

HOUSING AUTHORITY OF MAYFIELD

Administrative Plan

Revised 2025

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1.0 Introduction

The purpose of the Administrative Plan is to establish policies for MHA staff to follow in carrying out the programs in a manner consistent with HUD requirements. This Administrative Plan addresses policies as they relate to the operation of the Housing Choice Voucher (HCV) Program administered by MHA when regulatory guidance is not specified. Special programs also addressed in this plan include the Project-Based Voucher Assistance. MHA is responsible for complying with all changes in HUD regulations pertaining to these programs. If such changes conflict with this Plan, HUD regulations will have precedence. The MHA Board of Directors must approve the original Plan and any changes. A copy of the approved Plan and/or changes will be provided to HUD.

Applicable regulations include:

- 24 Code of Federal Regulations (CFR)
- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 982: Tenant-Based Assistance
- 24 CFR Part 983: Project-Based Voucher Assistance

2.0 Fair Housing Policy

MHA prohibits discrimination on the basis of race, color, religion, sex, national origin, sexual orientation or gender identity, ancestry, age, disability, familial, marital or veteran status with regard to fair housing and equal employment opportunity. Inquiries regarding sexual orientation or gender identity are prohibited for purposes of determining eligibility or otherwise making housing available.

To further its commitment to full compliance with applicable Civil Rights laws, MHA will provide federal/state/local information to voucher holders regarding unlawful discrimination and any recourse available to families who believe they are victims of a discriminatory act. This information will be made available during the family briefing session, and all applicable Fair Housing Information and Discrimination Complaint Forms will be made a part of the Voucher holder's briefing packet and available upon request from the rental assistance department. Families that claim illegal discrimination has prevented them from leasing a unit can request an extension of the family's search time (voucher extension beyond the 60 days). MHA staff will provide housing search assistance by providing the family with a list of participating landlords.

MHA staff will attend Fair Housing training and be informed of the importance of affirmatively furthering Fair Housing and providing equal opportunity to all families, including providing reasonable accommodations to persons with disabilities, as a part of the overall commitment to quality customer service. Fair Housing posters are posted throughout MHA offices and the Equal Opportunity logo will be used on all outreach materials. When made available, staff will attend local Fair Housing update training sponsored by HUD and other local organizations to keep current with new developments.

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

MHA'S offices are accessible to persons with disabilities. Accessibility for the hearing impaired is available at TTY 711.

3.0 Reasonable Accommodation Policy

It is the policy of MHA to be service-directed in the administration of our housing programs and to exercise and demonstrate a high level of professionalism while providing housing services to families. A participant with a disability must first ask for a specific change to a policy or practice in writing as an accommodation of their disability before MHA will treat a person differently than anyone else. MHA's policies and practices will be designed to provide assurances that persons with disabilities will be given reasonable accommodations, upon request, so that they may fully access and utilize the housing programs and related services. This policy is intended to afford persons with disabilities an equal opportunity to obtain the same result, to gain the same benefit or to reach the same level of achievement as those who do not have disabilities and is applicable to all situations described in this Administrative Plan including when a family initiates contact with MHA, when MHA initiates contact with a family including when a family applies and when MHA schedules or reschedules appointments of any kind.

To be eligible to request a reasonable accommodation, the requester must first certify (if apparent) or verify (if not apparent) that they are a person with a disability under the following ADA definition:

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

- Being regarded as having such an impairment

Note: This is not the same as the HUD definition used for purposes of determining allowances.

Once the person's status as a qualified person with a disability is confirmed, MHA will review the request and make an applicable determination.

Participants, whose requests were denied, will be given an opportunity for an informal hearing. See Appendix A.

If at any time, MHA retracts a previously approved reasonable accommodation which results in a reduction in bedroom size, the reduced payment standard will be applied at the family's next annual recertification.

3.1 Verification of Disability

MHA will verify disabilities under definitions in the Fair Housing Amendments Act of 1988, Section 504 of the 1973 Rehabilitation Act and Americans with Disabilities Act.

4.0 Privacy Rights

Applicants and participants, including all adults in their households, are required to sign the HUD Form 9886 Authorization for Release of Information.

5.0 Outreach

MHA will encourage participation of owners of suitable units located outside areas of low-income or minority concentration by distributing and communicating information concerning property owners leasing units under the HCV Program.

MHA shall take affirmative actions to provide opportunities to participate in the program to all persons without regard to such factors as race, color, religion, sex, national origin, sexual orientation or gender identity, ancestry, age, disability, familial, marital or veteran status.

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

MHA provides the following means to publicize and disseminate information to the public regarding rental assistance programs:

- MHA’s website, press releases, advertisements, public relations through local media.
- Locally held informational meetings.
- Relay service for persons who are hearing-impaired.
- Availability of applications and information on MHA’s website and all MHA offices.

6.0 Screening and Termination Policies

6.1 Purpose

All federally assisted housing is intended to provide a place to live and raise families, not a place to commit crime, to use or sell drugs or terrorize neighbors. It is the intention of MHA to fully endorse and implement a policy designed to:

- Help create and maintain a safe and drug-free community.
- Keep program participants free from threats to their personal and family safety.

6.2 Administration

All screening and termination of assistance procedures shall be administered fairly and in such a way as not to violate rights to privacy or discriminate on the basis of race, color, religion, sex, national origin, sexual orientation or gender identity, ancestry, age, disability, familial, marital or veteran status with regard to fair housing and equal employment opportunity. Inquiries regarding sexual orientation or gender identity are prohibited for purposes of determining eligibility or otherwise making housing available.

6.3 Applicants

To prevent future drug-related and other criminal activity, as well as other patterns of behavior that pose a threat to the health, safety or right to peaceful enjoyment of the premises by other residents and neighbors, MHA will assess applicants for activities related to **drugs, violence, and sex-offense crimes**. Assessment will apply upon receipt of completed leasing documents of all members of the household who are 18 years of age or older.

- MHA will access National Sex Offender Registry records for all program applicants age 18 or over.
- Program participants/applicants are subject to a review of criminal records.
- As the receiving PHA of a program participant through portability, MHA will accept the initial PHA's criminal background check if it has been conducted within the last six months.

6.4 Standards for Violation

Unless stated otherwise, the standards outlined below pertain to the HCV Program and Project-Based Vouchers.

6.5 Use of Controlled Substances; Alcohol Abuse

MHA will deny participation in the program to applicants and will terminate assistance to participants in cases where:

- Criminal records indicate arrest and conviction of or a preponderance of evidence of criminal activity by the applicant, participant or household member(s).
- Abuse of alcohol in a way that may interfere with the health, safety or right to peaceful enjoyment of the premises by other residents and neighbors, including cases where MHA determines that there is a pattern of illegal use of a controlled substance or pattern of alcohol abuse. MHA will consider the use of a controlled substance or alcohol to be a pattern if there is more than one incident during the previous three months.

6.6 Violent Criminal Activity

MHA will deny participation in the program to applicants and will terminate assistance to participants who have engaged in violent criminal related activity in the past five years, which resulted in the arrest and conviction of the applicant, or participant, or other household member(s) or by preponderance of evidence that demonstrates criminal activity occurred. MHA will use the arrest date of the violent criminal activity charge and/or sentencing phase, whichever date is most recent, to determine the five-year period time frame when denying or terminating assistance for such charges.

“Engaged in or engaging in” violent criminal activity means any act within the past five years by applicants, participants, or household member(s) involving criminal activity that has as one of its elements the use, attempted use or threatened use of physical force against the person of another and which resulted in the arrest and conviction of the applicant, participant, or household member(s). MHA will use the arrest date of the violent criminal activity charge to determine the five-year period time frame when denying or terminating assistance for such charges.

- The existence of the above-referenced behavior by any household member, regardless of the applicant or participant’s knowledge of the behavior shall be grounds for denial or termination of assistance.
- If the family violates the lease for violent criminal, activity, MHA will terminate assistance.
- In appropriate cases, MHA may permit the family to continue receiving assistance provided that the family members determined to have engaged in the proscribed activities will not continue to reside in the unit. If the violating member is a minor, MHA may consider individual circumstances with the advice of Juvenile Court officials.

6.7 Drug-Related Criminal Activity

MHA will deny participation in the program to applicants and will terminate assistance to participants for drug-related criminal activity in the past five years, which resulted in the arrest and/or conviction of the applicant, participant, or other household member(s) or by preponderance of evidence that demonstrates criminal activity occurred. MHA will use the arrest/conviction date, whichever is most recent, of the drug-related activity charge to determine the three-year period time frame when denying or terminating assistance for such charges.

- The existence of the above-referenced behavior by any household member, regardless of the applicant or participant’s knowledge of the behavior shall be grounds for denial or termination of assistance.
-

the family member(s) determined to have engaged in the proscribed activities will not reside in the unit. If the violating member is a minor, MHA may consider individual circumstances with the advice of Juvenile Court officials.

- If the family violates the lease for drug-related criminal activity, MHA will terminate assistance.

6.8 Threats of Violence

If any household member threatens the health or safety of the owner, property management staff or MHA staff, the family is subject to termination of assistance.

6.9 Enterprise Income Verification (EIV) National Repository

HUD maintains a national repository of debts owed to PHAs and adverse termination of former participants of the HCV Program. This information is maintained within HUD's EIV system which is used by PHAs to verify employment and income information of program participants, as well as to reduce administrative and rental assistance payment errors. The EIV system is designed to assist PHAs and HUD in ensuring families are eligible to participate in the HCV Program and determine the correct amount of rental assistance for which a family is eligible. All PHAs are required to use this system.

HUD requires PHAs, which administer the HCV Program, to report the following information at the conclusion of participation in the HCV Program.

- Amount of any balance owed to the PHA (up to \$500,000).
- Whether or not a repayment agreement has been executed for the amount owed to a PHA.
- Whether or not a participant has filed bankruptcy.
- The negative reason for the participant's end of participation in the HCV Program.

This information will be available to HUD employees, PHA employees, and contractors of HUD and PHAs.

MHA will deny or terminate participation on the HCV program for the following reasons listed in the national repository.

- Money owed to MHA or any another PHA in connection with Section 8 or public housing assistance, including Section 8 multifamily housing. The family will have the opportunity to avoid denial or termination if they provide proof of payment in full or execution of a repayment contract within ten days of date of notification of program denial or termination. Denial or termination will apply only to monies owed in relation to over payment of housing assistance payments, tenant rent portion or payment for damages owed to a PHA and/or special claims

reimbursed to the owner by the PHA.

If MHA becomes aware of the money owed after program participation begins, MHA will proceed with termination of the family's rental assistance due to program fraud. The participant may avoid termination of rental assistance if they provide proof of payment in full or execution of a repayment contract within ten days of notification to the family. MHA will proceed with termination of rental assistance if at any time; proof is provided that the tenant has defaulted on any executed repayment contract.

MHA will only deny or terminate assistance for the head-of-household listed in the national repository. Adult household members including spouse or co-head listed in the repository will be responsible for money owed.

- Criminal activity with violence (See Section 6.6)
- Criminal activity with drugs (See Section 6.7)
- Criminal activity/sex offender (See Section 6.6)

6.10 Discovery after Admission

MHA will terminate assistance for program participants if discovery of activity listed in 6.3 through 6.10 are discovered after program eligibility is determined for the family.

6.11 Notice of Termination/Denial of Assistance

In any case where MHA decides to terminate or deny assistance to the participant or applicant, MHA will give the participant or applicant written notice which states:

- The reason(s) for the proposed termination/denial.
- The effective date of the proposed termination.
- The participant/applicant's right, if they disagree, to request an informal hearing/review to be held before the termination of assistance if the family is a program participant.
- The date by which a request for an informal hearing must be received by MHA.

MHA will send a copy of the notice of termination to the owner as notice that termination of the Housing Assistance Payment Contract will coincide with the termination of assistance.

6.12 Reinstatement/Admission after Termination/Denial

If MHA previously denied admission or terminated assistance due to criminal activity, MHA may reconsider admission or reinstatement if credible evidence exists that members of the household are not currently engaging in, or during the previous three years, have not engaged in criminal activity.

6.13 Required Evidence

Preponderance of evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is evidence, which as a whole, show that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred. Preponderance of evidence may not be determined by the number of witnesses, but the greater weight of all evidence.

Credible evidence may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence can be considered credible evidence. Other credible evidence includes documentation of drug raids, arrest warrants and conviction records.

- MHA will pursue fact-finding efforts as needed to obtain credible evidence.
- MHA will consider all relevant circumstances when making a determination to deny or terminate assistance.
- MHA will require a copy of written eviction notices from the owner, which must outline the reason(s) for eviction. In the event a participant is evicted due to activities described in this section, MHA will terminate assistance based upon an independent investigation and will not rely solely on the eviction by the owner.

6.14 Accessing Criminal Records

MHA will request official police records, court records, and eviction records from a public housing agency and/or record of incarceration for review. MHA will access National Crime Information Center (NCIC)

records when situations warrant. All applicants, program participants and household members age 18 or over are subject to this review.

7.0 Office Location

Mayfield Housing Authority's central office is located at 312 Brookside Drive, Mayfield, Kentucky. The Housing Choice Voucher (HCV) office is located at 102 E. Willow Dr., Mayfield KY 42066.

8.0 Selection of Program Participants

Families wishing to apply for housing assistance must complete an application for the waiting list. If applications are being accepted, applications may be completed online at www.mayfieldhousing.com. Applicants may also visit MHA's office to complete an application, or complete an over the phone application by calling MHA's office at 270-247-6391.

9.0 Eligibility

MHA accepts applications only from families whose head is at least 18 years of age.

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

For HUD eligibility, an applicant must:

- Be a "family" as defined under terminology.
- Be within the appropriate income limits.
- Furnish Social Security numbers for all family members. Individuals exempt from disclosure are tenants who do not contend to have eligible immigration status, tenants age 62 or older as of January 31, 2010, whose initial determination of eligibility was begun before January 31, 2010, or tenants who have previously disclosed a valid Social Security number.

Acceptable evidence of the Social Security number consists of:

- A copy of an original, valid Social Security number card issued by the Social Security Administration.
 - An original SSA-issued document, which contains the name and SSN of the individual.
 - A copy of an original document issued by a federal or state government agency, which contains the name of the individual and the Social Security number of the individual, along with other identifying information of the individual, i.e., date of birth.
- An applicant must furnish declaration of citizenship or eligible immigrant status and verification where required.
 - At least one member of the applicant family (can be a minor child or other adult) must be either a U.S. citizen or have eligible immigration status before MHA may provide any rental assistance.
 - Evidence of citizenship/eligible immigrant status will not be verified until the family is selected from the waiting list for final eligibility processing for issuance of a voucher unless MHA determines that such eligibility is in question, whether or not the family is at or near the top of the waiting list.
 - MHA will consider a Declaration of Section 214 Status form signed by each household member as proof of U.S. citizenship.
- Head of household must be 18 years of age.
- The family must have properly completed all application requirements, including verifications.
- Misrepresentations of income, family composition, or any other information affecting eligibility will result in the family being denied assistance. In the event the misrepresentation is discovered after admission, the assistance will be terminated for such misrepresentation.
- Families reporting name changes for any household member must provide a copy of the Social Security card with the name change. This will document that the change has been recorded with the Social Security Administration office.
- 24 CFR 982.552(c)(v)(vi) If the applicant owes a prior debt to MHA or any other income based agency in connection with Section 8 or public housing assistance, including Section 8 multifamily housing, the family will be denied assistance and terminated from the waiting list as MHA becomes aware of the money owed. The family will have the opportunity to avoid denial or termination if they provide proof of payment in full or execution of a repayment contract within ten days of receiving a top of the waiting list letter. Denial or termination will apply only to monies owed in relation to over payment of housing assistance payments and/or special claims reimbursed to the owner by the PHA.

If MHA becomes aware of the money owed after program participation begins, MHA will proceed with termination of the family's rental assistance due to program fraud. The participant may avoid termination of rental assistance if they provide proof of payment in full or execution of a repayment contract within ten days of notification to the family.

If at any time after program participation begins the family fails to remain current with the terms of their repayment agreement, the family will be referred for termination of rental assistance.

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

9.1 Family Composition

The applicant must qualify as a family. A family may be a single person or a group of persons.

Family

- Two or more persons who intend to share residency whose income and resources are available to meet the family's needs.
- Two or more elderly or disabled persons living together or one or more elderly, disabled persons living with one or more live-in aides is a family.

Single-Person

- An elderly person.
- A displaced person.
- A person with a disability. Please note: Individuals may not be considered disabled for eligibility purposes solely on the basis of any drug or alcohol dependence.
- Any other single person.

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

Head of Household

The head of household is the **adult** member of the family who is designated by the family as head, is

wholly or partly responsible for paying the rent and has the legal capacity to enter into a lease under state/local law.

Spouse of Head

Spouse is the marriage partner of the head of household.

For proper application of the Noncitizens Rule, the definition of spouse is the marriage partner who, in order to dissolve the relationship, would have to be divorced. The term "spouse" does not apply to boyfriends, girlfriends, significant others, or other adults.

Co-head

Co-head is an individual in the household that is equally responsible with the head of household for ensuring that the family fulfills program responsibilities but who is not a spouse.

- A family can have only one co-head.
- A family may have a spouse or co-head, but not both.

Live-In Attendants

A family who qualifies may include a live-in aide. (See definition of Live-In Aide in Glossary.)

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

- Income of the live-in aide will not be counted for purposes of determining eligibility or level of benefits.
- Live-in aides are not subject to Noncitizen Rule requirements.
- Live-in aides may not be considered as a remaining member of the family.

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

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

As provided in PIH 2010-51, occasional, intermittent, multiple, or rotating care givers do not qualify as live-in aides. Therefore, an additional bedroom will not be approved for a live-in aide under these circumstances.

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

- The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing programs.
- The person commits drug-related criminal activity or violent criminal activity.
- The person currently owes rent or other amounts to MHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.

Split Households Prior to Voucher Issuance

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

- Which family member applied as head of household.
- Which family unit retains the children or any disabled or elderly members.
- Restrictions that were in place at the time the family applied.
- Role of domestic violence in the split.
- Recommendations of social service agencies or qualified professionals such as children's protective services.
- Documentation of these factors is the responsibility of the applicant families. If either or both of the families do not provide the documentation, they may be denied placement on the waiting list for failure to supply information requested by MHA.
- In cases where domestic violence played a role, MHA will require evidence that the family has been displaced as a result of fleeing violence in the home.

