (24 CFR 982(c)(2)(viii)).
- E. Payment. Homeownership assistance payments will be made directly to the lender. If the homeownership assistance payment is greater than the mortgage payment and the tax and insurance escrow payments, the difference will be paid to the family.

- F. Graduation from Assistance. If a family's income increases to the point that they no longer require homeownership assistance payments, eligibility for such payments will continue for 180 calendar days. At the end of 180 continuous days without assistance payments, eligibility for HCVP homeownership assistance will automatically terminate (24 CFR 982.635(e)).
- G. Length of Assistance. The maximum length of assistance is 15 years for a mortgage amortized over 20 years or more (24 CFR 982.634). Elderly and disabled families are exempt from this time limit. Moving with Assistance. A participating family may purchase another home with HCVP assistance upon the sale of the previously occupied unit, provided there is no mortgage default and the family is in compliance with the "Statement of Homeowner Obligations." The length of assistance is cumulative for all homes up to 15 years, except for those purchased by elderly or disabled families (24 CFR 982.637).

## **19.8 HOMEOWNER OBLIGATIONS:**

Before commencement of homeownership payments, the family must execute a "Statement of Homeowner Obligations" in the form prescribed by the ICHA, signifying a commitment to comply with responsibilities under the homeownership program (24 CFR 982.633).

To continue receiving homeownership assistance payments, the family must comply with all family obligations under the HCVP Homeownership Program and ICHA's homeownership policies. These obligations include:

- A. Ongoing Counseling. To the extent required by ICHA, the family must attend and complete ongoing homeownership and housing counseling.
- B. Mortgage Compliance. The family must comply with the terms of any mortgage securing debt incurred to purchase the home, and any refinancing of such debt.
- C. Prohibition against conveyance or transfer of the home.
  - 1. So long as the family is receiving homeownership assistance payments:
    - a. The unit must be the one and only family residence, composition of the assisted family must be approved by ICHA and changes must be reported, any business activity in the unit must comply with Iowa City codes and be incidental to the use of the unit as a residence, and the family must not sublease the unit.

- b. The family must supply verification to ICHA that the family lives in the unit or relating to any absences as requested. ICHA must be notified of any absence from the unit greater than 30 days.
- 2. The family may grant a mortgage on the home for debt incurred to purchase or refinance the home.
- 3. Upon the death of the deed holder[s], assistance may continue and the remaining family members may continue to occupy the home in accordance with 1(a) pending settlement of the decedent's estate, even though the title may transfer.
- D. Supplying Required Information. The family must supply all required information to the ICHA
  - 1. Information includes but is not limited to verification of income and family composition, social security numbers, and citizenship status at regularly scheduled reexaminations. All information must be true and complete.
  - 2. The family must provide information to ICHA on any debt incurred on the home, any sale or transfer of any interest in the home, and cost of homeownership expenses.
  - 3. The family must, at annual recertification, document that he/she is current on mortgage, insurance, and utility payments.
- E. Notice of Move-Out. The family must notify the ICHA before the family moves out of the home.
- F. Notice of Default. The family must notify the ICHA if the family defaults on a mortgage securing any debt incurred on the home.
- C. Prohibition of Owning a Second Home. At no time while the family is receiving assistance may any member own interest in another residential property.
- D. Other Obligations.
  - 1. The family members must not commit fraud or bribery or participate in other criminal activities.

2. The members must not engage in drug-related criminal activities or abuse alcohol in a manner that threatens the health, safety and quality of life of surrounding residents,
3. Assistance must not be received for the unit or family members under any other assistance program (federal, state, or local) while HCVP Homeownership assistance is being received.

#### **19.9 DEFAULTS:**

If a participant in the HCVP Homeownership Program defaults on his or her home mortgage loan or private contract, ICHA must terminate the homeownership assistance. The participant may reapply for the HCVP rental assistance waiting list if aid is still desired, unless the financing had been secured with FHA insurance. If the family defaults on an FHA-insured home the family must be willing to convey the unit to HUD or HUD's designee and move from the home within the timeframe established by HUD before the family will be eligible to apply for rental assistance (24 CFR 982.638(d)).

