

Several sections of the Administrative Plan have either additions to existing policies, or new policies. This is due to additional regulations that were released that required corresponding policies. Unless otherwise noted, the policy changes are for additional clarity or to provide previously missing information.

Chapter 3: Eligibility

3-III.C. Restriction on Assistance Based on Assets

***New Policy:** In general, the PHA defines a geographic hardship to include when a family members' work, school, health care provider, or other necessary service is located an unreasonable distance from the real property or there is a lack of adequate transportation options for the family to access work, school, health care, or other necessary services. The PHA will consider circumstantial details a family faces when determining whether a geographic hardship is present.*

Chapter 4: Applications, Waiting List and Tenant Selection

Rationale for the below Waiting List Changes (Applying, Placement, Opening/Closing, Waiting list Selection Method, Order of Selection):

Under the current waiting list administration policy, 95% of applicants that are added to the HCV waiting list are preference-based (including Special Vouchers). When the waiting list is opened to the general public, hundreds of applications would be received. The waiting list was last opened in 2019 and the PHA is still processing applications from that time period. It's been determined that this method, in conjunction with the "lottery pull" system in place, is not providing applicants with reasonable expectations regarding receiving a voucher.

This proposed policy accomplishes several things – it provides housing to special populations where required as well as preference groups based upon the needs in the community; implements strategies that will make tracking utilization and application processing more efficient; connects services throughout Olmsted County to those that need them most; aligns with Olmsted County's *Any Path Home* initiative and finally, provides the framework needed to issue vouchers to households *within 12 months* of being placed on the waiting list.

Under this updated policy, the waiting list can be opened to the general public, or to specific preferences when vouchers are available. When opened to specific preference groups only, applications will be accepted for placement on the waiting list by referral in partnership with local agencies. Each waiting list opening will be limited by time and number of applications received.

Each preference group will be determined based upon the established needs of the community by the PHA. The HRA will enter into Memorandum of Understanding agreements with each referring agency, providing instruction on how the preference can be verified. The referring agencies will have the ability to submit referrals in a multitude of ways.

4-I.B. Applying for Assistance

***From:** A two-step process will be used when it is expected that a family will not be selected from the waiting list for at least 60 days from the date of application. Under the two-step application process, the PHA initially will require families to provide only the information needed to make an initial assessment of the family's eligibility, and to determine the family's placement on the waiting list. The family will be required to complete a full application and provide all the information necessary to establish family eligibility and level of assistance when the family is selected from the waiting list. When the PHA is accepting applications, families will be required to apply using a web-based portal application during a defined period. The PHA reserves the right to*

extend or shorten this period. As a reasonable accommodation, applications may be accepted in an alternative format.

To: A two-step process will be used when it is expected that a family will not be selected from the waiting list for at least 60 days from the date of application. Under the two-step application process, the PHA initially will require families to provide only the information needed to make an initial assessment of the family's eligibility, and to determine the family's placement on the waiting list. The family will be required to complete a full application and provide all the information necessary to establish family eligibility and level of assistance when the family is selected from the waiting list. When a preference or special voucher referral is provided to the PHA, both a completed Referral Form and a Pre-Application will be required. The Referral Form is completed by the referring agency and the Pre-Application completed by the family.

When the PHA is accepting applications, families will be required to apply using a web-based portal application during a defined period. The PHA reserves the right to extend or shorten this period. As a reasonable accommodation, applications may be accepted in an alternative format. When the PHA is accepting referrals, those agencies may submit the application using a web-based portal or submit a paper referral during a defined period. The PHA reserves the right to extend or shorten this period.

4-I.D. Placement on the Waiting List (Eligible for Placement on the Waiting List)

From: The PHA will determine the number of necessary applications to place on the HCV Waiting List. All eligible applications will be placed in a lottery for placement on the waiting list and then randomized. As specified in a public notice, only the desired number of applications will be pulled from the lottery and then ordered by preference, and this shall compose the wait list. The PHA will notify each applicant if they secured a position on the list. All remaining names from the lottery will be discarded. Placement on the waiting list does not indicate that the family is, in fact, eligible for assistance. A final determination of eligibility will be made when the family is selected from the waiting list. Applicants will be placed on the waiting list according first by any preference(s) for which they qualify, and then by the number randomly assigned to the family in the lottery pool.

To: The PHA will determine the number of necessary applications to place on the HCV Waiting List. This number will be disclosed any time the waiting list is only partially re-opened. Placement on the waiting list does not indicate that the family is, in fact, eligible for assistance. A final determination of eligibility will be made when the family is selected from the waiting list. Applicants will be placed on the waiting list by date and time of application, or, in the event of a preference referral, by date and time of receipt of referral.