A family is considered to be involuntarily displaced if they have, within the past 30 days, been forced to vacate housing to flee actual or threatened physical violence or they are currently residing in housing where they have been the victim of actual or threatened physical violence. The applicant must provide proof that the abuser is residing in the housing unit from which the applicant was displaced and

must certify that the person will not reside with the applicant. A counselor, therapist, or other qualified professional must provide written verification of the need for assistance and certify that the applicant is a victim of domestic violence. If the family is issued an HCV due to domestic violence, and the perpetrator is allowed to return to the household, the participant will be terminated from the program.

Multiple Families in the Same Household

When families apply which consist of two families living together, such as a mother and father and a daughter with her own husband or children, if they apply as a family unit, they will be treated as a family unit. As with two unrelated adults with dependents, these too will be treated as a family unit.

Joint Custody of Children

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

Children who are of school age will be considered a member of the household of the parent who resides in the children's school district.

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

9.2 Income Limitations

To be eligible for assistance and issuance of a voucher, an applicant must have an annual income at the time of admission that does not exceed the low-income limits (50 percent of the area median income) for occupancy established by HUD.

To be income eligible the family may be under the low-income limit in any of the following categories:

- A very low-income family.
- A low-income family that is continuously assisted under the 1937 Housing Act. An applicant is continuously assisted if the family has received assistance under any 1937 Housing Act program within 20 days of voucher issuance. Programs include any housing federally assisted under the 1937 Housing Act.
- A low-income family physically displaced by rental rehabilitation activity under 24 CFR part 511.

- A low-income, non-purchasing family residing in a HOPE 1 or HOPE 2 project.
- A low-income, non-purchasing family residing in a project subject to a homeownership program under 24 CFR 248.173.
- A low-income family or moderate-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of mortgage insurance contract under 24 CFR 248.165.
- A low-income family that qualifies for voucher assistance as a non-purchasing family residing in a project subject to a resident homeownership program.

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

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

Portability: For initial lease-up at admission, families who exercise portability must be within the applicable income limit for the jurisdiction of the receiving PHA in which they want to live.

9.3 Mandatory Social Security Numbers

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

Individuals exempt from disclosure:

- Individuals who do not contend to have eligible immigration status.
- Tenants age 62+ as of January 31, 2010 whose initial determination of eligibility was begun before January 31, 2010.
- Tenants who have previously disclosed a valid Social Security number.

Acceptable evidence of the Social Security number consists of:

- a. A copy of a valid, original Social Security number card issued by the Social Security Administration.
- b. An original SSA-issued document, which contains the name and SSN of the individual.
- c. A copy of an original document issued by a federal or state government agency, which contains the name of the individual and the Social Security number of the individual, along with other

identifying information of the individual, i.e., date of birth.

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

9.4 Citizenship/Eligible Immigration Status

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

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

Mixed Families

A family is eligible for assistance as long as a member of the household is an U.S. citizen or eligible immigrant. Families that include eligible and ineligible individuals are called "mixed." Such applicant families will be given notice that their assistance will be prorated and that they may request a hearing if they contest this determination.

All Members Ineligible

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

Noncitizen Students

Defined by HUD in the noncitizen regulations. Not eligible for assistance.

Appeals

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

Verification of Status Before Admission

MHA will not provide assistance to families prior to the verification of eligibility for the individual or at least one member of the family pursuant to this section.

9.5 Family Screening [24 CFR §982.307]

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

The owner is responsible for screening and selection of the family to occupy the owner's unit. At or before MHA's approval of the tenancy, MHA will inform the owner that screening and selection for tenancy is the responsibility of the owner.

For current participants, at the owner's request, MHA will provide the family's current and prior address as shown in MHA's records to the owner. For new participants, at the owner's request, MHA will provide the name and address (if known to MHA) of the landlord at the family's current and prior address. MHA will also give owner's information regarding any bed bug occurrences experienced by the family as shown in MHA's records.

The owner is responsible for screening families based on their tenancy histories, including such factors as:

- 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.
- Compliance with other essential conditions of tenancy.

MHA will advise families how to file a complaint if they have been discriminated against by an owner. MHA will advise the family to make a Fair Housing complaint. MHA may also report the owner to HUD (Fair Housing/Equal Opportunity) or the local Fair Housing Organization.

9.6 Ineligible Families

Families who are determined to be ineligible will be notified in writing of the reason for denial and given an opportunity to request an informal review or an informal hearing if they were denied due to noncitizen status.

9.7 Prohibited Admissions Criteria

Admission to the program may not be based on where the family lives before admission to the program.

Admission to the program may not be based on:

- Discrimination because members of the family are unwed parents, recipients of public assistance or children born out of wedlock.
- Discrimination because a family includes children.
- Whether a family decides to participate in a family self-sufficiency program.

Any family denied assistance and/or terminated from the waiting list will receive an opportunity for an informal review. The family will have ten days from the date of the notice to request a review in writing.

10.0 Maintaining the Waiting List

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

The following explains the policies, which MHA has adopted to administer the waiting list and explains MHA's system of applying them. By maintaining an accurate waiting list, MHA will be able to perform the activities which ensure that an adequate pool of qualified applicants will be available so that program funds are used in a timely manner.

MHA maintains one waiting list. Applicants are selected in accordance with policies and income targeting requirements defined in this Administrative Plan. MHA will maintain information that permits proper selection from the waiting lists. Families will be placed on and selected from the waiting lists according to the date and time a completed preliminary application is received in MHA's offices.

A preference can/will be given to applicants on the waiting lists for the following:

- Families who at pre-application reside in Graves County while on the waiting list. Families who reach the top-of-the-waiting list and are determined ineligible for the preference will be returned to the waiting list by date and time of application.
- Families whose head of household or spouse is elderly or disabled. If applicant has not been

designated as disabled by the Social Security Administration, certification of disability must be provided by a medical professional before the preference is applied. Families who reach the top-of-the-waiting list and are determined ineligible for the preference will be returned to the waiting list by date and time of application.

- Kentucky families displaced from public housing, housing choice voucher participants, or applicants on MHA's waiting list that have been victims of a state- or federal- declared natural disaster within 120 days of the declaration. Participants/applicants must be identified by a state or federal emergency agency as victims of the disaster. The number of applicants that can be assisted under this preference will depend on available funding.

The waiting list for all programs shall be maintained in MHA's office according to the following procedures:

- A family completes and provides a preliminary application to be placed on the waiting list and MHA accepts the information to be correct. At the time the family reaches the top of the waiting list, a complete application and required verification will be obtained to determine eligibility. Assistance will be issued in the name of the applicant, unless otherwise requested by applicant.
- Anyone who completes a preliminary application will be applying for all programs available.
- The family will have the right of refusal of any form of assistance without losing their place on the waiting list until all forms of available programs are exhausted. Once a form of assistance has been refused, it will not be offered again. If a family chooses to be returned to the waiting list for another form of assistance, the request must be made by the family in writing. An exception may be made if requiring the request in writing places a hardship on the family. In this case, the request and the hardship will be documented by the waiting list coordinator.
- A family will be given an offer of only one type of assistance at a time. A second offer will not be made until there is some disposition of the first offer.
- If a family elects to accept a form of assistance (e.g., goes through the process and is issued a HCV), the family will not receive any other offer of assistance based upon that application. Under the Project-Based Voucher Programs, no other assistance will be offered when the family signs the Intent to Lease or Request for Tenancy Approval form.
- A family on the waiting list may update their application at any time. This update information should include household members, income, address and other pertinent information. Applicants must update their application in writing or update online at www.mayfieldhousing.com. An exception may be made if requiring the application update in writing places a hardship on the family. In this case, the update and the hardship will be documented by the waiting list coordinator.

- o When applicants reach the top of the waiting list and a vacancy exists, they will be notified in writing that assistance is available. Families will have 14 days from the date of the written notice to contact MHA. If the family fails to respond to the letter of invitation or fails to complete their paperwork, the family's application will be removed from the waiting list and will need to reapply by completing a new application.
- o If the mail is returned to MHA with no forwarding address, the family will be removed from the waiting list and will need to reapply by completing a new application.

10.1 Pre-application Acceptance Schedule

If MHA is accepting applications for the waiting list, the taking of applications may be suspended if the waiting list is such that additional applicants could not be housed within the next 12-month period.

When MHA reopens the waiting list and starts accepting applications again, notification will be made of the availability and nature of housing assistance for eligible families to the public through MHA's website, social media and other suitable means.

The notice will contain the date applications will be accepted and the methods for application submission.

10.2 Termination from the Waiting List

If a family is found to be ineligible because they are over income, the family will be terminated from the waiting list and no assistance can be offered. A family will be denied access or terminated from the waiting list if:

1. The family owes money to any public housing agency or federally subsidized program. The family will be given an opportunity to make immediate arrangements to pay the monies owed in full or enter into a repayment agreement with the applicable agency. Documentation of payment-in-full or a copy of an executed repayment agreement will be required within ten days of the notice of money owed. Upon receipt of the required documentation, MHA will continue the process to determine eligibility.
2. The family has violated any family obligation under the program.
3. The family fails to respond to the letter of invitation (TOWL) or fails to complete paperwork. The family will be removed from the waiting list and will have to reapply by completing a new application.

4. The mail is returned to MHA with no forwarding address. The family will be removed from the waiting list and will need to reapply by completing a new application.
5. For reasons listed in Section 6.0 of the Drug Free/Physical Violence/Alcohol Abuse Housing Policy.

All families who are denied assistance or are terminated from the waiting list will receive notice including the reason(s) for the action and an opportunity for an informal review should they disagree. A family will have ten days from the date of the notice to request an informal review in writing.

10.3 Project-Based Properties Serving Special Populations

Project-based voucher properties serving special populations may maintain their own waiting lists with MHA approval. A Tenant Selection Plan for administering the waiting list in a nondiscriminatory way must be provided to MHA.

11.0 Subsidy Standards

According to 24 CFR 982.401(d)(2)(ii), Housing Quality Standards (HQS) allow two persons per bedroom or living/sleeping room. MHA will use the following subsidy guidelines to determine the number of bedrooms required to accommodate each family with consideration given to overcrowding and over housing. Two persons shall be assigned for each bedroom. These guidelines apply in determining the bedroom size to be listed on the Housing Choice Voucher.

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

For program participants:

- An additional bedroom will be granted upon the birth of a child if the birth qualifies the family for a larger bedroom size. A transfer may be issued as an exception to the existing policy upon request from the head of household. Otherwise, the family will be issued a voucher reflecting the increase in household at annual recertification.
- Children under the age of six (6) will be required to share a room regardless of sex. Children of the opposite sex, over the age of 7, will be given their own room. If children are of the same sex they will share a room.

For program applicants, transfers and port-in participants:

- When issuing a voucher, an unborn child will be considered as an additional household member when determining bedroom size. Verification of the pregnancy by a health care provider is required to determine appropriate bedroom size. The smaller, applicable bedroom size will be granted prior to the birth. Depending on the household composition after the child is born, a voucher for a larger bedroom size will be issued at annual recertification if applicable unless the birth presents overcrowding of the unit. Overcrowding will be addressed upon notification to MHA by the family.
- When the family composition changes prior to lease-up but is reported to MHA after lease-up and results in the family leasing an over-sized unit and the family's rent portion exceeds 40 percent of their adjusted gross income, the family will be issued a transfer voucher for the appropriate bedroom size. The family and the landlord will be notified the housing assistance payments will terminate for the leased unit at the end of the following month. The family will be required to transfer to an eligible unit.

11.1 Project-Based Overcrowded, Under-Occupied And Accessible Units [24 CFR §983.259]

If MHA determines that a project-based voucher unit is a wrong-size unit or a unit with accessible features that the family does not require and the unit is needed by a family that requires the accessibility features, MHA will promptly notify the family and the owner of this determination. MHA will offer continued assistance in another project-based unit within the same property or, if none is available, an HCV will be offered at the family's next annual reexamination if available and the family remains program eligible.

12.0 Set-Asides and Targeted Funding

If HUD awards program funding to MHA that is targeted for specifically named families, MHA will admit these families under a special admission procedure. Special admission families will be admitted outside of the regular waiting list process. They are not required to be on the waiting list.

When HUD-insured Section 8 project-based contracts are terminated by HUD or owner action, including expirations without renewal, enhanced vouchers will be issued to eligible families residing in the unit and electing to remain in the unit at the time of action. The enhanced voucher will be issued based on MHA's subsidy standard. Families residing in units larger than they qualify for must relocate to a smaller unit if one is available in the property. If an appropriately-sized unit is not available, the family may remain in the current unit for up to one year. The applicable payment standard for the larger unit will be used to calculate the family's subsidy amount. After one year, the family must relocate with a voucher subsidy based on their current family size under MHA's payment standards.

13.0 Income Targeting

In accordance with the Quality Housing and Work Responsibility Act of 1998, each fiscal year MHA will reserve a minimum of 75 percent of its HCV new admissions for families whose income does not exceed 30 percent of the area median income. HUD refers to these families as "extremely low-income families."

MHA's income targeting requirement does not apply to low-income families continuously assisted as provided for under the 1937 Housing Act.

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

14.0 Missed Appointments

Our objective is to have a policy which would allow us to administer this program timely and efficiently and at the same time accommodate the needs of the families we serve. Families will be scheduled for one appointment. This appointment may be rescheduled only once at the participant's request. If the participant misses both scheduled appointments, their rental assistance will be referred for termination. The scheduling of these appointments must be documented. In case of an emergency, which can be documented, an appointment will be rescheduled without penalty to the family.

An appointment for the same activity may only be rescheduled once at the request of the family.

This policy applies to the scheduling of any type of appointment necessary in the administration of this program. These appointments include but are not limited to inspections, briefings, etc. Missed biennial re-inspection appointments must be scheduled and conducted within 10 business days of original inspection. All other missed appointments for inspections must be rescheduled and conducted within 20 business days of the original inspection date.

If a family indicates a letter scheduling an appointment was not received, one of two items below will be required:

- The letter was returned to MHA or addressed incorrectly.
- The family has filed a complaint with the post office for problems with mail receipt in the prior four months.

15.0 Third-Party Verification Requirements [24 CFR §960.259(C)(1) And §982.516(A)(2)]

The PHA must obtain and document in the tenant file third-party verification of the following factors, or must document in the tenant file why third-party verification was not available:

- Reported family annual income.
- The value of assets.
- Expenses related to deductions from annual income.
- Other factors that affect the determination of adjusted income.

15.1 Levels of Verification Methods

To prevent fraud and abuse in the rental assistance programs, the United States Code (USC) and Code of Federal Regulations (CFR) allow HUD and PHAs to obtain information about applicants and participants

to determine their eligibility or level of benefits. MHA will use the Enterprise Income Verification (EIV) System whenever possible to verify the following: current or previous wages and salaries from employers, wage information and unemployment compensation from the state agency charged with the administration of the state unemployment law and income information from the Commissioner of Social Security and Secretary of the Treasury.

EIV replaces, to a large extent, the more time consuming and less accurate third-party verification process of contacting individual employers identified by the family or reviewing outdated income verification documents. However, whenever necessary, MHA may continue to use third-party verification to complement EIV, for example, when the family disputes the data. MHA will not consider EIV as an automatic substitute for other third-party verification and may supplement other verification documentation, such as original current family provided documents. MHA will begin with the highest level of verification methods. The use of lower level verification methods will place a higher burden on MHA to justify its use of that particular verification method rather than a higher level of verification methods. The methods of verification used by MHA are listed below in the order in which they will be used:

| <u>Level</u> | <u>Verification Technique</u> | <u>Ranking</u> |
|--------------|--|---|
| 6 | Upfront Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) system. (not available for income verifications of applicants) | Highest (Mandatory) |
| 5 | Upfront Income Verification (UIV) using non-HUD system. | Highest (Optional) |
| 4 | Written Third-Party Verification | High (Mandatory to supplement EIV-reported income sources and when EIV has no data; Mandatory for non-EIV reported income sources; Mandatory when tenant disputes EIV-reported employment and income information and is unable to provide acceptable documentation to support dispute) |
| 3 | Written Third-Party Verification Form | Medium-Low (Mandatory if written third-party verification documents are not available or rejected by the PHA; and when the applicant or tenant is unable to provide acceptable documentation) |

| | | |
|---|--------------------------------------|---|
| 2 | Oral Third-Party Verification | Low (Mandatory written third- party verification is not available) |
| 1 | Tenant Declaration | Low (Use as a last resort when unable to obtain any type of third- party verification) |

Note: *This verification hierarchy applies to income determinations for applicants and participants. However, EIV is not available for verifying income of applicants.*

Third-Party Verification Techniques

- **Upfront Income Verification (UIV) (Level 6/5):** The verification of income before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a number of individuals.
- **Written Third-Party Verification (Level 4):** An original or authentic document generated by a third-party source dated either within the 60-day period preceding the reexamination or PHA request date. MHA's request date shall begin 120 days preceding the reexamination effective date or 60 days prior to voucher issuance. Such documentation may be in the possession of the tenant (or applicant) and is commonly referred to as tenant-provided documents. It is HUD's position that such tenant-provided documents are written third-party verification since these documents originated from a third-party source. MHA may, at its discretion, reject any tenant-provided documents and follow up directly with the source to obtain necessary verification of information.

Examples of acceptable tenant-provided documentation (generated by a third-party source) include, but are not limited to: *pay stubs, payroll summary report, employer notice/letter of hire/termination, SSA benefit verification letter, bank statements, child support payment stubs, welfare benefit letters and/or printouts and unemployment monetary benefit notices. Current tenant-provided documents must be used for income and rent determinations.

*Per HUD guidance, a minimum of two current and consecutive pay stubs are required for determining annual income from wages. For new income sources or when two pay stubs are not available, annual income should be projected based on the information from a traditional written, third-party verification form or the best available information.

- **Written Third-Party Verification Form (Level 3):** Also, known as a traditional, third-party verification. This is a standardized form to collect information from a third-party source. The form is completed by the third-party by hand (in writing or typeset). PHAs send the form directly to the third-party source by mail, fax, or e-mail.