#### **19.10 WAIVER:**

The Housing Inspection Services Director or designee shall have the discretion to waive or modify any provision of the HCVP Homeownership Program or policies not governed by statute or regulation for good cause or to comply with changes in HUD regulations or directives.

### **20.0 ELIGIBILITY OF STUDENTS FOR ASSISTED HOUSING UNDER HCVP OF THE U.S. HOUSING ACT OF 1937:**

**Family Characteristics – Subject to Student Eligibility and Income Rules:** Any financial assistance, in excess of amounts received for tuition that an individual receives (see below) shall be considered income to that individual. Loan proceeds are not considered “financial assistance” under this section:

1. Persons under the age of 24 with dependent children;
2. Persons under the age of 24 without dependent children.

**Family Characteristics – Excluded from Student Eligibility and Income Rules:** The full amount of student financial assistance paid directly to the student or to the educational institution is **excluded** from annual income:

1. Persons age 24 and older with dependent children;
2. Students currently living with their parents participating in the HCVP program.

## **20.1 INCOME FACTORS:**

1. **Count as income:** Any financial assistance, in excess of amounts received for tuition received from the following sources:
  - Higher Education Act of 1965 (i.e., Pell Grant, FSEOG, federal Work-Study programs);
  - Private sources;
  - Institute of Higher Education;
  - May include federal, State and local grants & scholarships (athletic & academic) and student educational financial assistance from parents, guardians or other persons residing outside of student family household.
2. **Do not count as income:** Although considered financial assistance under the Higher Education Act of 1965, the following sources are not considered income for purposes of determining student eligibility for HCVP housing assistance:
  - Perkins loans;
  - Stafford loans; and.
  - Plus loans.

## **21.0 VISITORS**

Approval for visitors must be obtained by a landlord in accordance with the lease. The ICHA should be notified of any long-term visitors. Anyone “visiting” for longer than 30 days may be considered part of the assisted household.

## **GLOSSARY**

**1937 Housing Act:** The United States Housing Act of 1937. [42 U.S.C. 1437 et seq.]

**Absorption:** In portability, the point at which a receiving housing authority stops billing the initial housing authority for assistance on behalf of a portable household. [24 CFR 982.4]

**Adjusted Annual Income:** The amount of household income, after deductions for specified allowances, on which tenant rent is based.

**Administrative fee:** Fee paid by HUD to the housing authority for the administration of the program.

**Administrative Plan:** The plan that describes housing authority policies for the administration of the tenant-based programs.

**Admission:** This is the point when the household becomes a participant in the program. The effective date of the first HAP Contract for a household (first day of initial lease term) in a tenant based program.

**Adult:** A household member who is 18 years or older, or who is the head of the household, spouse or co-head.

**Allowances:** Amounts deducted from the household's annual income in determining adjusted annual income (the income amount used in the rent calculation). Allowances are given for elderly families, dependents, medical expenses for elderly and disabled families, disability expenses and child care expenses for children under thirteen (13) years of age. Other allowance can be given at the discretion of the housing authority.

**Annual Contributions Contract (ACC):** The written contract between HUD and a housing authority under which HUD agrees to provide funding for a program under the 1937 Act, and the housing authority agrees to comply with HUD requirements for the program.

**Annual Income:** All amounts, monetary or not, that:

- a. Go to (or on behalf of) the household head or spouse (even if temporarily absent) or to any other household member, or
- b. Are anticipated to be received from a source outside the household during the 12-month period following admission or annual reexamination effective date; and
- c. Are not specifically excluded from annual income.
- d. Annual income also includes amounts derived (during the 12-month period) from assets to which any member of the household has access.

**Applicant (applicant household):** A household that has applied for admission to a program but is not yet a participant in the program.

**Assets:** Items of value owned by an individual or household.

**Assisted lease (lease):** A written agreement between an owner and a household establishing conditions for the occupancy of a dwelling unit by a household with housing assistance payments under a HAP contract between the owner and the housing authority.

**Certification:** The examination of a household's income, expenses, and household composition to determine the household's eligibility for program participation and to calculate the household's rent for the following 12 months.

**Child:** For purposes of citizenship regulations, a member of the household other than the household head or spouse who is under 18 years of age.

**Child care expenses:** Amounts anticipated to be paid by the household for the care of children under thirteen (13) years of age during the period for which annual income is computed, but only where such care is necessary to enable a household member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for childcare. In the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

**Citizen:** A US national by birth or naturalization.

**Common space:** In shared housing, space available for use by the assisted household and other occupants of the unit.

**Congregate housing:** Collective or group housing for elderly or persons with disabilities that meets the HQS as defined by state code

**Consent form:** Any consent form approved by HUD to be signed by assistance applicants and participants for the purpose of obtaining income information from employers and State Wage Information Collection Agencies, return information from the Social Security Administration, and return information for unearned income from the Internal Revenue Service. The consent forms may authorize the collection of other information from assistance applicants or participant to determine eligibility or level of benefits.

**Continuously assisted:** An applicant is continuously assisted under the 1937 Housing Act if the household is already receiving assistance under any 1937 Housing Act program when the household is admitted to the voucher program.

**Cooperative:** Housing owned by a non-profit corporation or association, and where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing as defined by state code.

**Decent, safe, and sanitary:** Housing is decent, safe and sanitary if it satisfies the applicable housing quality standards.

**Department:** The Department of Housing and Urban Development.

**Dependent:** A member of the household, (except foster children and foster adults) other than the household head or spouse, who is under 18 years of age, is a person with a disability, or is a full-time student.

**Disability:** See “person with disabilities”

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

**Disabled household:** A household whose head, spouse, or sole member is a person with disabilities; or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

**Disabled person:** See "person with disabilities."

**Displaced household:** A household in which each member, or whose sole member is a person displaced by governmental action (such as urban renewal), or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared, or otherwise formally recognized pursuant to federal disaster relief laws.

**Displaced person:** A person displaced by governmental action (such as urban renewal), or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared, or otherwise formally recognized pursuant to federal disaster relief laws.

**Domicile:** The legal residence of the household head or spouse as determined in accordance with state and local law.

**Drug-related criminal activity:** Illegal use or personal use of a controlled substance, and the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use a controlled substance.

**Drug trafficking:** The illegal manufacture, sale, or distribution, or the possession with intent to manufacture, sell, or distribute, of a controlled substance.

**Elderly household:** A household whose head, spouse, or sole member is a person who is at least 62 years of age; or two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

**Elderly person:** A person who is at least 62 years of age.

**Evidence of citizenship or eligible status:** The documents that must be submitted to show citizenship or eligible immigration status.

**Exception rent:** An amount that exceeds the published fair market rent.

**Extremely low-income families:** Those families whose income does not exceed 30% of the area median income, as determined by HUD.

**Fair Housing Act:** Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (42 U.S.C. 3601 et seq.).

**Fair market rent (FMR):** The rent, including the cost of utilities (except telephone and cable), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe and sanitary rental housing of a modest (non-luxury) nature with suitable amenities. FMRs are published periodically in the Federal Register.

**Family** must meet one of the following:

1. A single person 62 years or older.
2. A disabled person either who is 18 years or older and is not declared as a dependent by a parent or guardian or who is a dependent living in a group home or similar supervised residence.
3. A household with a child or children who resides in the unit 51% of the time. (A child who is temporarily away from the home because of placement in foster care is considered a member of the family).
4. Two or more elderly persons or disabled persons living together, or one or more elderly or disabled persons living with one or more live-in aides.
5. Two or more persons related by blood, marriage, domestic partnership (certified by City of Iowa City Clerk), adoption or placement by a governmental or social service agency, as defined by City of Iowa City code.
6. A single adult that is not part of another household.

**Family members:** includes all household members except live-in aides, foster children and foster adults. All household members permanently reside in the unit, though they may be temporarily absent. All household members are listed on the HUD-50058.