- **Oral Third-Party Verification (Level 2):** Independent verification of information by contacting the individual income/expense source(s), as identified through the UIV technique or identified by the family, via telephone or in-person visit. PHA staff should document in the tenant file, the date and time of the telephone call (or visit to the third party), the name of the person contacted and telephone number, along with the confirmed information.

This verification method is commonly used in the event that the independent source does not respond to the PHA's faxed, mailed or e-mailed request for information in a reasonable time frame.

Non-Third Party Verification Technique

- **Tenant Declaration (Level 1):** The tenant submits a self-certification of reported income and/or expenses to the PHA. The certification must be in written form and must be signed and dated by the tenant. This verification method should be used as a last resort when the PHA has not been successful in obtaining information via all other verification techniques. When the PHA relies on tenant declaration, the PHA must document in the tenant file why third-party verification was not available.

Exceptions to Third-Party Verification Requirements [24 CFR §960.259(c)(1) and §982.516(a)(2)]

HUD is aware that in some situations, third-party verification is not available for a variety of reasons. Oftentimes, the PHA may have made numerous attempts to obtain the required verifications with no success, or it may not be cost effective to obtain third-party verification of income, assets or expenses, when the impact on total tenant payment is minimal. In these cases, the PHA is **required to document in the family file the reason(s) why third-party verification was not available.**

When the PHA is Required to Request Written Third-Party Verification in Addition to EIV

The PHA must request written third-party verification under the following circumstances:

1. When the tenant disputes the EIV information and is unable to provide acceptable documentation to support their dispute (24 CFR §5.236(b));
2. When the PHA requires additional information that is not available in EIV and/or the tenant is unable to provide the PHA with current acceptable tenant-provided documentation. Examples of additional information includes, but is not limited to:

- a. Effective dates of income (i.e., employment, unemployment compensation or Social Security benefits.)
- b. For new employment: pay rate, number of hours worked per week, pay frequency, etc.
- c. Confirmation of change in circumstances (i.e., reduced hours, reduced rate of pay, temporary leave of absence, etc.)

Note: 24 CFR §5.236(a), prohibits PHAs from taking adverse action based solely on EIV information.

Required File Documentation [24 CFR §5.233(a)(2)(i)]

Type of file documentation required to demonstrate PHA compliance with mandated use of EIV as a third-party source to verify tenant employment and income information.

1. For each new admission, the PHA is required to do the following:
 - a. Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date.
 - b. Print and maintain a copy of the EIV Income Report in the tenant file.
 - c. Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.
2. For each historical adjustment, the PHA is required to do the following:
 - a. Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date.
 - b. Print and maintain a copy of the EIV Income Report in the tenant file; and
 - c. Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.
3. For each interim reexamination of family income and composition, the PHA is required to have the following documentation in the tenant file:

16.0 Briefing

The purpose of the briefing is to inform a family about the program. The briefing includes information

about leasing under the HCV program, obligations of the family and policies and procedures of MHA. New families (specifically head of household) are required to participate in a briefing at the time a Statement of Family Responsibility or HCV is issued.

***** Due to the Coronavirus Pandemic (and any future disasters) the HCV program will do briefings by phone, video conferencing, HCV Powerpoints and mail.**

Portability Briefings

Upon management approval, participants who are exercising portability to MHA's jurisdiction may be briefed via telephone if the family is unable to participate in an online briefing and if requiring the participant to travel to a MHA briefing site would cause undue hardship.

Items discussed during the briefing include:

- Review of briefing summary, which requires the signature of the head of household.
- Family and Owner responsibilities/reasons for termination of assistance.
- Where a family may lease a unit, including renting a dwelling unit inside or outside MHA's jurisdiction.
- If the family is currently living in a high poverty census tract in MHA's jurisdiction, the briefing must also explain the advantages of moving to an area that does not have a high concentration of poor families.
- How to find a unit and what types are eligible for the program.
- Listing of participating owners and handicapped accessible units.
- Discussion of fair market rents, payment standards, utility allowances, family rent portion, HCV subsidy, bedroom size and security deposit.
- HQS.
- Lead-based paint.
- HCV expiration and extensions.
- Fair housing information.
- Subsidy standards.
- Hearing procedures.
- Other items determined pertinent by MHA.

- Leasing documents which include:
- Lease/Tenancy Addendum
- Request for Tenancy Approval
- Housing Assistance Payments Contract
- Lead-Based Paint Form
- W-9 Form

***MHA will be working on creating forms to allow tenants to “Electronically” sign all documents pertaining to their leases, recertifications and any other paperwork that needs to be signed.

17.0 Briefing Packet

A briefing packet is provided for each participant. An owner brochure is provided to each new owner.

The documents and information provided in the briefing packet for the HCV program will comply with all HUD requirements. ***A Briefing packet will be mailed to all new tenants prior to the Briefing. All forms must be read, signed and returned to the MHA Section 8 office before the actual briefing.

The family is provided with the following information and materials:

- The term of the voucher and MHA’s policy for requesting extensions.
- ***The Voucher will be included in Briefing packet, but will not be valid until it has been signed by the head of household and returned to the office for the HCV program specialist signature.
- A description of the method used to calculate the housing assistance payment for a family, including how MHA determines the payment standard for a family; how MHA determines total family payment for a family and information on the payment standard and utility allowance schedule. How MHA determines the maximum allowable rent for an assisted unit (including the rent reasonableness standard).
- Where the family may lease a unit. For a family that qualifies to lease a unit outside MHA’s jurisdiction under portability procedures, the information must include an explanation of how portability works.

- The HUD required tenancy addendum, which must be included in the lease.
- The Request for Tenancy Approval Form and a description of the procedure for requesting approval for a unit.
- A statement of MHA's policy on providing information about families to prospective owners.
- MHA's subsidy standards including when and how exceptions are made and how the voucher size relates to the unit size selected.
- The HUD brochure, "A Good Place to Live," on how to select a unit that complies with HQS.
- The HUD brochure on lead-based paint.
- Information on federal, state and local equal opportunity laws and a copy of the housing discrimination complaint form. MHA will also include the pamphlet "Fair Housing: It's Your Right" and other information about fair housing laws and guidelines, such as the "take one, take all" law.
- A list of landlords or other parties willing to lease to assisted families or help in the search and/or known units available for the voucher issued. The list includes landlords or other parties who are willing to lease units or help families find units outside areas of poverty or minority concentration.
- If the family includes a person with disabilities, notice that MHA will provide assistance in locating accessible units and a list of available accessible units known to MHA.
- The family obligations under the program.
- The grounds on which MHA may terminate assistance for a participant family because of family action or failure to act.
- MHA's complaint and appeals process including when MHA is required to offer a participant family the opportunity for an informal hearing and how to request the hearing.
- Information packet including an explanation of how portability works, including a list of neighboring housing agencies with the name, address and telephone number of a portability contact person at each for use by families who move under portability
- Procedures for notifying MHA and/or HUD of program abuses such as side payments, extra charges, violations of family rights and owner failure to repair.
- The family's rights as a program participant.
- Requirements for reporting change between annual recertification.

- ***A Powerpoint video will be made available online for the family to view and sign a form stating that they have viewed the video.

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

18.0 Housing Choice Voucher Issuance

- MHA staff will issue HCVs. HCVs will be issued after the family has participated in a program briefing.
- Staff instructs the applicant that the HCVs are valid for 60 days.
- Staff instructs the applicant that it is the applicant's responsibility to contact MHA immediately upon locating a unit.

By signing the HCV constitutes the applicant's acceptance of a program. Should the applicant allow his/her HCV to expire, the assistance will be terminated. The family may reapply for rental assistance if applications are being accepted.

HCVs are initially valid for a period of 60 calendar days from the date of issuance to the family. No days, such as weekends or holidays, are excluded in counting 60 days. If the 60th day falls on a non-working day, then the family may conduct pertinent business on the next working day.

18.1 Housing Choice Voucher Extensions and Expirations

- MHA will comply with all requirements outlined in PIH Notice 2005-5 to comply with the Olmstead decision, as well as being flexible in establishing reasonable initial search terms and subsequent extensions for families with a disabled person. Refer to Appendix E, Mainstream Operating Plan, for further guidance. Extension requests must be submitted by the family in writing to MHA prior to the expiration date. Extension requests must be approved by management. Extension approvals are provided in writing.
- If a family allows their HCV to expire, their offer of rental assistance will be terminated. The family may reapply for rental assistance if the waiting list is open.
- If a family submits a completed Request for Tenancy Approval and other related documents on or just prior to expiration with no extensions remaining, the inspection will be scheduled within ten days. If the unit does not pass an initial inspection, the family will be allowed one more inspection in ten more days. If the unit does not pass inspection the second time, the family will

lose their assistance for an expired HCV.

- Families using portability out of MHA's jurisdiction will be issued a voucher for a 120-day time frame.

18.2 Housing Choice Voucher Recalls [24 CFR §982.552 (A) (2)]

To ensure that housing assistance payments costs do not exceed the HUD-approved budget authority, issued vouchers may be recalled if leasing documents have not been received and approved by MHA. Applicants will be returned to the waiting list using their original application date. Vouchers will again be offered at such time that it has been determined by MHA that funding is available.

18.3 Statement of Family Responsibility Issuance

MHA staff will issue the Statement of Family Responsibility (SFR). The SFR will be issued and dated at the time of the briefing. Signing an SFR constitutes the applicant's acceptance of the program and project-based unit. If the applicant fails to move into the project-based/moderate rehabilitation unit within 60 days of the SFR issuance, the SFR becomes void and assistance will be denied. The family may reapply for rental assistance if the waiting list is open.

19.0 Request for Tenancy Approval

The Request for Tenancy Approval (RTA) and a copy of the proposed leasing documents must be submitted by the family during the term of the voucher. The family must submit the RTA in the form and manner required by MHA.

The RTA must be signed by both the owner and voucher holder.

*** MHA will not permit the family to submit more than one RTA at a time.**

Upon MHA's receipt of a completed Request for Tenancy Approval and other related documents, time remaining on the voucher will be suspended. The suspension ends when the family is notified in writing of the approval or denial of the tenancy.

MHA will review the proposed leasing documents and the RTA to determine whether or not they are approvable. The request will be approved if:

- The unit is an eligible type of housing.
- The unit meets HUD's Housing Quality Standards (and any additional criteria as identified in this Administrative Plan). The HQS inspection will be conducted within 10 days of receiving a completed Request for Tenancy Approval and all leasing documents. If the unit does not pass inspection, the family must look for another unit or assure the repairs are made and request a re-inspection on or before expiration of the HCV.
- The rent is reasonable.
- The proposed lease complies with HUD and MHA's requirements.
- The owner is approvable and at the time a family initially receives assistance (new admissions and moves), the family share of rent may not exceed 40 percent of the family monthly-adjusted income.
- If tenancy is approved and the unit passes inspection, the family must begin moving in immediately. Assistance begins on the inspection date or the effective date of the lease. The family may not change their mind and look for another unit. **If a family fails to move in within 15 days after the unit has passed inspection, the family may be terminated from assistance for failure to occupy a unit.**

19.1 Disapproval of RTA

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

When, for any reason, a RTA is not approved and the HCV has not expired, MHA will furnish another RTA form to the family along with the notice of disapproval so that the family can continue to search for eligible housing.

19.2 Prohibited Landlord Participation

Landlords will be prohibited from program participation for the following events:

- Sex Offender – If the landlord or a partnering entity is subject to registration requirements under a state sex offender registration program. The prohibition period will remain in effect as long as the offender is a required registrant. A landlord may also be prohibited from program participation if they employ a sex offender registrant.
- Repeated HAP contract violations.

- HAP contract violations involving violent criminal or drug activity will result in the landlord being subject to prohibited participation for a period of three years from the date of the arrest.
- Conviction of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing.
- Owes money to MHA.

In the event of discovery of activities listed above for a current participating landlord, MHA may enforce “limited landlord participation.” Limited landlord participation may be imposed if requiring the tenant to transfer from the landlord’s unit will be a hardship to the household. Limited landlord participation will allow the family to remain in the unit with continued housing assistance but will prohibit new tenancy.

19.3 Relative Rule [24 CFR §982.306 (D)]

Effective May 18, 1998, if the owner/landlord is a parent, child, grandparent, grandchild, sister or brother of any member of the participant family, MHA must not approve the unit. However, if MHA determines that approval of the unit would provide reasonable accommodation for a family member who is a disabled person, the unit may be approved. The Federal Register published on October 13, 2005, prohibits giving an exception to the Relative Rule as a reasonable accommodation for project-based participants.

The relative rule applies to new admissions and moves on or after May 17, 1998. Any assisted lease in effect prior to this date is exempt.

20.0 Eligible Types of Housing

MHA will approve housing structures that meet Housing Quality Standards in the HCV Program.

20.1 Manufactured Homes

MHA will permit a family to lease a manufactured home and space with assistance under the program. MHA will provide assistance for a family that owns the manufactured home and leases only the space.

Housing Quality Standards

A manufactured home must meet all the HQS requirements. In addition the manufactured home also must meet the following requirements:

- A manufactured home must be placed on the site in a stable manner and must be free from hazards such as sliding or wind damage.
- A manufactured home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist wind overturning and sliding.

Manufactured Home Space Rental [24 CFR §982.622]

MHA will provide rental assistance to a family that owns its own manufactured home and leases only the manufactured home space pursuant to 24 CFR §982.622.

Reasonable Rent

During the assisted tenancy, the rent to owner for the manufactured home space may not exceed a reasonable rent as determined by MHA.

MHA will not approve a lease for a manufactured home space until MHA has determined that the initial rent to owner for the space is a reasonable rent. At least annually during the assisted tenancy, MHA will redetermine that the rent is reasonable.

MHA will determine whether the rent to owner for a manufactured home space is a reasonable rent in comparison to rents for other comparable manufactured home spaces. MHA will consider the size and location of the space and any services and maintenance provided by the owner in accordance with the lease.

By accepting each monthly housing assistance payment from MHA, the owner of the manufactured home space certifies that the rent to owner for the space is not more than rent charged by the owner for unassisted rental of comparable spaces in the same manufactured home park or elsewhere. If requested by MHA, the owner must provide MHA information on rents for other manufactured home space.

HAP for the Voucher Tenancy

There is a separate FMR for a family renting a manufactured home space. The payment standard is used to calculate the monthly housing assistance payment for a family. The FMR for rental of a manufactured

home space is generally 30 percent of the published FMR for a two-bedroom unit. The payment standard is based on this calculation.

Housing Assistance Payment Calculation for the Voucher Program

During the term of a voucher tenancy, the amount of the monthly housing assistance payment for a family will equal the lesser of:

- The payment standard minus the total tenant payment; or
- The rent paid for rental of the real property on which the manufactured home owned by the family is located (the space rent) minus the total tenant payment.

The space rent is the sum of the following as determined by MHA:

- Rent to owner for the manufactured home space;
- Owner maintenance and management charges for the space;
- Utility allowance for family paid utilities.

Utility Allowance Schedule for Manufactured Home Space Rental

MHA will establish utility allowances for manufactured home space rental. For the first 12 months of the initial lease term only, the allowances will include a reasonable amount for utility hook-up charges payable by the family, if the family actually incurs the expenses because of a move.

Allowances for utility hook-up charges do not apply to a family that leases a manufactured home space in place.

Utility allowances for manufactured home space will not be applied to cover the costs of digging a well or installation of a septic system.

Zero Housing Assistance Payments

If the housing assistance payment equals zero for an initial or transfer lease up, a HAP contract will not be executed.

21.0 Leasing Documents

The tenant and the owner must enter into a written lease for the unit and the lease must be executed by the owner and tenant. If the owner uses a standard lease form for unassisted tenancies on the premises, the lease for the assisted tenancy must be the same standard form. Other related leasing documents are listed below and must be fully completed and executed before housing assistance payments can begin.

- HUD Tenancy Addendum
- Housing Assistance Contract (HUD Contract)
- Request for Tenancy Approval/Intent to Lease
- W-9 Form
- Lead-Based Paint Form

*****MHA will be working on creating forms to allow tenants to “Electronically” sign all documents pertaining to their leases, recertifications and any other paperwork that needs to be signed.**

22.0 Tenant Screening

Tenant screening is an owner responsibility. However, MHA will provide to prospective owners information concerning a participant’s current/previous address/owner.

23.0 Review of Owner’s Lease

MHA staff will not be responsible for thoroughly reviewing each owner’s lease for legally acceptable content. The HUD tenancy addendum is required for this issue. However, should an item come to our attention, we will require the owner to strike it from their lease or use a MHA lease.

24.0 Annual Recertification

At least once each year or as required by MHA, a reexamination of family income and composition will be conducted. A letter will go out approximately 120 days in advance of the annual date notifying families to begin the recertification process. Families will be provided with a 30-day notice of any increase in their rent portion.

24.1 Moves

The following guidelines apply when a family wishes to move to a new unit:

- The family must always notify MHA, in writing via a lease cancellation notice, before moving or they will forfeit/waive rental assistance. The family must comply with lease requirements or obtain permission from owner. The family is prohibited from more than one move (both within and outside MHA's jurisdiction) during any twelve-month period. Moving prior to notifying MHA to avoid physical violence would be an extenuating circumstance, which may prevent termination of assistance. Serious medical conditions, obtaining employment or attending school, owner eviction through no fault of the tenant or flight from domestic violence would also be an exception. Families issued a transfer voucher due to domestic violence will be required to sign a Domestic Violence Lease Addendum stating that they will not permit the perpetrator to reside in the unit as long as he/she is receiving rental assistance under the HCV Program. If the perpetrator moves into the unit, MHA will terminate the family's housing assistance.
- Upon issuance of a transfer HCV or Statement of Family Responsibility, the family may receive additional program information. Once a transfer voucher has been issued and signed by the family, MHA may extend the lease cancellation date in cases where adhering to the effective date results in a hardship for a disabled or elderly family. If the family remains in the rental unit past the lease cancellation date, the family will be responsible for the full amount of rent to the owner.
- Under the Project-Based Voucher Programs, the assistance is not transferrable. If a change in family composition occurs and there is not a suitable size contract unit available, then a voucher may be issued for transfer if available. Families evicted for cause will not be issued a voucher.
- Pursuant to 24 CFR, Part 983.260, once a project-based voucher holder has participated in the Project-Based Voucher Program for one year, they may request a HCV for transfer.

- All families requesting to transfer within MHA's jurisdiction must be current on any applicable repayment agreements.

24.2 Closing of Files/Purging Inactive Files

MHA will purge inactive files after they have been closed for a period of five years, with the exception of troubled cases, or cases involving a household member containing a minor with a reported elevated blood-lead level.

During the term of each assisted lease and for three years thereafter, MHA will keep the lease, HAP Contract and the application from the family. In addition, MHA must keep for at least three years the following records:

- Records with racial, ethnic, gender and disability status data for applicants and participants.
- The application from each ineligible family and the notice that the applicant is ineligible.
- HUD required reports and other HUD required files.
- Lead based paint inspection reports as required.
- Unit inspection reports.
- Financial statements and other records supporting MHA.
- Other records as specified by HUD.

MHA shall retain all data for current participants for audit purposes. No information shall be removed which may affect an accurate audit.

25.0 Housing Quality Standards

- *** HQS Inspections will be placed on hold unless it is safe for our inspectors. Inspections will be done on empty units for a tenant to be able to Transfer or a New Move In.
- Inspectors will wear face masks and gloves to all unit inspections.

- For HQS violations by owners, the housing assistance payments are abated. For HQS violations by the family, termination of assistance occurs.
- All units must pass HQS prior to commencement of housing assistance payments.
- No more than four HQS inspections will be performed on the same unit. The family will be required to look for another unit if violations are found after four inspections.
- The inspection will assure compliance with HQS as established by HUD.
- Generally, inspections will be conducted within ten business days of receipt of a completed Request for Inspection form for initial inspections and unit transfers.
- Please refer to Section 18.1 for inspection guidelines relating to expired HCVs.
- An inspection will be scheduled within 24 months of initial inspection and will be performed in each succeeding 24-month period.
- MHA inspectors will use electronic devices or HUD inspection form.
- Inspections should be attended by the head of household or owner or their designee (designee must be 18 years or older).

Under no circumstances will the inspector conduct an inspection on an empty or occupied unit unless the head of household, owner or designee is present at the unit during the inspection.

- Each unit must have a permanent heat source that provides adequate heat to each room used for living or sleeping. During the period of October to May, the heat source must be capable of maintaining a minimum temperature of 65 degrees within three feet of the floor and exterior walls in all living/sleeping rooms.
- A landlord may not reside in the same building structure as a unit being occupied by a participating family (i.e., participating family lives in the main area of the building while the landlord occupies the finished basement or garage area even if there is a separate entrance).

If the landlord lives in the same building structure or on the same property location as the participating family, the unit must be a separate structure or unit from the participating family's

unit (i.e., a separate apartment in a multi-complex unit, a house or mobile home, etc.).

25.1 Abatement Policy

Abatement is the cessation of HAP when an owner has failed to make HQS repairs within the time frame allotted, i.e., 30 days or 24 hours.

MHA will abate HAP on the first of the month following the re-inspection date. In the event a new owner change is being processed for a unit that is nearing abatement or already under abatement, an exception to the abatement policy may be granted by giving the new owner a proactive owner extension. This exception must be granted by the executive director. The decision will be based on whether the previous HQS summary (notice of needed repairs) was mailed to the prior owner and the timeframe between the second HQS summary, as well as the effective date of the abatement. If ample repair time allows, a copy of the latest HQS summary will simply be mailed to the new owner.

Example: The unit failed re-inspection on August 5 and the abatement is not effective until September 1. The new owner will be alerted of the upcoming abatement by a copy of the most recent HQS summary that was mailed to the previous owner. However, should the re-inspection fail August 27 with the abatement effective date of September 1, the new owner would not have ample time to address any required repairs. A proactive owner extension would be given extending the effective date of the abatement.

- When HQS violations occur regarding the property exterior, common areas or bed bugs in a **project-based voucher, project-based certificate or moderate rehabilitation property**, housing assistance payments for all units under contract will be abated when violations are not addressed in a timely manner.

In case of damage from natural disaster and unit is determined uninhabitable, MHA will stop HAP at the end of month following the disaster.

25.2 Application of HQS After Initial Lease Up

For health and/or safety violations noted below, only 24 hours will be given to make repairs.

- No water
- No heat (in cold weather)

- No electricity
- Life threatening problems

A re-inspection will be made within 24 hours (2 business days) and if the problem is not corrected, the subsidy will be abated and the family may be required to relocate.

If utilities are disconnected, the inspector will request the tenant/owner to submit documentation from the utility provider verifying the utilities have been reconnected. For tenant violations, the documentation will be requested from the tenant. For owner violations, the documentation will be requested from the owner. The tenant/owner will have 24 hours (2 business days) to submit the documentation. If not received within the provided timeframe, the inspector will follow normal abatement/termination procedures.

- Gas may **NOT** be turned off at any time even if the gas only operates the heat.

25.3 Verifying HQS Deficiencies Remotely

For failed annual inspections, verification of the correction of noted deficiencies may be done by means other than a physical re-inspection. MHA may accept owner's certification, vendor receipt, photo of the repair, or tenant confirmation of completion of required repairs. The correction of previous self-certified required repairs must be verified at the next physical inspection. Should it be confirmed upon physical inspection that the required repairs were not previously corrected as certified, the owner forfeits the option of any future self-certification on all MHA assisted units. This does not apply to initial inspections or any inspection conducted at project-based units. All failed initial and project-based inspections require a physical re-inspection.

25.4 HQS Waivers and Extensions

MHA may grant a winter waiver for exterior repairs required for failed annual inspections during the months of November through May 31 where the only HQS violation is exterior repairs. This waiver would be granted only for exterior repairs that cannot be made during these months due to weather conditions. Any deviation from this time frame must be approved by management on a case-by-case basis.

- **MHA may grant a winter waiver for non-working air conditioning repairs for annual inspections conducted during the months of November through May. A follow-up inspection will be scheduled to confirm repairs have been made. Any deviation from this time frame must be approved by management on a case-by-case basis.**

- **Proactive Owner Extensions:** May be granted when an owner exceeds the requested timeframe for repairs and has completed more than 75 percent of the repairs. An extension may also be granted if materials are not available and the owner is able to provide written documentation of the unavailability. Written documentation must be provided in forms such as invoices, order forms or bids to verify efforts being made to obtain the required material(s). A 30-day extension may be granted in these instances.

Proactive owner extensions will also be considered when the sale of the property results in the new owner not receiving notice of the needed owner repairs or if the new owner does not have ample time to complete the repairs. Approval of extensions for this scenario must be determined by the MHA.

25.5 Quality Control Inspections

Quality control inspections will be performed by the manager of compliance inspectors and other designated MHA staff. Other quality control inspections may be performed by HUD staff. MHA strives to

exceed the minimum number of quality control inspections. Quality control inspections will focus on HQS noncompliance not a complete general inspection. A review of the corresponding inspection paperwork and time frames will also be completed as part of the quality control inspection. Quality control inspection documents will be maintained in a filing system separate from family records.

25.6 Tenant HQS Violations

MHA will follow the same guidelines as noted above for tenant-caused HQS violations. However, for tenant-caused violations, termination of assistance will occur if not corrected as required. MHA will provide a 14-day notice of termination of assistance and an opportunity for an informal hearing. If the family complies prior to the date of termination of assistance, then the family will be reinstated. The family is responsible for HQS violations caused by:

1. Failure to pay for tenant-supplied utilities.
2. Failure to supply/maintain tenant-supplied appliances.
3. Damage caused by family/guest to the unit including bed bug infestation.

The family may not simply move from the unit to avoid the HQS violation once a termination of assistance letter has been mailed. If the family was no longer residing in the unit with the HQS violation,

termination of assistance would still occur.

25.7 Bed Bug Policy/Process:

When Bed Bugs are Reported:

1. Lease will be reviewed to verify who is responsible for extermination – tenant or landlord? If the lease does not state who is responsible, the inspector will attempt to determine how the infestation occurred. For example, did the tenant bring infested furniture into the unit or did the infestation come from a neighboring apartment? If a determination cannot be made, the violation will be assigned to the owner.
2. MHA must receive written documentation by a licensed pest control company that all bed bugs have been exterminated and unit is cleared from any hazard of bed bugs. This documentation must be received prior to the re-inspection date. An owner may conduct or have staff conduct treatment in lieu of utilizing a pest control company only in situation when the owner can provide documentation verifying those individuals completing treatment are licensed to do so.
3. Abatement/termination will be processed if adequate documentation is not received timely. A proactive owner extension may be granted if documentation is received from a licensed pest control company stating that the extermination is taking place but additional treatments are required. Units that are not treated and cleared of the bed bug infestation will be added to the non-compliant unit list.

When Bed Bugs are Discovered after Entering a Unit:

1. Before entering each unit, an inquiry will be made by MHA staff as to whether there have been any issues with bed bugs. If MHA staff members are already in a unit and the family reports there are bed bugs or live bed bugs are evident, MHA staff will immediately explain to the family that MHA does not allow inspectors to enter units with a known bed bug infestation and exit the unit. After exiting the unit, MHA staff will explain the bed bug policy to the family and try to determine the cause of the infestation.
2. The policy listed above under “When Bed Bugs are Reported” will be followed.
3. Once confirmation that the bed bugs have been eliminated is received from a licensed pest control company, the inspection will be rescheduled.

Project-Based Vouchers

When a bed bug infestation is reported in a unit(s) under contract with the Project-Based Voucher, all units under contract must be inspected by a licensed pest control company and certified to be clear of the infestation.

The tenant should report any suspected infestations immediately to the landlord.

26.0 Requirements above HQS

- Smoke detectors are required in the “immediate vicinity” of each sleeping area and one on each level of the unit. (MHA defines “immediate vicinity” as a distance no greater than eight feet.)
- Double-keyed deadbolt locks are prohibited. Any door with such a lock cannot be counted as a fire/alternative means of egress for HQS purposes and therefore will not be acceptable.
- Burglar bars on windows used as a fire egress are acceptable when equipped with a “quick release” handle, thereby not blocking the alternative means of exit. Burglar bars without the “quick release” handle cannot be used on windows used as a fire egress. Any form of burglar bar is acceptable on windows not used as a fire egress.
- Clearance examinations for lead paint inspections must be performed by persons/companies on the EPA Kentucky Environmental Lead Program listing of certified lead detection and abatement companies. Management approval for a person/company not on the EPA list may be granted on case-by-case basis, if proper certification is provided and verified.
- The unit address must be clearly visible from the street or sidewalk.

27.0 Security Deposits

The amount of the security deposits is set by the owner. However, it shall be comparable to (and not exceed) amounts paid by unassisted families renting from the owner. If the owner has no other tenants, it should not exceed local practice.

27.1 Minimum Rent

The minimum tenant rent established by MHA is a \$50, except when federal regulations provide otherwise.

Hardship Requests for an Exception to Minimum Rent

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

Criteria for Hardship Exception

For a family to qualify for a hardship exception, the family's circumstances must fall under one of the following HUD hardship criteria:

- The family has lost eligibility or is awaiting an eligibility determination for federal, state or local assistance program, including a family having a noncitizen household member lawfully admitted for permanent residence and who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996;
- The family would be evicted as a result of the imposition of the minimum rent requirement;
- The income of the family has decreased because of changed circumstances, including:
 - o Loss of employment
 - o Death in the family
 - o Other circumstances as determined by MHA or HUD
- The family is applying their voucher to subsidize the rental expense of residing in a recovery center funded under MHA's Project-Based Voucher Program.

If the family requests a hardship exception, MHA will suspend the minimum rent charge and adjust the HAP to be effective the first day of the month following the change in the family's circumstances. MHA will request documentation of the hardship and will determine promptly if

the hardship is temporary or long term.

If the hardship is determined to be temporary, the minimum rent is suspended for a period of 90 days from the date of the family's request. At the end of the 90-day period, the minimum rent is reinstated retroactively to the date of suspension. MHA will execute a reasonable repayment agreement to cover the minimum rent charges accumulated during the suspension period. If the hardship is determined to be long-term (a period greater than 90 days), the minimum rent exemption is indefinite until such time that the family's income increases. A repayment agreement will not be executed in case of a long-term hardship. Hardship determinations are subject to the informal hearing process.

Suspension of Minimum Rent

If MHA determines that there is a qualifying hardship, MHA must exempt the family from the minimum rent requirements.

27.2 Earned Income Disallowance for Persons with Disabilities [24 CFR 5.617]

This disallowance applies to participants in the HCV Program – it does not apply for purposes of admission to the program.

A “qualified family” is a family receiving HCV assistance whose annual income increases due to one of the following reasons:

1. Employment of a family member who is a person with disabilities AND was previously unemployed for one or more years prior to employment.
NOTE: HUD's definition of “previously unemployed” includes a person who has earned, in the 12 months prior to employment, not more than would have been earned at the established minimum wage working 10 hours per week for 50 weeks.
2. Increased earnings by a family member who is a person with disabilities AND is a participant in any economic self-sufficiency or job-training program.
3. New employment or increased earnings by a family member who is a person with disabilities AND, within the past six months, has received assistance, benefits or services under any state program for temporary assistance (TANF, Welfare-to-Work).
 - Not limited to cash assistance
 - Includes one-time payments, wage subsidies, transportation assistance

- Total amount over a six-month period must be at least \$500

Effective May 9, 2016, earned income disallowance (EID) applies for a straight 24-month period, with clear start and end dates.

Initial 12-Month Full Exclusion

Begins on the date the family member (with disabilities) is employed; or first experiences an increase in income due to employment.

Second 12-Month Exclusion

Beginning on the 13th month, full exclusion of the increase continues. The exclusion stops at the end of the 24 month.

For families enrolled and participating in EID prior to May 9, 2016, the requirements below apply.

Lifetime Maximum Four-Year Disallowance

The initial full exclusion is applied for a maximum of 12 cumulative months. The phase-in (50 percent) exclusion is applied for a maximum of 12 cumulative months.

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

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

28.0 Payments to Owners

The contract rent is limited only by rent reasonableness and market rents established by HUD. MHA must demonstrate that the contract rent is reasonable in comparison to rent for other comparable unassisted units.

The only other limitation on contract rent is the maximum rent standard at initial occupancy (24 CFR 982.508). At the time a family initially receives tenant-based assistance for occupancy of a dwelling unit, whether it is a new admission or a move to a different unit, the family share may not exceed 40 percent

of the family's monthly-adjusted income.

During the initial term of the lease, the owner may not raise the contract rent.

28.1 Housing Assistance Payments

- Housing Assistance Payments (HAP) are made to the owner on behalf of a participating family. Payments made to all landlords are made via direct deposit. Payment(s) are deemed to be received by the owner upon successful submission of the Automated Clearing house electronic file to the bank. (CFR 24 §982.451(5)(ii)(B)).
- If there is a change in owner or direct deposit information, this must be reported to MHA in writing. For a change in owner, a MHA HAP Assignment Agreement will be executed.
- HAP contracts may end automatically or be terminated by MHA. Once the HAP contract is terminated, no HAP payments may be made.
- A HAP contract ends automatically if:
 1. The family moves from the unit.
 2. The owner evicts the family. If the owner has started eviction proceedings and the family continues to live in the unit, MHA will continue to pay housing assistance payments to the owner until a court judgment or other process allows the owner to evict the tenant. MHA will continue payments until the family moves or is evicted from the unit.
- HAP contracts may be terminated by MHA for the following reasons:
 1. Owner is not in compliance with the terms of the HAP contract. (Before terminating for this reason, MHA must give the owner the opportunity to take corrective steps.)
 2. Owner has committed fraud.
 3. MHA terminates assistance to the family.
 4. Family is required to move from a unit for overcrowding or over housing.
 5. Unit does not pass HQS.
- If MHA terminates the HAP contract, MHA must provide the owner a 30-day notice unless the family is not currently under lease or has moved without notice.

29.0 Rent Adjustments

29.1 Housing Choice Voucher Program

Under the HCV Program, the contract rent to the owner is a matter of negotiation between the owner and the family. The rent may not be increased during the first year of the lease. The owner may request a rent adjustment annually after the first anniversary of the lease. The owner must give the family and MHA 60 days' written advance notice of the requested increase. The written notice must be signed by both the owner and family.

Adjustments in rent for any unit must not result in material differences between the rents charged for assisted and comparable unassisted units. If the unit does not meet rent reasonableness tests, the unit is ineligible for a rent adjustment.

Rent increase requests for USDA Rural Development properties will be processed upon receipt. The effective date of the rent increase will reflect HUD's approval date.

Payment Standards

The payment standard (PS) is an amount used to calculate the monthly housing assistance payment for HCVs.

Each PS amount is based on the published fair market rents. MHA must establish a separate payment standard amount by unit size (single room occupancy, zero-bedroom, one-bedroom, etc.).

The PS will be reviewed annually and revised accordingly. MHA will set its PSs between 90 to 110 percent of the FMR. PSs will be adjusted as needed.

Fair market rents (FMRs) are published in the Federal Register and the fair market rent is lower than the corresponding PS. A family may maintain their current PS until the date of their second recertification.

30.0 Rent Reasonableness [24 CFR 982.507]

HUD requires PHAs to have a written method to determine and document that rent being charged by an owner is reasonable based on current rents for comparable unassisted units. Rent reasonableness determinations are mandated in the following instances: at initial lease-up; before an increase in the

rent to the owner; and if there is a five percent decrease in the published FMR in effect 60 days before the HAP contract anniversary date.

This will be used by staff in making their rent reasonableness determinations.

Rent Reasonableness must take into account the following nine factors:

1. Location
2. Age of unit
3. Size
4. Amenities
5. Type
6. Housing services
7. Quality
8. Maintenance
9. Utilities provided by the owner

31.0 Utility Allowances

Annually, MHA shall determine whether an adjustment is required in the utility schedules. If MHA determines that an adjustment should be made, MHA will establish a schedule of adjustments taking into consideration size and type of units and other pertinent factors. MHA shall furnish HUD with a copy of the adjusted schedule.

The lease must specify what utilities/appliances are to be provided or paid by the owner or the tenant. Utility/appliance responsibility may not be changed in the first year of the lease.