**Family self-sufficiency program (FSS program):** The program established by a housing authority to promote self-sufficiency of assisted families, including the coordination of supportive services (42 U.S.C. 1437u).

**Family share:** The portion of rent and utilities paid by the household.

**Household:** Same as family definitions/synonymous terms.

**Household unit size:** The appropriate number of bedrooms for a household as determined by the housing authority under the housing authority's subsidy standards.

**50058 Form:** The HUD form that housing authorities are required to complete for each assisted household in public or assisted housing to record information used in the certification and re-certification process, and, at the option of the housing authority, for interim reexaminations.

**FMR/exception rent limit:** The HCVP existing housing fair market rent published by HUD headquarters, or any exception rent. For a tenancy in the voucher program, the housing authority may adopt a payment standard up to the FMR/exception rent limit.

**Full-time student:** A person who is carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or certificate program, as well as an institution offering a college degree.

**Gross rent:** The sum of the rent to the owner plus any utilities.

**Group Home: Congregate living quarters** licensed by a state for the exclusively for residential use for two to twelve elderly or disabled persons (including any live-in aide).

**Head of household:** The adult member of the family who is the head of the household for purposes of determining income eligibility and rent.

**Household members:** Include all individuals who reside or will reside in the unit and who are listed on the lease, including live-in aides, foster children and foster adults.

**Housing Assistance Payment (HAP):** The monthly assistance by a housing authority, which includes a payment to the owner for rent to the owner under the household's lease and an additional payment to the household if the total assistance payment exceeds the rent to owner.

**Housing quality standards (HQS):** The HUD minimum quality standards for housing assisted under the HCVP Program.

**Housing voucher:** A document issued by a housing authority to a household selected for admission to the voucher program. This document describes the program and the procedures for housing authority approval of a unit selected by the household. The voucher also states the obligations of the household under the program.

**Housing voucher holder:** A household that has an unexpired housing voucher.

**Income category:** Designates a household's income range. There are three categories served by ICHA: low income, very low income and extremely low-income.

**Incremental income:** The increased portion of income between the total amount of welfare and earnings of a household member prior to enrollment in a training program and welfare and earnings of the household member after enrollment in the training program. All other amounts, increases and decreases, are treated in the usual manner in determining annual income.

**Initial Housing Authority:** In portability, both: (1) a housing authority that originally selected a household that later decides to move out of the jurisdiction of the selected housing authority; and (2) a housing authority that absorbed a household that later decides to move out of the jurisdiction of the absorbing housing authority.

**Initial payment standard:** The payment standard at the beginning of the HAP contract term.

**Initial rent to owner:** The rent to owner at the beginning of the initial lease term.

**Interim (examination):** A reexamination of a household's income, expenses, and household status conducted between the annual re-certifications when a change in a household's circumstances warrant such a reexamination.

**Jurisdiction:** The area in which the housing authority has authority under state and local law to administer the program.

**Lease:** A written agreement between an owner and tenant that establishes the conditions for occupancy of a dwelling unit by a household with housing assistance payments under a HAP Contract between the owner and the housing authority.

**Live-in aide:** A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

- a. Is determined to be essential to the care and well-being of the persons;
- b. Is not obligated for the support of the persons; and
- c. Would not be living in the unit except to provide the necessary supportive services.

**Low-income families:** Those families whose incomes do not exceed 80% of the median income for the area, as determined by HUD.

**Manufactured home:** A structure that is built on a permanent chassis is designed for use as a principal place of residence and meets the HQS.

**Manufactured home space:** A space leased by an owner to a household on which a manufactured home owned and occupied by the household is located.

**Medical expenses:** Medical expenses, (IRS Definition. **See appendix**) including medical insurance premiums and uncovered costs, that are anticipated during the period for which annual income is determined. Expenses must total more than 3% of the annual income to be used as medical expenses.