Processing Lease Ups during Transition of Updated Utility Allowances

In the event that a lease up is being processed for a unit that was determined eligible using the utility allowance schedule that was in effect at the time of determination but the actual lease up is processed following implementation of an updated schedule, the following policy will apply.

If by using the updated schedule the unit would become ineligible, the schedule used for the initial unit eligibility test will apply. The file will be documented explaining the use of the previous utility allowance

schedule.

32.0 Interim Changes

32.1 Interims Prior to Lease Up

Changes in family income and composition that occur during the period between issuance of a voucher and lease-up may affect the family's eligibility, share of the rental payment or unit size.

When a family has an income or household composition change after being issued a HCV or Statement of Family Responsibility but prior to lease up, an interim redetermination will be processed. The family will be notified of any change in estimated subsidy, total tenant payment (TTP) or change in family unit size provided accurate information for lease-up purposes has been reported by the family.

32.2 Interims after Lease Up

Rents set by MHA at initial or annual recertification will remain in effect unless changes in family circumstances occur. Program participants must report within 10 calendar days changes outlined below:

- Change in family composition, increased or decreased. Additions include additions due to birth, adoption and court-awarded custody. The family must obtain landlord approval prior to all other additions to the household. If a new member is added, family income must include any income of the new family member. MHA will conduct a reexamination to determine such additional income and will make the appropriate adjustments in the housing assistance payment and family unit size. A repayment contract will be executed should the family fail to report an increase in income due to household composition change. The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified as required by 24 CFR 982.516. If this change in household composition results in an increase or decrease in any income, this will be processed.
- Any new source of income, benefits or assets including lump sum settlements resulting in an increase in income. Increases in same source income will not be processed as an interim, but will at annual recertification unless family is at minimum rent.

Per HUD regulations, deferred payments for SSI and SS that are received in a lump sum or prospective monthly amounts are excluded from annual income.

- If there are multiple changes reported, the interim will be processed regardless of whether there is an increase or decrease in rent portion. Increases in same source income will be processed if other changes are being processed.

The family may report any decrease in income and MHA will process that change, unless the decrease is expected to last for one month or less.

The effective dates of interim changes are outlined below:

- All decreases in income will be effective the first of the month following the month the decrease was reported. If the family fails to provide information concerning the decrease in a timely manner, the change will not be processed as it is not mandatory to report a decrease. The family may then report the change at a later date and begin the process again.
- All increases in rent will be made with a 30-day notice to the family, assuming the family reported change within 10 days of occurrence and provided information as required. If change was not reported within 10 days of occurrence, then the family will be required to sign a repayment agreement.

Participants will be required to pay any increases in rent resulting from changes in federal regulations.

If a change in household members increases the bedroom size but the family is not overcrowded, the family may choose whether to move or not. The HCV payment standard can only change at annual reexamination.

If a change in household members decreases the bedroom size, the family will be required to move or the owner must lower the rent to accommodate the smaller size.

MHA will provide the family and owner with up to a 60-day notice when requiring a move as a result of a change in household composition. Additional time may be allotted if there are extenuating circumstances. MHA will review its interim process as needed and make any applicable changes.

33.0 Market Renter

When a family's rent portion equals or exceeds the gross rent, the family is considered a market renter but may remain a program participant for six months. Within the six-month period, if the family notifies

MHA that their income has been reduced to a point where the family again qualifies for assistance to be paid on its behalf, HAP will be reinstated upon verification of eligibility. If a six-month period has elapsed since HAP was paid, the family will no longer be considered program participants and will be notified by mail.

Upon expiration of the six-month grace period for project-based voucher participants, if the participant remains in the contract unit, the owner will be required to choose one of the options listed below.

1. Amend the Housing Assistance Payment Contract by removing the unit.
2. Amend the Housing Assistance Payment Contract by allowing the landlord to substitute the unit with a comparable unit in the building for occupancy by another eligible family.
3. Amend the Housing Assistance Payment Contract to inactivate the unit until such time that the family vacates the unit. The owner may then request to reactivate the unit.

MHA will only allow amendment of the Project-Based Voucher Housing Assistance Payment Contract by substituting a unit to accommodate a market-rent family. Substitutions will not be allowed upon initial lease up when a family does not qualify for the contract unit. [24 CFR §983.206]

A new HAP contract **must not** be executed if the housing assistance payment is zero.

34.0 Calculation of Income

At the time a family is approved for participation, and at annual recertification, MHA will project future income (for the subsequent 12-month period) based upon information obtained from third parties. However, if MHA determines that a particular source of income is inconsistent, such as child support, the income will be averaged. If it is determined that a particular source of income meets the definition of sporadic income, the income will not be counted. Sporadic income is defined as income that is neither reliable nor periodic. SWICA reports will be utilized to project annual income. See Section 15.0 of this plan for more information about verification of income and deductions from income. There is no minimum income requirement for participation in the Program.

Gross benefit amounts paid by the Social Security Administration will be utilized to project annual income. If the family disputes this amount, they must provide documentation that they are not receiving this amount due to an overpayment of Social Security or Supplemental Security Income benefits. Documentation will be reviewed on a case-by-case basis.

Participants may have earned income obtained by changing jobs. Earned income from multiple (3 or more) jobs over a 12-month period will be averaged and counted.

A wage statement from the local unemployment office may be obtained for calculation purposes. This procedure will only be applied to a participant with multiple jobs over a consecutive 12-month period. “Job-hopping” affords a family the opportunity to avoid paying rent simply by making regular changes in employment.

Net income from the operation of a business or profession” will be counted as annual income. In general, net income means gross income minus expenses. An allowance for straight-line depreciation of assets used in a business may be deducted.

Expenditures for business expansion or amortization of capital indebtedness may not be deducted.

Business expansion is viewed as any enlargement or growth of a business and any reconstruction or enhancement to the business would be considered a capital improvement.

In addition to net business income, HUD regulations stipulate that any withdrawal of cash or assets from the operation of a business must be included in annual income except to the extent that the withdrawal represents reimbursement of cash or assets invested in the business.

In addition to straight-line depreciation, deductible business expenses include:

- Interest payments on loans.
- Other business expenses except expenses related to business expansion or other capital improvements.

Nondeductible business expenses include:

- Principal payments on loans
- Interest on loans for business expansion or capital improvements
- Other expenses for business expansion
- Outlays for capital expansion

34.1 Income Exclusions

Several HUD regulations address the exclusion from annual income of payments received by a family member who is participating in a training program.

In some of these regulations, the meaning of training program is not clear. In these cases, MHA’s definition of a training program is:

A learning process with goals and objectives, generally having a variety of components, and

taking place in a series of sessions over a period of time. It is designed to lead to a higher level of proficiency and it enhances the individual's ability to obtain employment. It may have performance standards to measure proficiency. Training may include, but is not limited to, classroom training in a specific occupational skill, on-the-job training with wages subsidized by the program or basic education.

The exclusion applies only for the period during which a family member is actually participating in a qualifying training program.

The exclusion is also limited to the increase between the total amount of welfare and earnings of a family member prior to enrollment in the training program and welfare and earnings of the family member after enrollment in the training program. All other amounts, increases or decreases, are treated in the usual manner in determining income. MHA's definition of pre-training program income is the last certified income.

24 CFR 5.609(c)(8)(i) excludes the full amount received under training programs funded by HUD. If a resident is participating in a HUD-funded training program, the entire amount, not just the incremental amount, is excluded.

24 CFR 5.609(c)(8)(v) excludes incremental earnings and benefits resulting to a family member from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) or from training as a resident management staff member. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program.

34.2Assets [24 CFR 982.516]

When a family claims an asset, third-party written verification must be attempted. If third-party verification cannot be obtained, a review of family-provided documents may be reviewed. When monthly bank statements or other documents are provided, at least six consecutive months' statements for checking accounts (six-month average will be used for calculation purposes) and the most recent savings account statement are required. In addition, when applicable, MHA will use the Internet as a resource to verify asset value, i.e., Blue Book, coin collection value, etc.

MHA will verify a family's assets of more than \$50,000 and the amount of income expected to be received from those assets at the family's initial eligibility determination and every three years thereafter. In the interim of the three-year period, MHA will accept the family's self-certification. MHA's Personal Declaration form will serve as the family's certification. This allowance applies to assets valued at less than \$50,000. Assets equal or greater than \$50,000 requires supporting documentation.

Family Assets Include:

- Amounts in savings and checking accounts.
- Stocks, bonds, savings certificated, money market funds and other investment accounts, such as 401k accounts.
- Equity in real property or other capital investments.
- Cash value of trusts that are available to the household (not including irrevocable trusts).
- IRA, Keogh and similar retirement savings accounts, even though withdrawal would result in a penalty.
- Contributions to company retirement/pension funds.
- (While an individual is employed, count only amounts the family can withdraw without retiring or terminating employment. After retirement or termination of employment, count as an asset any amount the employee elects to receive as a lump sum. Include in annual income any benefits received through periodic payments.)
- Assets that, although owned by more than one person, allow unrestricted access by the family (such as joint checking or savings accounts).
- Lump-sum receipts such as inheritances, capital gains, Social Security, lottery winnings, insurance settlements and other claims.
- Personal property held as an investment, such as gems, jewelry, coin collections, antique automobiles, etc.
- Cash value of life insurance policies. (Whole life insurance has a cash value, but term life does not have a cash value.)
- Assets disposed for less than fair market value during the two years preceding the certification or recertification. The difference between the market value and the actual payment received is counted.

Family Assets Do Not Include:

- Necessary personal property, i.e., clothing, household furnishing and automobile (with the exception of antique automobiles).
- Interest in Indian trust lands.
- Assets not accessible by the family.

- In the case that a family member is listed as a beneficiary or is a joint holder of an asset to which he claims he does not have access, third-party verification must be obtained to determine the inaccessibility of the asset to the family member.
- Assets that are a part of an active business or farming operation.
- Lump sum payments spent by family members. MHA will verify amounts and require that the family list and certify amounts as well as requiring receipts if available.

Calculation of Income from Assets [24 CFR 5.609(b)(3)]

When the net family assets are \$5,000 or less, the actual income from the asset is used. When the net family assets are more than \$5,000, the amount used is the greater of the following:

- Actual income from assets.
- The imputed value of the assets based upon the passbook rate as determined by HUD.

Determining Cash Value of Assets [24 CFR 5.603(b)]

The cash value of an asset is the verified market value minus any “reasonable costs” that would be incurred by a family in liquidating the asset – in other words, the amount the family would actually receive if it converted the asset into cash.

Pursuant to Notice PIH 2012-3, for purposes of calculating expenses to convert to cash for real property, MHA will consider “reasonable costs” to be 10 percent of the market value of the home to determine the cash value. MHA will use the owner’s most recent tax liability bill to determine the market value.

Assets Disposed of for Less than Fair Market Value

During any 12-month period, a family may dispose of assets worth \$1,000 for less than the fair market value and not be charged any imputed income on that amount. If the household disposes of more than \$1,000 in assets during a 12-month period, the amount must be imputed and counted as income. The Personal Declaration requires that the household declare if a member has disposed of any asset during the last two years. If the household declares that they have disposed of an asset, the circumstances surrounding the transaction are verified.

35.0 Income Changes Resulting from Welfare Program Requirements

MHA will not reduce the family share of rent for families whose welfare assistance is reduced specifically because of:

- Fraud.
- Failure to participate in an economic self-sufficiency program.
- Noncompliance with a work activities requirement.

However, MHA will reduce the rent if the welfare assistance reduction is a result of:

- The expiration of a lifetime limit on receiving benefits.
- A situation where the family has complied with welfare program requirements but cannot or has not obtained employment.

MHA will consider “lifetime” to be the lifetime maximum number of months recipients are eligible to receive TANF benefits under normal circumstances had there been no sanction. Until that timeframe expires, imputed welfare will continue to be counted.

MHA will notify affected families that they have the right to an informal hearing regarding these requirements.

36.0 Allowances

36.1 Child Care Expenses

Childcare expenses for children under 13 may be deducted from annual income if they enable an adult to work, attend school full-time, or to actively seek employment.

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

Allowability of deductions for child care expenses is based on the following guidelines:

- Child care to work: The maximum child care expense allowed must be less than the amount earned by the person enabled to work. The "person enabled to work" will be the adult member of the household who earns the least amount of income from working.
- Child care for school: The number of hours claimed for child care may not exceed the number of hours the family member is attending school, travel time to and from school not to exceed two hours round trip and one hour of study time per credit hour.

Note: If verification of childcare expenses is not provided by the family, paperwork will be processed without consideration of the allowance.

36.2 Medical Expenses/Handicapped Assistance

- Unreimbursed medical expenses of any elderly family or disabled family that total more than three percent of annual income.
- Medical expenses are anticipated expenses over the next 12 months including doctor and dentist visits, eye glasses, dental care, hearing aids, etc. For sporadic expenses such as dental, eye glasses, hearing aids, etc., documentation of the last two years' expenses will be required to determine anticipated expense. (The two years' history will be averaged.) Expenses cannot be counted if the family is reimbursed by any other source such as insurance.
- Unreimbursed reasonable attendant care and auxiliary apparatus expenses for disabled family member(s) to allow family members(s) to work that total more than three percent of annual income. This allowance may not exceed the employment received by family members who are 18 years of age or older as a result of the assistance to the disabled person.
- When it is unclear in the HUD rules as to whether or not to allow an item as a medical expense, IRS Publication 502 will be used as a guide.
- Nonprescription medicines must be doctor-recommended in order to be considered a medical expense. Families, who qualify, must provide legible receipts.
- Acupressure, acupuncture and related herbal medicines, and chiropractic services will be considered allowable medical expenses if doctor-recommended and doctor's statement is provided.

Note: If verification of medical expenses/handicapped assistance is not provided by the family, paperwork will be processed without consideration of the allowance.

36.3 Dependent Allowance

A deduction of \$480 for each member of the family (other than head of household or spouse) who is:

- 17 years of age or younger.
- 18 years of age or older and a verified full-time student and/or is disabled or handicapped.

36.4 Elderly/Disabled Allowance

A \$400 (elderly/disabled) allowance will be given to a household whose head or spouse is elderly (age 62 or older) or a person with a disability. Only one \$400 allowance will be given for a family, even if both head and spouse meet the eligibility criteria.

37.0 Proration of Assistance for "Mixed" Families

Applicability

Proration of assistance must be offered to any "mixed" applicant or participant family. A "mixed" family is one that includes at least one U.S. citizen immigrant (can be a minor child or adult other than the head of household or spouse) and any number of ineligible members.

Prorated Assistance Calculation

Prorated assistance is calculated by determining the amount of assistance payable if all family members were eligible and multiplying by the percent of the family members who actually are eligible.

Calculations for each housing program are performed on the HUD 50058 form.

38.0 Family Obligations

The family obligations are outlined on the HCV and Statement of Family Responsibility and are also provided below:

- Provide evidence of citizenship or eligible immigration status.

- Not cause HQS violations relating to family/guest damages or family-supplied utilities and appliances.
- Not commit any serious or repeated lease violation.
- Notify owner before vacating the unit and give MHA a copy of the lease termination notice when notice is given to the owner.
- Promptly give MHA a copy of any owner eviction notice.
- Use assisted unit for the family's only residence. (Family members may engage in legal profit-making activities in the unit if such activities are incidental to the primary use of the unit for a residence. The lease may require owner approval for any business use of the unit or other regulation of business use.)
- Promptly notify MHA if any family member no longer resides in the unit.
- Promptly inform MHA of birth, adoption or change of custody of a child.
- Comply with MHA requirements for residence by a foster child or live-in aide.
- Promptly notify MHA of absence from the unit, supply information or certification requested by MHA to verify that the family is living in the unit or information relating to family absence from the unit.
- Not commit bribery or any other corrupt or criminal act in connection with the rental assistance programs or any other federal or state-funded social service program.

39.0 Termination of Tenancy by Owner

The owner shall not terminate the tenancy of the family except for:

- Serious or repeated violation of the terms and conditions of the lease;
- Violation of federal, state or local law which imposes obligations on a family in connection with the occupancy or use of the dwelling and surrounding premises; or
- Other good cause. However, during the first year of the term of the lease, owner may not terminate the tenancy for "other good cause" unless the termination is based on malfeasance of the family. Examples of "other good cause" for termination of tenancy by owner include:

1. Failure by family to accept the offer of a new lease.
2. Family history of disturbance of neighbors or destruction of property or of living or housekeeping habits resulting in damage to the unit or property.
3. Criminal activity by family members involving crimes of physical violence to persons or property.
4. Owner's desire to utilize the unit for personal or family use or for a purpose other than use as a residential rental unit.
5. A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, desire to rent the unit at a higher rental).

This list of examples is intended as a statement of some situations included in "other good cause," but shall in no way be construed as a limitation on the application of "other good cause" to situations not included in the list. The owner may not terminate the tenancy during the first year of the term of the lease pursuant to section 43.0, paragraphs (3)(a), (3)(d) or (3)(e).

- Owner may evict family from the unit only by providing the family with a written 30-day notice and proceeding with a court action if the family does not vacate the unit. Owner must notify MHA in writing of the commencement of procedures for termination of tenancy simultaneously to giving notice to family under state or local law. The notice to MHA may consist of a copy of the notice to family and/or court judgment.
- If the owner has started eviction proceedings and the family continues to live in the unit, MHA will continue to pay the owner until a court judgment or other process allows the owner to evict the tenant. MHA will continue payments until the family moves or is evicted from the unit.
- Eviction by owner of a project-based unit will result in the termination of the participant's rental assistance. If through a court eviction process the court rules that the participant should not be evicted, the participant may request to have his/her rental assistance reinstated. In this case, the participant would be issued an HCV for continued rental assistance.
- Any notice in this section may be combined with and run concurrently with any notice required under state or local law.

40.0 Denial and Termination of Rental Assistance/Owner Denial

40.1 Denial of Assistance/Termination from the Waiting List

MHA may deny an applicant admission to participate in MHA's rental assistance programs and/or remove them from the waiting list. The following guidelines apply to denial and removal from the waiting list:

- A family owes money to any housing agency or other federally subsidized housing program. At the time a top of the waiting list letter is sent, the family owing money must present a receipt for payment in full or a copy of an executed repayment agreement within ten days of the date of the letter. If a receipt for payment or an executed repayment agreement is provided, then the family must meet all normal program requirements before being admitted. If no response is made within ten days, the family will be terminated from the waiting list.
- See Section 6.0, Drug Free/Physical Violence/Alcohol Abuse Housing Policy.
- If a family is over the income guidelines published by HUD, the family will be removed from the waiting list and no assistance may be given.
- A family provides willful false or incomplete information on their application and/or at any time of eligibility determination, the family will be denied assistance and terminated from the waiting list.
- If the family has current/pending charges or convictions for fraud in the last three years in connection with any Government subsidized housing program, the family will be denied assistance and removed from the waiting list.

40.2 Termination of Rental Assistance

A family may be terminated from rental assistance in the following instances:

- See Section 6.0, Drug Free/Physical Violence/Alcohol Abuse Housing Policy.
- Has violated any of the family obligations provided for in the federal regulations. (also see Section 38.0)

- If the family is issued a voucher due to domestic violence, and the perpetrator is allowed to return to the household, the participant will be terminated from the program, unless the service provider determines it would be in the best interest of the family to reunite.
- Actual or threatened abusive or violent behavior toward MHA staff or its agents.
- Commit acts, which would constitute fraud in connection with any federally assisted housing program.
- Breaches a repayment agreement with MHA.
- Does not cooperate in providing information and verifications, attending appointments and allowing access to unit for inspections (program abuse). However, if the participant is being terminated due to failure to return requested information or verifications, the participant's rental assistance will be reinstated if the requested information is received on or prior to the effective termination date and allows completion of the process or resolves any outstanding issues.

If new or changing information is presented during the initial 20-day request for paperwork, and the family has failed to return all information, the new/missing information can be listed on the checklist that is attached to the notice of termination as cause for termination.

- Program fraud. MHA adheres to a “zero tolerance for fraud” policy. Program integrity investigations will allow a program participant 10 calendar days to respond to and provide information requested on investigations for potential program fraud/abuse. If the participant fails to respond and/or provide all requested information, the participant will be referred for termination. At that time, the family will have ten calendar days after the date of the termination letter to request an informal hearing and/or provide the requested documents to resolve the investigation for potential reinstatement. If the family fails to do either, the termination will be final on the effective date noted in the termination letter.
- If the family has current/pending charges for fraud in the last three years in connection with any assisted federal housing program, the family will be denied assistance and removed from the waiting list.
- Failure to accept and/or cooperate with supportive services under mandatory treatment programs which may be required by regulation or court order for some clients of Special Programs. Standards for required services will be outlined to the residents in a written agreement with the participating service provider who will also notify MHA of noncompliance. Special programs administered by MHA are Project-Based Vouchers.
- Moves from an assisted unit without first providing written notice to MHA in advance of that move.
- Fails to occupy the assisted unit as primary residence (such as utilities disconnected).

- Allows unauthorized household members to occupy the rental unit. All household members must be approved by the landlord and MHA and be listed on the rental lease.
- For serious or repeated lease violations such as:
 - o Late rent payments of two or more months.
 - o Moving in violation of lease.
 - o Damages above security deposit where court action is instituted.

MHA will provide at least a 30-day notice of termination (last day of the next month after written notification) to the owner and participant unless the participant voluntarily withdraws from the program, moves from the unit without giving notice or has deceased. In these three instances, rental assistance will end on the last day of the month in which the event occurred.

40.3 Violence Against Women Act (VAWA)

MHA will comply with all requirements outlined in the “Violence Against Women and Department of Justice Reauthorization Act of 2013.” Provisions related to HCV are:

- HCV selection/admissions and continued occupancy provisions prohibiting denial of selection/admission or termination of assistance to individual for reasons related to incidents of domestic violence in which they were a victim.
- **Selection:** That an applicant/participant is or has been a victim of domestic violence, dating violence, sexual assault or stalking is not an appropriate basis for denial of program assistance or for denial of admission of an otherwise qualified applicant.
- **Emergency Transfer Plan:** Please see Appendix A.
- **Lease Terms Regarding Termination:** An incident or incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking regardless of sex, gender identity, or sexual orientation will not be construed as a serious or repeated violation of the lease by the victim or threatened victim of that violence and shall not be good cause for terminating the assistance, tenancy or occupancy rights of the victim of such violence.
- **Termination of Assistance/Eviction:**
Owner Eviction: Criminal activity directly relating to domestic violence, dating violence, sexual assault or stalking regardless of sex, gender identity, or sexual orientation engaged in by a member of a tenant’s household or any guest or other person under the tenant’s control shall not be cause for termination of tenancy occupancy rights if the tenant or an immediate member of the tenant’s family is the victim or threatened victim of that domestic violence, dating

violence, sexual assault or stalking regardless of sex, gender identity, or sexual orientation .

Termination of Assistance: “Criminal activity directly relating to domestic violence, dating violence, sexual assault or stalking regardless of sex, gender identity, or sexual orientation shall not be considered cause for termination of assistance for any participant or immediate member of a participant’s family who is a victim of the domestic violence, dating violence, sexual assault or stalking regardless of sex, gender identity, or sexual orientation.”

- o A PHA may terminate assistance or an owner/manager may bifurcate the lease to terminate assistance to remove a lawful occupant or tenant who engages in criminal acts of violence to family members to others without terminating assistance/evicting victimized lawful occupants.
- o A PHA, owner or manager is authorized to honor court orders regarding rights of access or control of the property.
- o Nothing limits the ability of an owner, manager or PHA to evict or terminate assistance for other good cause unrelated to the incident or incidents of domestic violence, provided that the victim is not subject to a “more demanding standard” than non-victims.
- o Nothing is to prohibit termination or eviction if the owner, manager or PHA “can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property” or PHA “if that tenant is not evicted or terminated from assistance.”
- o Nothing in this section shall be construed to supersede any provision of any federal, state or local law that provides greater protection than this section for victims of domestic violence, dating violence or stalking.

Denial of Portability

A PHA may not deny portable voucher assistance to a tenant who violated previous assisted lease terms solely in order to move out quickly because of fear of domestic violence. A PHA may not terminate or deny portable voucher assistance to a tenant who is otherwise in compliance with program rules moved out of a previous assisted unit in order to “protect the health and safety of an individual who is or has been the victim of domestic violence, dating violence or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the assisted dwelling unit.”

Confidentiality

Information provided by the victim pursuant to the certification shall be retained in confidence and not

entered into any shared database nor provided to any related entity except when the disclosure is consented to by the individual in writing, required for use in eviction proceedings or otherwise required by law.

40.4 Owner Denial

MHA may deny owner participation in the following instances:

- Owner consistently violates HAP contract.
- Owner has committed fraud, bribery or any other criminal act in connection with any federal housing program.
- The owner has engaged in drug-related criminal activity.
- The owner has a history of noncompliance with HQS.
- If directed to deny owner participation by HUD.
- If the owner or anyone in his/her employment (who for business reasons would be in contact with a voucher participant or family member) is required to register as a sex offender.

41.0 Reviews/Hearings

Participants will have an opportunity to request a review or hearing in accordance with the procedures outlined in Appendix B.

41.1 Open Records Request

- MHA will use the following process when receiving requests from owners and tenants for information maintained in MHA's program participant files.
- MHA will honor requests made in writing, which specifies the requester's name, address and phone contact information, along with the specific information needed. The written request will be forwarded to the Executive Director and treated as an open-records request.
- Requests made in person will require proof of identification that the person requesting the information is the tenant or the owner of the assisted property. Once identification is clarified,

MHA staff will copy only the specific information that is being requested by the tenant or owner.

- A tenant may request any documentation from their program file excluding information that has the owner's tax identification information on it.
- An owner may request copies of any documentation that they have been a party to and signed (e.g., HAP contract, Request for Tenancy Approval, lease, inspection booklets/forms). Owner will not be allowed to access confidential income and household information of the family.
- Owners, participants and applicants requesting documents to be copied from their files will be charged 10 cents per page to cover copying expenses.

42.0 Repayment Agreements

42.1 Family Repayments

A participant who owes MHA monies for *overpaid assistance, including utility reimbursement payments or past due rents by MHA, is offered a monthly repayment plan. Failure to execute a repayment plan in a timely manner will result in referral for termination of assistance.

Participants owing less than \$50 as the total amount due will be required to pay in full.

***Overpaid assistance includes failure to report increases in income prior to lease up, upon household composition change, at annual recertification and upon transfer.**

Failure to make timely payments will be grounds for termination of assistance. However, extension of time may be granted if the family reports to MHA that they are unable to fulfill their payment obligation based on the originally established monthly payment amount, but can pay a reduced amount. A family cannot request more than one reduction in a 12-month period unless the family experiences a family composition change or crisis that impacts their household income. For example, a family member is hospitalized, loss of wages, etc. The composition change or crisis must impact the household income to be considered as an exception to the 12-month limitation. Upon management approval, a repayment contract may be suspended for a period up to six months if the family has lost all household income.

A family who is terminated from housing assistance will have ten days from notification to request an informal hearing.

- Participants requesting to exercise portability (outside MHA's jurisdiction) must pay any monies owed in full prior to being issued a portability voucher. In the event that a repayment is being processed at the time a family requests to exercise portability, the repayment must be processed and the family must pay in full the monies owed prior to the portability request being processed.
- All participants requesting to transfer within MHA's jurisdiction must be current with their repayment agreement.

The repayment must be paid in full by next recertification or interim, whichever comes first.

Aside from repayment agreements and/or termination of assistance, other legal channels may be pursued to prosecute and collect amounts owed by participants.

Participants terminated from the program for failure to sign and return repayment agreement or who have failed to comply with any or all terms outlined in the repayment agreement may be reported to the credit bureau.

Should an unpaid claim be processed by the current owner and paid by MHA, the family will be notified of the amount of its liability.

Repayment agreements initiated due to failure to report income will be based on actual unreported income received. Under these circumstances, increases in same source income will be processed to count the actual income earned, in contrast to the policy. Example: Increases in income, i.e., wages, child support, and KTAP will be counted for purposes of the repayment agreement.

Monthly repayment requirements shall begin upon 30-day notice to the participant.

A participant may have only one open repayment agreement with MHA at any time. If the participant's circumstances require another repayment agreement when there is an existing repayment agreement, the participant must pay in full the balance of whichever claim is lesser within 60 days. A repayment plan for the remaining claim will then be established.

If the head of household designation is transferred to another adult who is a member of the household at the time a repayment agreement is in effect, the repayment agreement will be reassigned to the new head of household. A new repayment agreement will be executed for the remaining claim.

Should the designated head of household become deceased when a repayment agreement is in effect and there are no remaining adult members in the household, the agreement shall become void.

42.2 Reimbursement to Family

MHA will not reimburse the family for any underpayment of assistance when the underpayment clearly is caused by the family.

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

- Payment to the owner in excess of amounts authorized by MHA for rent, security deposit and additional services.
- Offering payments or other incentives to the owner or a third party as an inducement of the third party to make false or misleading statements to MHA on the family's behalf.
- Use of a false name or the use of falsified, forged or altered documents. Intentional misreporting of family information or circumstances (e.g., income, family composition).
- Omitted facts that were obviously known by a family member (e.g., not reporting employment income).
- Admission of program abuse by an adult family member.

MHA may determine other actions to be program abuse based upon a preponderance of the evidence as defined in the Administrative Plan.

42.3 Owner Repayments

Amounts paid to owners for which they are not entitled by contract and/or regulation will be recouped. Amounts paid on behalf of any participant may be reduced in order to recoup overpaid amounts. Amounts may also be recouped through legal channels.

43.0 Portability

The portability feature allows a participating family to move outside MHA's issuing jurisdiction with continued assistance. HCV holders may use portability anywhere in the U.S. MHA may deny portability requests on the basis of insufficient funding if the receiving PHA chooses to administer the HCV and the move is to a higher cost area or unit. HUD defines higher cost area as "an area where a higher subsidy amount will be paid for a family because of higher payment standard amounts or more generous subsidy standards."

43.1 Residency Requirements for New Families

Under the voucher program, new voucher-holders may choose a unit anywhere in the United States if the family lived in the jurisdiction of the PHA issuing the voucher when the family applied for assistance. Those new voucher-holders not living in the jurisdiction of the PHA at the time the family applied for housing assistance must initially lease a unit within that jurisdiction for the first 12 months of assistance.

An applicant who lives in MHA's jurisdiction and receives a letter of invitation and is issued an HCV may use the voucher to lease up anywhere in MHA's jurisdiction upon request.

43.2 Portability Policy

- The HA issuing the family an HCV is the "Initial" HA. The HA accepting the HCV family is the "Receiving" HA.
- The Receiving HA may choose to administer the HCV for the Initial HA or may issue its own HCV.
- MHA will absorb or bill the initial PHA for the administration of their voucher depending on funding availability.
- The Receiving HA bills the Initial HA for the housing assistance payments and administrative fees, unless the Receiving HA has issued the family one of its own HCVs.
- Families may move more than once under the portability procedures. However, MHA will limit moves to once in any 12-month period.
- These incoming families will be briefed and issued an HCV. In order to expedite issuing an HCV, the information from the initial HA's records will be used. MHA will then obtain new verifications.
- The original issue date on the HCV must be used when MHA issues a voucher.
- MHA program participants must provide a written request to use portability (MHA form). MHA will contact the receiving PHA on the family's behalf by telephone, fax or e-mail. MHA will advise the family how to contact and request assistance from the receiving PHA.
- If a family is using portability to move outside MHA's jurisdiction and owes money under a repayment agreement, the repayment agreement must be paid in full before an HCV will be issued.

- If a family is using portability to move outside MHA's jurisdiction, MHA needs to receive advance written notice of the move-out.
- In the event that MHA must deny, due to insufficient funding, a participant's request to exercise portability to a "higher cost area," MHA advises the requesting participant to contact MHA monthly to inquire if funding is available. MHA will not issue vouchers to waiting list applicants prior to processing outgoing portability requests.

44.0 Foster Children/Custody

- Foster children are allowed as part of a household. However, the income for the care of foster children will not be counted nor will a minor deduction be given. Government agency documentation of the foster child in the household will be required.
- Children will be considered in the household as long as the participant has custody. At any time there is a question of custody, court documentation will be required. In the case of joint custody, a child will be counted in the household if court documents show at least 183 days in the assisted unit by the participant. If the child is of school age, where the child attends school will be an issue to help determine whether a child is counted as part of the household.
- Approval to list children in the household of an adult other than the parent must be documented by custodial parent, guardian or court order. Example: Grandmother lists grandson in household. Grandmother must provide written documentation that she has consent of custodial parent, guardian or court to include the grandson in her household.

45.0 Permanently/Temporarily Absent Household Members

- MHA will count income of every family member listed on the lease including those who are temporarily absent.
- MHA must count the income of the spouse of the head of household if the person is temporarily absent, such as away at college or in the armed services, even if that person is not listed on the lease.

- MHA will not include adult children as part of the household if they are away from home serving in the military.
- Members away at school will continue to be considered a family member unless information becomes available to MHA indicating that the student has established a separate household or the family declares that the student has established a separate household.

MHA will require proof of address as well as a copy of the parent(s) previous year's tax return in order to verify student's establishment of a separate household. If the parent(s) have claimed the student as a dependent, MHA will continue to consider the student as a family member.

A separate household is defined as a place of residence where the student may reside independent of their enrollment in school. Residing in a school dormitory does not qualify as establishment of a separate household.

This policy should not be confused with determining Student Eligibility. When determining Student Eligibility, the student must verify independence from his/her parents for at least one year.

- Household members are considered temporarily absent for up to three months. If they are absent for more than three months, the member will be considered permanently absent and removed from the household. Documentation will be required from a third-party source as to a household member's status.
- If a member has a serious medical condition that requires them to be out of the unit for medical treatment, then up to six months will be allowed.
- If the family includes a child or children temporarily absent from the home due to placement in foster care, MHA will determine from the appropriate agency when the child/children will be returned to the home. If the time period is to be greater than six months from the date of removal of the child/children, the voucher size will be reduced. If all children are removed from the home permanently, the voucher size will be reduced in accordance with MHA's subsidy standards at their next annual reexamination.
- MHA will not subsidize the rent of units that are not fully occupied. If an entire household is away from the assisted unit for more than a 30-day period, then MHA must be notified in writing as to their status and the projected date that the family will return to the unit. If MHA is not notified in writing, this would be considered an abuse of the program for failure to occupy a unit. Termination of assistance may result if assisted units are not occupied for periods of more than 30 days. Failing to maintain family-furnished utilities could be considered as failure to occupy a unit and termination of assistance may result. Lack of utilities is also an HQS violation.

A family may not be absent from the assisted unit for a period of more than 180 consecutive days in any circumstance or for any reason. Absence means that no member of the family is residing in the unit.

If the head of household is incarcerated for more than 90 days and there are no remaining adult

members, then termination of assistance would occur unless another adult becomes part of the household to care for the children. Assistance will then transfer to the new adult.

46.0 Head of Household/Split Household/Remaining Household

- MHA will list only one adult as head of household.
- The applicant will automatically be listed as head of household, unless the applicant requests in writing that another adult be listed as head of household.
- The head of household must conduct all rental assistance business. In the case of a medical condition, which would prohibit this, another adult may be sent. The medical condition must be documented by a doctor. A written letter from the head of household allowing another adult to conduct HCV business would be required or power-of-attorney provided.
- If a head of household deserts the unit without notice to MHA, then a remaining adult household member may request to be placed as head of household and have the previous head of household removed. MHA will attempt to contact the previous head of household to notify them of the change and give them the opportunity to prevent the change. A letter will be mailed by MHA to the last known address. If the previous head of household does not respond within ten days, the request will be processed.
- If the head of household leaves the unit and no other adult remains in the household, then termination of assistance may occur. The head of household may name an adult outside the household as head of household if minor children are members of the household. The court appointed guardian of remaining household members may also become head of household.
- In cases where a family dissolves (divorce, separation, etc.) and two parties wish to retain rental assistance, the assistance would stay with the parent/guardian who retained primary care of the minors or disabled members of the household. MHA would follow any court order regarding rental assistance if different than indicated here.
- In cases where there is a couple with two children and the family dissolves with each parent retaining custody of one child, the housing assistance will remain with the head of household.
- If the family consists of a couple with no children and the family dissolves, the head of household will retain the housing assistance.