**Mixed family:** A household whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status.

**Monthly adjusted income:** One twelfth of adjusted income.

**Monthly income:** One twelfth of annual income.

**Mortgage Ready:** An applicant has been provided information and acted in a manner that demonstrates preparedness for the physical and financial obligations of homeownership.

**MSA (METROPOLITAN STATISTICAL AREA):** A city of more than 50,000 persons and the surrounding region, which share many services.

**National:** A person who owes permanent allegiance to the United States, for example, as a result of birth or naturalization.

**Near-elderly household:** A household whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.

**Net household assets:**

- a. Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

- b. In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income.
- c. In determining net household assets, housing authorities or owners, as applicable, shall include the value of any business or household assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

**Non-citizen:** A person who is neither a citizen nor national of the United States.

**Occupancy standards:** The standards that the housing authority establishes for determining the appropriate number of bedrooms needed to house families of different sizes or composition.

**Owner:** Any person or entity, including a cooperative, having the legal right to lease or sublease existing housing.

**Participant (participant household):** A household that has been admitted to the housing authority's program and is currently assisted in the program. The household becomes a participant on the effective date of the first HAP contract executed by the housing authority for the household (first day of initial lease).

**Payment standard:** In a voucher tenancy, the maximum monthly assistance payment for a household (before deducting the total tenant payment by household contribution). For a voucher tenancy, the housing authority sets a payment standard in the range from 90% to 110% of the current FMR.

**Person with disabilities:** A person who:

- a. Has a disability as defined in Section 223 of the Social Security Act,

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

In the case of an individual who attained the age of 55 and is blind and unable by reason of such blindness to engage in substantial, gainful activity requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time."

- b. Is determined, pursuant to regulations issued by HUD, to have a physical, mental or emotional impairment that:
  - (1) is expected to be of long-continued and indefinite duration,
  - (2) substantially impedes his or her ability to live independently, and
  - (3) is of such a nature that such ability could be improved by more suitable housing conditions, or
- c. Has a developmental disability as defined in Section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act.

"Severe chronic disability that:

- (1) is attributable to a mental or physical impairment or combination of mental and physical impairments;
- (2) is manifested before the person attains age 22;
- (3) is likely to continue indefinitely;
- (4) results in substantial functional limitation in three or more of the following areas of major life activity: (1) self care, (2) receptive and responsive language, (3) learning, (4) mobility, (5) self-direction, (6) capacity for independent living, and (7) economic self-sufficiency; and
- (5) Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated."

This definition does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome.

No individual shall be considered to be a person with disabilities for purposes of eligibility solely based on any drug or alcohol dependence.

**Portability:** Renting a dwelling unit with HCVP tenant-based assistance outside the jurisdiction of the initial housing authority.

**Premises:** The building or complex in which the dwelling unit is located, including common areas and grounds.

**Private space:** In shared housing, the portion of a contract unit that is for the exclusive use of an assisted household.

**Proration of assistance:** The reduction in a household's housing assistance payment to reflect the proportion of household members in a mixed household who are eligible for assistance.

**Public Housing Agency:** A state, county, municipality, other governmental entity or public body (or agency or instrumentality thereof) authorized to engage in or assist in the development or operation of low-income housing.

**Reasonable rent:** A rent that is not more than charged: (a) for comparable units in the private unassisted market; and (b) for a comparable unassisted unit in the premises.

**Receiving Housing Authority:** In portability, a housing authority that receives a household selected for participation in the tenant-based program of another housing authority. The receiving housing authority issues a certificate or voucher and provides program assistance to the household.

**Re-certification:** A reexamination of a household's income, expenses and household composition to determine the household's rent for the following twelve (12) months.

**Remaining member of a tenant household:** A member of the household listed on the lease who continues to live in an assisted household after all other household members have left.

**Rent to owner:** The monthly rent payable to the owner under the lease. Rent to owner covers payment for any housing services, maintenance, and utilities that the owner is required to provide and pay for.

**Set-up charges:** In a manufactured home space rental, charges payable by the household for assembly, skirting and anchoring the manufactured home.