47.0 Program Abuse and Fraud

1. **Rationale**

Based on results from HUD computer matching and Rental Housing Integrity Improvement Project (RHIIP) initiatives, HUD has determined that a substantial number of participants are not accurately reporting their income. HUD's Office of Policy Development and Research (PD & R) published a final report in June 2001, on its "Quality Control for Rental Assistance Subsidies Determination." The study found that 60 percent of rent calculations had some type of administrative or calculation component error contributing to a subsidy overpayment or underpayment situation. The amount of subsidy calculation errors attributed to family underpayment of income was \$978 million plus or minus \$247 million. This underreporting of income resulted in overpayment of limited government funding, thus not serving as many families in need of housing assistance, as should have been served. MHA is committed to assure that the proper level of benefits is paid to all program participants and that housing resources reach only eligible families so that program integrity can be maintained.

2. **Criteria for Investigation of Suspected Abuse and Fraud**

Under no circumstances will MHA undertake an inquiry or investigation of an assisted family arbitrarily. The expectation is that assisted families will comply with HUD requirements and program rules, and staff will make every effort (formally and informally) to orient and educate all assisted families in order to avoid unintentional violations. However, MHA has a responsibility to HUD, to the community and to eligible families in need of housing assistance, to monitor program participants for compliance and when indicators of possible abuse come to MHA's attention, to investigate such claims **Prevention of Program Abuse and Fraud**

MHA will utilize various methods and practices to prevent program abuse, noncompliance and willful violations of program rules by applicants, assisted families and owners. The policy objective is to establish confidence and trust in the management by emphasizing education as the primary means to obtain compliance by program participants.

3. **Handling of Allegations of Possible Abuse and Fraud**

Staff will encourage program participants and owners to report suspected abuse. All such referrals, as well as referrals from community members and other agencies, will be documented. All allegations, complaints and tips will be carefully evaluated in order to determine if they warrant follow-up. MHA will not follow up on allegations, which are vague or otherwise nonspecific.

4. **Placement of Documents, Evidence and Statements**

Documents and other evidence obtained during the course of an investigation will be considered "work product" and will be kept in a separate "work file."

5. Conclusion of the Investigative Review

At the conclusion of the investigative review, the reviewer must make a determination as to whether a violation has occurred. If a violation has occurred which has been adequately documented, then one of three types of action must be taken:

a. Repayment Agreement

A repayment agreement may be offered for program violations including unreported income and other violations where a specific repayment amount can be determined and full repayment provided. In these instances, full repayment would remedy the violation. Unreported income of minor household members would also be included in this category with the exclusion of earned income.

b. Termination of Assistance

Termination of assistance may be pursued for other violations that are not adequately remedied by repayment. These violations include, but are not limited to:

- Unreported adult household members with any form of income/benefits.
- Failure to occupy a unit as a primary residence.
- Providing false or forged documentation/information.

c. Noncompliance

If a family fails to cooperate and follow procedures, such as failure to attend appointments or provide verification in a time required by MHA, the family may be referred for termination of assistance. At that time, the family will have 10 calendar days from the termination effective date to request an informal hearing and/or provide the requested documents to resolve the investigation for potential reinstatement. If the family fails to do either, the termination will be final on the effective date noted in the termination letter.

6. Other Remedies

Aside from repayment agreements and/or termination of assistance, other legal channels may be pursued to prosecute and/or collect amounts owed by families.

This section on Program Abuse and Fraud must also be reviewed with consideration given to other sections of the Administrative Plan regarding reviews, termination, etc. Owners may be prohibited from participation in the program for program abuse and fraud. Such activities which may cause an

owner to be barred from participation include:

- Providing false information about the status of a family or unit.
- Accepting HAP payments for more than 30 days after a family has moved or should have reasonably known the family moved.
- Collecting additional monies in rent/utilities/deposits from a family than prescribed by MHA according to program guidelines.
- Allowing a family to rent to own without approval of MHA.
- Not allowing a family full access of the dwelling unit rented.
- Falsely purporting to have legal title or a valid management agreement for a housing unit.

7. Hearing Discovery

In preparation for an informal hearing, MHA may request/examine relevant family documents/information. The family will have a similar opportunity to examine the MHA documents upon written request from the family in advance of the informal hearing.

8. Fraud and Program Abuse Recoveries

MHA may retain a portion of program fraud losses that are recovered from a family or owner through litigation, court order or repayment agreement [24 CFR 982.163].

MHA must be the principal party initiating or sustaining the action to recover amounts due from tenants that are due as a result of fraud and abuse. [24 CFR 792.202] permits MHA to retain the greater of the following:

- 50 percent of the amount it actually collects from a judgment, litigation (including settlement of a lawsuit) or an administrative repayment agreement.
- Reasonable and necessary costs that MHA incurs related to the collection, including costs of investigation, legal fees and agency collection fees.

The family must be afforded the opportunity for an informal hearing in accordance with requirements in [24 CFR 982.555].

If HUD incurs costs on behalf of MHA related to the collection, these costs must be deducted from the amount retained by MHA.

MHA will consider any misrepresentation by the applicant/participant of household income or family composition to be an act of fraud.

48.0 Project-Based Voucher Program

Introduction

Housing agencies may choose to provide project-based assistance by using funds from their annual budget authority (ABA). The term “project-based” assistance is used to distinguish this assistance from the “tenant-based” assistance provided under the HCV Program. There is no separate funding for the Project-Based Voucher (PBV) Program. Project-based rental assistance is attached to the structure while the tenant-based assistance belongs to the family.

48.1 Cap on Number of PBV Units

24 CFR 983.56 restricts the number of units that can be project-based to 25 percent per building. Exceptions to the 25 percent per building cap are as follows.

1. Units in a single-family building;
2. Excepted units in a multifamily building, meaning units in a multifamily building that are specifically made available for:
 - a. Elderly or disabled families
 - b. Families receiving supportive services

Families Receiving Supportive Services

MHA will consider supportive services as described below.

- Development of an individual plan for reaching education and personal goals.
- Periodic review of challenges which may be impeding successful goal attainment.
- Periodic evaluations of the individual plan to determine progress and make any necessary adjustments.
- Building parenting skills.
- Child care services.

The purpose of the PBV Program is to encourage property owners to make standard housing available to low-income families at rents within the published fair market rents. MHA’s application process including eligibility criteria is outlined below.

The purpose of the application process is to encourage developers/sponsors to construct housing in areas where there are shortages of available housing for eligible individuals and families. Additionally, it shall encourage owners of existing properties to:

- Upgrade substandard rental housing stock.
- Make rental units fully accessible.
- Make these housing units available to very low- to moderate-income families.

48.2 Guidelines for Consideration of an Allocation of Project-Based Rental Assistance

Based on available funding, MHA will periodically accept applications for Project-Based Vouchers. Public notice of application acceptance will be announced via MHA's Web site.

Eligible projects that demonstrate the financial need for the vouchers will be eligible to participate in a lottery for consideration of an allocation of vouchers. MHA's subsidy layering review will determine the amount of vouchers each project is eligible to receive. MHA may allocate fewer vouchers than requested by the owner based upon this subsidy layering review. No fewer than four vouchers or greater than ten vouchers will be allocated to a project.

To be eligible to apply for the project-based vouchers, the proposed project must meet the following criteria.

- The project is already participating in some type of affordable housing program, i.e., HOME, Housing Credits, Risk Sharing, Federal Home Loan Bank, etc., with such programmatic requirements enforced via a deed restriction or LURA. The project must have been placed in service prior to January 1, 2008.
- The project has no outstanding compliance issues with the above-referenced affordable housing programmatic requirements or no such history of non-compliance. If other than MHA, MHA will discuss with the funding agency to determine such compliance.
- The project has no other type of Project-Based Rental Assistance.
- The project contains 16 units or more.
- Proposed units to receive the Project-Based Rental Assistance must be compliant with Housing Quality Standards (HQS). Project-Based Rental Assistance will not be allocated to a unit that

does not currently meet HQS. MHA will research prior HQS inspections to determine if proposed projects have housed voucher households previously and have a pattern of noncompliance. Such projects will not be eligible to receive an allocation of project-based rental assistance. For those projects that have housed few, if any, voucher households since, MHA may conduct a HQS inspection of the property to determine its eligibility.

- The project cannot be owned by public officials or members of a governing body or state or local legislature who exercise functions or responsibilities with respect to the program. Additionally, the project may not be owned by current members or delegates to the U.S. Congress.
- The project may not contain any unit which has been rehabilitated within the last five years or will be rehabilitated with other assistance provided under the U.S. Housing Act of 1937.
- The project may not be secured by a mortgage owned or held by HUD (does not include Risk Sharing projects) or is housing owned by HUD.

48.3 Site Selection Standards

It is MHA's goal to select sites for PBV housing that provide for de-concentrating poverty and expanding housing and economic opportunities. In complying with this, it will be MHA's goal to limit approval of sites for PBV housing in census tracts with poverty concentrations of 20 percent or less.

However, MHA will grant exceptions to the 20 percent standard where MHA determines that the PBV assistance will complement other local redevelopment activities designed to de-concentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations greater than 20 percent, such as sites in:

- A census tract in which the proposed PBV development will be located in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community.
- A census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition.
- A census tract in which the proposed PBV development will be located is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area.
- A census tract where new market rate units are being developed where such market rate units will positively impact the poverty rate in the area.
- A census tract where PBV assistance will enhance housing opportunities.
- A census tract where there has been an overall decline in the poverty rate within the past five years.

- A census tract where there are meaningful opportunities for educational and economic advancement.

48.4 Ineligible Properties

- Shared housing, nursing homes, and facilities providing continual psychiatric, medical or nursing services, or board and care or intermediate care. However, the PHA may attach Project-Based Rental Assistance for a dwelling unit in an assisted living facility that provides home health care services, such as nursing and therapy for residents of the housing.
- Units within the grounds of penal, reformatory, medical, mental, and similar public or private institutions.
- Units for families with children located in high-rise elevator buildings unless approved by HUD.
- Owner-occupied housing, housing located in the Coastal Barrier Resource Act and housing located in an area identified by FEMA as having special flood hazards.
- A project which results in the permanent displacement of tenants.
- Units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students of the institution.
- Manufactured homes.
- Cooperative housing.
- Transitional housing.
- A unit subsidized with any governmental rent subsidy (a subsidy that pays all or any part of the rent).
- 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 (12 U.S.C. 1715z-1). However, the PHA may attach assistance to a unit subsidized with Section 236 reduction payments.
- A unit subsidized with rental assistance payments under Section 521 of the Housing Act of 1949, 42 U.S.C. 1490a (a Rural Housing Service Program). However, the PHA may attach assistance for a unit subsidized with Section 515 interest reduction payments (42 U.S.C. 1485)

- A Section 202 project for non-elderly persons with disabilities (assistance under Section 162 of the Housing Community Development Act of 1987, 12 U.S.C. 1701q note).
- A Section 811 project-based supportive housing for persons with disabilities (42 U.S.C. 8013).
- Section 202 supportive housing for the elderly (12 U.S.C. 1701q).
- A Section 101 rent supplement project (12 U.S.C. 1701s).
- A unit subsidized with any form of Tenant-Based Rental Assistance (as defined at 24 CFR 982.1(b)(2)) (e.g., a unit subsidized with tenant-based rental assistance under the HOME program, 42 U.S.C. 12701 et seq.)
- A unit with any other duplicative federal, state, or local housing subsidy as determined by HUD or by the PHA in accordance with HUD requirements. For this purpose, “housing subsidy” does not include the housing component of a welfare payment, a social security payment, or a federal, state, or local tax concession, such as relief from local real property taxes.

48.5 Financial Assumptions

- Projects serving elderly or disabled households or families may request project-based assistance for 25 percent of the total number of units in the project or ten units, whichever is less. Only projects with 16 units or more are eligible.
- Applicants must submit two underwriting models. One model should reflect the current status of the project.

48.6 Submission Requirements

To be eligible for consideration for the lottery selection, the following must be submitted for review:

- Two underwriting models.
- Audited financial statements for specified fiscal years to confirm the financial need of the project-based vouchers, as well as confirm the accuracy of the assumptions used in the submitted underwriting models.
- Narrative documenting the need for such rental assistance, including statistics on the vacancies for the property for specified calendar year(s).

- A copy of the deed restriction/legal mechanism enforcing compliance with an affordable housing program.
- Evidence that all property taxes are current.
- Evidence of ownership of the property, including a listing of all principal parties which make up the ownership entity.
- Request for Tenancy Approval Survey form.

Allocations of vouchers will be limited by project to no more than two per ownership entity (principal party). Thus, if John Doe is listed as the general partner in ten projects submitted for consideration of an allocation of vouchers, only two projects will be eligible if selected through the lottery process.

All projects that submit the above-referenced items and are deemed eligible for consideration by MHA will be entered into the lottery selection process. The names of the projects will be placed in a hat and then randomly selected until all vouchers have been allocated. MHA reserves the right to allocate fewer vouchers than requested to the final project selected if there are not enough vouchers remaining to allocate. If no project is selected through the lottery process from outside of MHA's service area, then no such project will receive an allocation of Project-Based Vouchers.

48.7 Allocation Decisions

All allocation decisions are final and are not subject to appeal. Once allocations have been announced, MHA will follow the requirements for such allocation as prescribed by HUD. Such requirements include, but are not limited to, an environmental review and an execution of an Agreement to Enter into Housing Assistance Payment Contract and a Housing Assistance Payment Contract. The term of the contracts will be for a period of 1 to 15 years.

49.0 Appendix A: VAWA Emergency Transfer Plan

Housing Authority of Mayfield Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking

Emergency Transfers

Housing Authority of Mayfield (MHA) is concerned about the safety of its rental assistance participants,

and such concern extends to tenants who are victims of domestic violence, dating violence, sexual assault, or stalking. In accordance with the Violence Against Women Act (VAWA), ¹MHA allows tenants who are victims of domestic violence, dating violence, sexual assault, or stalking to request an emergency transfer from the tenant's current unit to another unit. The ability to request a transfer is available regardless of sex, gender identity, or sexual orientation.² The ability of MHA to honor such request for tenants currently receiving assistance, however, may depend upon a preliminary determination that the tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

This plan identifies tenants who are eligible for an emergency transfer, the documentation needed to request an emergency transfer, confidentiality protections, how an emergency transfer may occur, and guidance to tenants on safety and security. This plan is based on a model emergency transfer plan published by the U.S. Department of Housing and Urban Development (HUD), the Federal agency that oversees that the Housing Choice Voucher Program complies with VAWA.

Eligibility for Emergency Transfers

A tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking, as provided in HUD's regulations at 24 CFR part 5, subpart L is eligible for an emergency transfer, if: the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant remains within the same unit. If the tenant is a victim of sexual assault, the tenant may also be eligible to transfer if the sexual assault occurred on the premises within the 90-calendar-day period preceding a request for an emergency transfer.

A tenant requesting an emergency transfer must expressly request the transfer in accordance with the procedures described in this plan.

Tenants who are not in good standing may still request an emergency transfer if they meet the eligibility requirements in this section.

Emergency Transfer Request Documentation

To request an emergency transfer, the tenant shall notify the MHA's and submit a written request for a transfer to 312 Brookside Drive, Mayfield, Kentucky 42066 or email info@mayfieldhousing.org. MHA will provide reasonable accommodations to this policy for individuals with disabilities. The tenant's written request for an emergency transfer should include either:

1. A statement expressing that the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant were to remain in the same dwelling unit assisted under MHA's program; OR

¹ Despite the name of this law, VAWA protection is available to all victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation.

² Housing providers cannot discriminate on the basis of any protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age. HUD-assisted and HUD-insured housing must be made available to all otherwise eligible individuals regardless of actual or perceived sexual orientation, gender identity, or marital status.

2. A statement that the tenant was a sexual assault victim and that the sexual assault occurred on the premises during the 90-calendar-day period preceding the tenant's request for an emergency transfer.

Confidentiality

MHA will keep all tenant information confidential when requesting an emergency transfer, and information about the emergency transfer, unless the tenant gives MHA written permission to release the information on a time limited basis, or disclosure of the information is required by law or required for use in an eviction proceeding or hearing regarding termination of assistance from the covered program. This includes keeping confidential the new location of the dwelling unit of the tenant, if one is provided, from the person(s) that committed an act(s) of domestic violence, dating violence, sexual assault, or stalking against the tenant. For more information on responsibilities, please review the Notice of Occupancy Rights under the Violence Against Women Act For All Tenants.

Emergency Transfer Timing and Availability

MHA cannot guarantee that a transfer request will be approved or how long it will take to process a transfer request. MHA will, however, process a transfer as quickly as possible to allow a tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking to move to another unit.

Safety and Security of Tenants

Tenants are urged to take all reasonable precautions to be safe during any portion of the transfer process.

Tenants who are or have been victims of domestic violence are encouraged to contact the National Domestic Violence Hotline at 1-800-799-7233, or a local domestic violence shelter, for assistance in creating a safety plan. For persons with hearing impairments, that hotline can be accessed by calling 1-800-787-3224 (TTY).

Tenants who have been victims of sexual assault may call the Rape, Abuse & Incest National Network's National Sexual Assault Hotline at 800-656-HOPE, or visit the online hotline at <https://ohl.rainn.org/online/>.

Tenants who are or have been victims of stalking seeking help may visit the National Center for Victims of Crime's Stalking Resource Center at <https://www.victimsofcrime.org/our-programs/stalking-resource-center>.

50.0 Appendix B: Hearings and Reviews

50.1 Introduction

The informal hearing requirements defined in the HUD regulations are applicable to participating families who disagree with an action, decision or inaction of MHA. This section describes the policies, procedures and standards to be used when families disagree with a MHA decision. The procedures and requirements are explained for preference denial meetings, informal reviews and hearings. It is the policy of MHA to ensure that all families have the benefit of all protections due to them under the law.

50.2 Complaints

MHA will respond promptly to complaints from families, owners, employees and members of the public. All complaints must be submitted in writing and will be documented.

Categories of Complaints

- **Complaints from families:** If a family disagrees with an action or inaction of MHA or owner. o The family will submit the complaint to the regional manager (RM) or rental housing coordinator/specialist (RHC/S). o In the event the RM or RHC/S is unable to satisfy the complaint, it will be referred to the RM or RHC/S's direct supervisor. o If a complaint is not resolved at that point, it will be referred to the managing director of the Tenant Assistance Programs.
- **Complaints from owners:** If an owner disagrees with an action or inaction of the PHA or a family.
 - o Complaints from owners will be referred in the same manner as those from families.
- **Complaints from staff:** If a staff person reports an owner or family either violating or not complying with program rules, the complaint will be referred to the staff person's direct supervisor.
- **Complaints from the general public:** Complaints or referrals from persons in the community in regard to MHA, a family or an owner.
 - o Complaints from the general public will be referred to the Program Specialist. If a complaint is not resolved, it will be referred to the direct supervisor.

50.3 Informal Review Procedures for Applicants [24 CFR 982.554]

Reviews are provided for applicants who are denied assistance before the effective date of the HAP Contract. However, if an applicant is denied assistance for citizenship or eligible immigrant status, the applicant is entitled to an informal hearing.

When MHA determines that an applicant is ineligible for the program, the family must be notified of their ineligibility in writing.

The notice must contain:

- The reason(s) they are ineligible.
- The procedure for requesting a review if the applicant does not agree with the decision.
- The time limit for requesting a review.

MHA must provide applicants with the opportunity for an informal review of decisions denying:

- Listing on MHA's waiting list.
- Issuance of a voucher.
- Participation in the program.

Informal reviews are not required for established policies and procedures and MHA determinations such as:

- Discretionary administrative determinations by MHA.
- General policy issues or class grievances.
- A determination of the family unit size under MHA subsidy standards.
- Refusal to extend or suspend a voucher or determination that voucher has expired.
- MHA determination not to grant approval of the tenancy.
- Determination that unit is not in compliance with HQS.
- Determination that unit is not in accordance with HQS due to family size or composition.

Procedure for Review

A request for an informal review must be received in writing by the close of the business day, no later than ten calendar days from the date of MHA's notification of denial of assistance. Discretion may be used regarding the allowable time frame for requesting an informal review based on extenuating circumstances experienced by the applicant. The informal review will be scheduled within 20 calendar days from the date the request is received.

The informal review will not be conducted by the person who made or approved the decision under review nor a subordinate of that person.

The applicant will be given the option of presenting oral or written objections to the decision. Both MHA and the family may present evidence and witnesses. The family may use an attorney or other representative to assist them at their own expense.

The review may be conducted by video or telephone if acceptable to both parties.

A notice of the review findings will be provided in writing to the applicant within ten calendar days after the review. It shall include the decision of the review officer and an explanation of the reasons for the decision.

All requests for a review, supporting documentation and a copy of the final decision will be retained in the family's file.

50.4 Informal Hearing Procedures [24 CFR 982.555]

When MHA makes a decision regarding the eligibility and/or the amount of assistance, applicants and participants must be notified in writing. MHA will give the family prompt notice of determinations, which will include:

- The proposed action or decision of MHA.
- The date the proposed action or decision will take place.
- The family's right to an explanation of the basis for MHA's decision.
- The procedures for requesting a hearing if the family disputes the action or decision.
- The time limit for requesting the hearing.
- To whom the hearing request should be addressed.

MHA must provide participants with the opportunity for an informal hearing for decisions related to any of the following MHA determinations:

- Determination of the family's annual or adjusted income and the computation of the housing assistance payment.
- Appropriate utility allowance used from schedule.
- Family unit size determination under MHA subsidy standards.
- Determination to terminate assistance for any reason.
- Determination to terminate a family's FSS Contract, withhold supportive services or propose forfeiture of the family's escrow account.
- MHA must always provide the opportunity for an informal hearing before termination of assistance.

Informal hearings are not required for established policies and procedures and MHA determinations such as:

- Discretionary administrative determinations by MHA.
- General policy issues or class grievances.
- Establishment of MHA's schedule of utility allowances for families in the program.
- MHA's determination not to approve an extension of the voucher term.
- MHA's determination not to approve a unit or lease.
- MHA's determination that an assisted unit is not in compliance with HQS (MHA terminates for family breach of HQS).
- MHA's determination that the unit is not in accordance with HQS because of the family size.

- MHA's determination to exercise or not exercise any right or remedy against the owner under a HAP contract.
- Family's decision to voluntarily withdraw from MHA's rental assistance programs.

Notification of Hearing

It is MHA's objective to resolve disputes at the lowest level possible and to make every effort to avoid the most severe remedies. However, if this is not possible, MHA will ensure that applicants and participants will receive all of the protections and rights afforded by the law and the regulations.

A request for an informal hearing must be addressed to the hearing officer and received in writing by the close of the business day, no later than 10 calendar days from the date of the termination notification letter. The hearing officer will make a reasonable attempt to resolve the issue which resulted in termination of rental assistance. If an informal hearing is required, the hearing will be scheduled within 20 calendar days from the date the request is received.

The hearing officer will send a notification of the hearing that will contain the following information:

- The date and time of the hearing.
- The location where the hearing will be held if the hearing is to be conducted in person.
- The family's right to bring evidence, witnesses, legal or other representation at the family's expense.
- Items the family is **required** to bring to or submit prior to the hearing.
- The right to view any documents or evidence in the possession of MHA upon which MHA based the proposed action and, at the family's expense, to obtain a copy of these documents prior to the hearing. **Requests for documents or evidence must be received no later than seven days before the hearing date.**
- A notice to the family that MHA will request a copy of any documents or evidence the family will use at the hearing. Requests for documents or evidence must be received no later than seven days before the hearing date.

After sending the notification, the hearing officer may attempt to contact the participant using the contact information provided in the hearing request to resolve any issues prior to the hearing. The hearing officer may initiate contact by phone or request additional information by email or U.S. mail. In an effort to avoid undue burden, most hearings will be conducted by phone. If the individual fails to respond to any deadline or information request made by the hearing officer, the action of MHA will take effect and another hearing will not be granted.

MHA's Hearing Procedures

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

If a family does not answer a phone call for or appear at a scheduled hearing and has not rescheduled the hearing in advance, the family must contact MHA within 24 hours, excluding weekends and holidays. MHA will reschedule the hearing only if the family can show good cause for failure to answer or appear.

Families have the right to:

- Present written or oral objections to MHA's determination.
- Examine the documents in the file, which are the basis for MHA's action, and all documents submitted to the hearing officer.
- Copy any relevant documents at their expense.
- Present any information or witnesses pertinent to the issue of the hearing.
- Request that MHA staff be available or present at the hearing to answer questions pertinent to the case.
- Be represented by legal counsel, advocate or other designated representative at their own expense.
- **If the family requests copies of documents relevant to the hearing, MHA will make the copies for the family and assess a charge of ten cents per copy. In no case will the family be allowed to remove the file from MHA's office.**

In the event information in the file is received from a party who wishes to remain anonymous, MHA will release information only to the extent possible while preserving the anonymity of the party.

In addition to other rights contained in this Chapter, MHA has a right to:

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

The informal hearing shall be conducted by the hearing officer appointed by MHA who is neither the

person who made or approved the decision, nor a subordinate of that person. **MHA appoints hearing officers who are disinterested parties, outside the scope of the Tenant Assistance Programs.**

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

Documents may be presented which have not been provided to the other party before the hearing if requested by the other party. "Documents" includes records and regulations.

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision.

If the family misses an appointment or deadline ordered by the hearing officer, the action of MHA shall take effect and another hearing will not be granted.

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

A notice of the hearing findings shall be provided in writing to staff and the family within ten calendar days and shall include:

- A clear summary of the decision and reasons for the decision.
- If the decision involves money owed, the amount owed and documentation of the calculation of monies owed.
- The date the decision goes into effect.

The hearing officer's decision is final; however, MHA is not bound by hearing decisions:

- Which concern matters in which MHA is not required to provide an opportunity for a hearing.
- Which conflict with or contradict HUD regulations or requirements.
- Which conflict with or contradict federal, state or local laws.
- Which exceed the authority of the person conducting the hearing.

MHA shall send a letter to the participant if it determines MHA is not bound by the hearing officer's determination within 10 calendar days. The letter shall include MHA's reasons for the decision.

All requests for a hearing, supporting documentation, and a copy of the final decision will be retained in the family's file.

50.5 Mitigating Circumstances for Applicants/Participants with Disabilities

When applicants are denied placement on the waiting list or MHA is terminating assistance, the family will be informed that presence of a disability may be considered as a mitigating circumstance during the informal review process.

MHA shall provide reasonable accommodations for persons with disabilities to participate in an informal review or informal hearing. Reasonable accommodation may include qualified sign language interpreters for the hearing-impaired, readers, accessible locations and/or attendants. If it is known that the applicant is visually impaired, any notice to the applicant or participant who is required by these procedures will be in accessible format.

50.6 Right to Seek Relief from Decisions

Any decision of the hearing officer which denies relief requested by the applicant or participant in whole or in part, does not constitute a waiver of, nor affect in any manner whatsoever, any rights the applicant or participant may have to seek relief in a court of competent jurisdiction.

51.0 Appendix C: Housing Choice Voucher Program Cost Reduction Plan

In the past, housing assistance funds were distributed to PHAs for a specific number of vouchers (baseline numbers), based upon the number of units under lease. In accordance with the Consolidated Appropriations Act, the 2005 (Public Law 108-447) Congress has converted the “unit-based” allocation system to a “budget-based” system. Congress also realized that, in order for the “budget-based” system to work, program requirements must be simplified and PHAs must have greater decision-making flexibility.

This change in funding structure mandates that all PHAs manage their programs within the amounts budgeted for the calendar year. This change requires PHAs to develop a Cost Reduction Plan outlining cost-savings measures the agency will take to reduce program costs if deemed necessary by the reduction in funding. PHAs are expected to manage program costs while ensuring that current elderly and disabled voucher families are protected against significant impacts resulting from adjustments made by agencies to maintain their voucher programs within budgets constraints.

Based on the 2005 Appropriations Act Conference Report (H. Rpt.108-792), as well as existing authority under the voucher program regulations at 24 CFR Part 982, MHA's cost-saving actions are described below by topic.

- **Payment Standards:** MHA will reduce its payment standards to an amount deemed necessary to reduce per unit costs. A lower payment standard applies immediately to all new admissions, all movers and stayers with a new Housing Assistance Payments (HAP) contract (e.g., when the owner offers or requires a new lease). For all other voucher participants, decreased payment standards are not applied until the second annual recertification after the payment standard is lowered. However, since the delayed applicability of a lower payment standard is a regulatory not a statutory requirement, MHA will request a waiver from the U.S. Department of Housing and Urban Development (HUD) to waive this requirement if needed to expedite cost reduction.
- **Minimum Rent:** MHA will increase its monthly minimum tenant rent to \$50. The increase will be effective immediately for all admissions and all movers. For current participants, the minimum tenant rent will become effective on the first certification that is processed on the family after the effective date.
- **Interim Reexaminations:** MHA requires families to report all increases in income between reexaminations, except same source income. As an additional means to reduce costs, more frequent interim reviews will be conducted for families reporting no income.
- **Family Income Matching/Verification and Other Anti-Fraud Efforts:** Accelerate efforts concerning income matching and income verification. re
- **Subsidy Standards:** MHA will implement more conservative subsidy standards. A subsidy standard of two persons per bedroom/sleeping area may be adopted. If the unit size for which the family is eligible changes during the term of the HAP contract, the "new" unit size is applicable at the first regular reexamination following the change (24 CFR 982.505 (b)(5). See Section 14.0 for further guidance on subsidy guidelines.
- **Ensuring Reasonable Rents:** MHA aggressively monitors the rent being paid to owners for assisted units to assure the amounts are reasonable rent in comparison to other comparable unassisted units in accordance with the regulations at 24 CFR 982.507(b) and the HAP contract.
- **Housing Choice Voucher Recalls:** To ensure that housing assistance payments costs do not exceed the HUD approved budget authority, issued vouchers may be suspended if leasing documents have not been received and approved by MHA. Suspension will again be lifted at such time that MHA determines funding is available.
- **Termination of Assistance Due to Insufficient Funding:** MHA may terminate HAP contracts, in accordance with HUD requirements, if MHA determines that "funding under the consolidated ACC is insufficient to support continued assistance for families in the program" 24 CFR 982.454. Should this action become necessary, MHA will utilize a "first-in, first-out"

methodology. MHA will attempt to protect the elderly, disabled and handicapped families by exempting them from this action. When and if funding becomes available to reinstate the impacted families, MHA will offer available housing choice vouchers to the affected families before offering assistance to the families on the waiting list.

- **Portability and Moves within MHA’s Jurisdiction:** Upon HUD approval, MHA may opt to deny portability moves and moves within MHA’s jurisdiction if it is determined that MHA does not have sufficient funds under its calendar year budget to subsidize families who move to a higher cost area or unit. “Higher cost area” is defined as an area where a higher subsidy amount will be paid for a family because of higher payment standards or “more generous” subsidy standards (e.g., the receiving PHA issues a 3-bedroom voucher to a family that received a 2-bedroom voucher from MHA). This is a denial to move for insufficient funding under 24 CFR 982.314(e)(1). Prior to denying a family’s request to exercise portability or transfer to a higher cost unit, MHA will determine, based on its current funding level, if funds are unavailable to meet the higher subsidy costs. Additionally, prior to denying the family’s request to move, MHA will contact the receiving PHA to confirm that the receiving PHA will not absorb the family into its own program. If the receiving PHA is willing to absorb, there are no grounds to deny the portability move under 24 CFR 982.314(e)(1). *****Portability will allow families to choose no more than 2 housing agencies outside of their jurisdiction for families to Port In too. Families will need to make a decision when deciding to Port Out where they want to go.**

MHA is committed to providing housing to its participating families, as well as all families in need of affordable housing. Prior to implementing housing policies, MHA will always carefully consider the impact that its decisions will have on the families utilizing the rental assistance program and strive to avoid any adverse impact the decisions may have on the families.

52.0 Appendix D: Enterprise Income Verification System Security Procedures

52.1 Introduction

The Enterprise Income Verification (EIV) system is intended to provide a single source of income-related data to public housing agencies (PHA) for use in verifying the income reported by tenants in the various assisted housing programs administered by PHAs across the nation. The Office of Public and Indian Housing is responsible for administering and maintaining the EIV system.

Housing Authority of Mayfield shall utilize the EIV system to assist in the upfront verification of tenant income by comparing the tenant income data obtained from various sources including:

- Tenant-supplied income data captured on Form HUD-50058 and maintained in the Public Housing Information Center (PIC) databases.
- Wage Information from State Wage Information Collection (SWICAs).
- Social Security and Supplemental Security Income from the Social Security Administration.
- User Profile Information from the PIC database.

Housing Authority of Mayfield shall only utilize EIV tenant data to verify a tenant's eligibility for participation in a HUD rental assistance program and to determine the level of assistance the tenant is entitled to receive. Any other use, **unless approved by the HUD Headquarters EIV Coordinator or EIV Security Officer**, is specifically prohibited and may result in the imposition of civil or criminal penalties on the responsible person or persons. Further, no adverse action can be taken against a tenant until MHA has independently verified the EIV information and the tenant has been granted an opportunity to contest any adverse findings through the established grievance, hearing or other legal procedures.

52.2 Privacy Act Considerations

MHA will protect data provided via the EIV system to ensure that it is only used for official purposes and not disclosed in any way that would violate the privacy of the individuals represented in the system data. Staff will ensure that a copy of Form HUD-9886, Authorization for Release of Information/Privacy Act Notice, has been signed by each member of the household age 18 years old or older and is in the household file. By signing the form, the tenant authorizes HUD and MHA to obtain and verify income and unemployment compensation information from various sources including current and former employers, state agencies and the Social Security Administration.

52.3 Safeguarding EIV Data

MHA's Executive Director will have the responsibility of ensuring compliance with MHA's security policies and procedures outlined in this Appendix. These responsibilities include:

- Maintaining and enforcing the security procedures.
- Keeping records and monitoring security issues.
- Communicating security information and requirements to appropriate personnel, including coordinating and conducting security awareness training sessions.
- Conducting a quarterly review of all User IDs issued to determine if the users still have a valid need to access the EIV data and taking the necessary steps to ensure that access rights are

revoked or modified as appropriate.

- Reporting any evidence of unauthorized access or known security breaches to the department managing director and taking immediate action to address the impact of the breach including, but not limited to, prompt notification to appropriate authorities including the HUD Field Office's Public Housing Director.

Limiting Access to EIV Data

MHA shall restrict access to EIV data only to persons whose duties or responsibilities require access. MHA shall maintain a record of users who have approved access to EIV data. Further, MHA shall revoke the access rights of those users who no longer require such access or modify the access rights if a change in the user's duties or responsibilities indicates a change in the current level of privilege.

Physical Security Requirements

MHA utilizes a locked, secured facility to meet HUD mandated security requirements. Facility is not accessible without proper agency security access. Employees are issued identification cards that allow access to their work areas.

Computer System Security Requirements

MHA shall prohibit saving EIV data to a computer hard drive or any other automated information system. MHA shall also prohibit saving EIV data to diskettes or CDs. Users shall retrieve computer printouts as soon as they are generated so that EIV data is not left unattended where unauthorized users may access them. Authorized users of EIV shall be directed to avoid leaving EIV data displayed on their computer screens where unauthorized users may view it.

User Accounts

User accounts for the EIV system shall be provided on a need-to-know basis, with appropriate approval and authorization.

Disposal of EIV Information

EIV data shall be destroyed based on MHA's document retention schedule. (See Exhibit D, §67.6)

52.4 Security Awareness Training

All employees having access to EIV data shall be trained upon beginning employment and annually

thereafter. Each user will be required to complete a User Agreement indicating that they are aware of the safeguards and responsibilities associated with using the system. Further, users will be advised of the penalties associated with provisions of the Privacy Act of 1974, Section 552(a), which makes unauthorized disclosure or misuse of tenant wage data a crime punishable by a fine up to \$5,000.

52.5 Improper Disclosures/Unauthorized Access or Security Breaches

In the event that an improper disclosure/unauthorized access or security breach of EIV data should occur, the follow procedures shall be followed.

- Description of occurrence will be documented and submitted in written form to Executive Director.
- The executive director, legal and compliance will notify the local HUD office for further guidance on action to be taken.