**Shared housing:** A unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted household.

**Single person:** A person not a member of another household that is not elderly disabled, displaced, or the remaining member of a tenant household.

**Single room occupancy housing (SRO):** A unit for occupancy by a single eligible individual capable of independent living that contains no sanitary facilities or food preparation facilities, or contains either, but not both, types of facilities.

**Special admission:** Admission of an applicant that is not on the housing authority waiting list or without considering the applicant's waiting list position.

**Special housing types:** Special housing types include: SRO housing, congregate housing, group homes, shared housing, cooperatives (including mutual housing), and manufactured homes (including manufactured home space rental).

**State Wage Information Collection Agency (SWICA):** The state agency receiving quarterly wage reports from employers in the state, or an alternative system that has been determined by the Secretary of Labor to be as effective and timely in providing employment-related income and eligibility information.

**Statement of Family Obligations:** An agreement in the form prescribed by HUD, between the housing authority and a household to be assisted under the Moderate Rehabilitation Program, stating the obligations and responsibilities of the household.

**Subsidy standards:** Standards established by a housing authority to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

**Suspension (tolling):** Stopping the clock on the term of a household's voucher, for such period as determined by the housing authority, from the time when the household submits a request for tenancy approval, until the time when the housing authority approves or denies the request.

**Tenant:** The person or persons (other than a live-in aide) who executes the lease as lessee of the dwelling unit.

**Tenant rent:** The amount payable monthly by the household as rent to the owner minus any utility allowance.

**Third-party (verification):** Oral or written confirmation of a household's income, expenses, or household composition provided by a source outside the household, such as an employer, doctor, school official, etc.

**Total tenant payment (TTP):** Total tenant payment is the amount calculated under Section 3(a) (1) of the 1937 Act which is the higher of:

1. 30% of the household's monthly adjusted income;
2. 10% of the household's monthly income; or
3. Minimum rent.

**Utility allowance:** An estimate of the average monthly cost of utilities (except telephone and cable) for an energy efficient unit, based on type and size, used in the housing assistance and tenant contribution calculation. If all utilities are included in the rent, there is no utility allowance.

**Utility hook-up charge:** In a manufactured home space rental, costs payable by a household for connecting the manufactured home to utilities such as water, gas, electrical and sewer lines.

**Verification:**

1. The process of obtaining statements from individuals who can attest to the accuracy of the amounts of income, expenses, or household member status (e.g., employers, public assistance agency staff, doctors).
2. The three types of verification are:
  - a. Third-party verification, either written or oral, obtained from employers, public assistance agencies, schools, etc.
  - b. Documentation, such as a copy of a birth certificate or bank statement
  - c. Household certification or declaration (e.g. citizenship verification)

**Very low-income families:** Low-income families whose incomes do not exceed 50% of the median household income for the area, as determined by HUD.

**Violent criminal activity:** Any illegal 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.

**Voucher (rental voucher):** A document issued by a housing authority to a household selected for admission to the Housing Choice Voucher Program. This document describes the program and the procedure for housing authority approval of a unit selected by the household and states the obligations of the household under the program.

**Voucher holder:** A household holding a voucher with unexpired search time. (See also Housing Voucher.)

**Waiting list admission:** An admission from the housing authority waiting list.

**Welfare assistance.** Welfare or other payments to families or individuals based on need, which is made under programs funded by federal, state or local governments. *[24 CFR 5.603(b)]*

**ACRONYMS**

ACC	Annual Contributions Contract
CFR	Code of Federal Regulations
FMR	Fair Market Rent
FSS	Family Self Sufficiency (Program)
HA	Housing Authority
HAP	Housing Assistance Payment
HCDA	Housing and Community Development Act
HQS	Housing Quality Standards
HUD	Department of Housing and Urban Development
INS	(U.S.) Immigration and Naturalization Service
NOFA	Notice of Funding Availability
PHA	Public Housing Agency
TTP	Total Tenant Payment

## **APPENDIX A**

**(A copy of the IRS Publication 502 will be inserted upon adoption of the Administrative Plan)**