4-II.C. OPENING AND CLOSING THE WAITING LIST [24 CFR 982.206]

Closing the Waiting List

From: The PHA will close the waiting list when the estimated waiting period for housing assistance for applicants on the list reaches 24 months for the most current applicants. Where the PHA has preferences or funding criteria that require a specific category of family, the PHA may elect to continue to the application process for these applicants while closing the process to others.

To: The PHA will determine whether the waiting list should be opened or closed, in whole or in part, based on available program funding and an assessment of local housing needs and priorities. Where the PHA has preferences or funding criteria that require a specific category of family, the PHA may elect to continue to the application process for these applicants while closing the process to others.

Reopening the Waiting List

From: The PHA will announce the reopening of the waiting list at least 10 business days prior to the date of the

beginning of the application process. If the list is only being reopened for certain categories of families, this information will be contained in the notice. The PHA will give public notice by publishing the relevant information in suitable media outlets including, but not limited to: Post-Bulletin, and Olmsted County press releases. The PHA may also notify other agencies serving clients that may be interested in submitting applications. Those organizations may include but are not limited to: Olmsted County Community Services, Women Shelter, Zumbro Valley Mental Health Center, Salvation Army, Interfaith Hospitality Network, Work Force Development, Southern Minnesota Regional Legal Services, Homeless Community Network, and Intercultural Mutual Assistance Association.

To: The PHA will determine whether the waiting list should be opened or closed, in whole or in part, based on available program funding and an assessment of local housing needs and priorities. The PHA will advertising the opening of the waiting list, in whole or in part, in accordance with 24 CFR § 982.206. Public notice will be provided on the PHA’s website and appropriate notifications will be placed within the PHA’s jurisdiction. The PHA will also notify the appropriate agencies and organizations regarding waitlist outreach.

4-III.B. SELECTION AND HCV FUNDING SOURCES:

Targeted Funding [24 CFR 982.204(e)]

From: The PHA administers the following types of HUD targeted funding:

To: The PHA administers the below types of HUD targeted funding. When a Targeted funding voucher is available, the PHA will reach out to the service provider or referring agency to inform them of the availability and to request the appropriate number of referrals. These applications will take precedence over other wait list applicants. They will be recorded on the wait list as Targeted Selection.

4-III.C. Selection Method

Local Preferences

From: The PHA has adopted the following category of preferences. Preferences shall comprise at least 95% of the wait list. **Public Housing Displacement (20 points):** The PHA will offer a preference to Olmsted County Public Housing residents that are required to move and cannot be placed in another public housing unit. **Involuntary Displacement (20 points):** Individuals who are displaced according to the following: a. Federal Disaster (e.g. flood or fire) that makes units uninhabitable as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws. b. Government action: 1. Federal, State, or local body or agency. 2. In connection with code enforcement or public improvement of development program. 3. Disabled Public Housing tenants requesting a unit transfer for whom the HRA owns no housing unit that will meet their disability-related needs, or which can feasibly be modified to meet said needs. **Olmsted County HRA-Sponsored PBV (15 points):** The PHA will offer a preference to residents who have utilized a Project Based Voucher for at least 365 days and are in good standing with the property management company. **Foster Youth to Independence (FYI) (15 points):** The PHA will offer a preference to residents who have utilized a Fostering Youth to Independence (FYI) voucher at the maximum limit, will lack adequate housing, as a result of their termination of the FYI voucher, and are in good standing with the property management company. **PBV Supportive Housing Preference (15 points):** Applicants who qualify for Permanent Supportive Housing. **Permanent Supportive Housing “Move-up” – Limited (15 points):** The PHA will offer a preference to individuals or families moving up from a local Continuum of Care Permanent Supportive Housing Program. Referred applicants must meet the baseline criteria per the “Move Up Minnesota Assessment Tool.” This shall be limited to no more than 15 vouchers. **Victims of Domestic Violence – Limited (15 points):** The PHA will offer a preference to victims of domestic violence that include victims of domestic violence, dating violence, sexual assault, stalking, or human trafficking on a

referral basis from agencies identified in a Memorandum of Understanding. This shall be limited to no more than 15 vouchers. **Mainstream Referral Preference (10 points):** When a voucher is available, the PHA will offer preference to a household that consists of, at least one, non-elderly (ages 18-61) adult with disabilities. For a non-elderly adult with disabilities to receive preference on the waiting list they must meet one of the following criteria: • Transitioning out of institutional or segregated settings, or; • At serious risk of institutionalization, or; • Homeless or will imminently lose their primary residence, or; • Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against an individual, or a family member, that has either taken place within the primary residence or has made the individual afraid to return to the primary residence. The person must have no other residence or lack the resources or support networks to obtain permanent housing, or; • In permanent supportive housing or rapid rehousing projects who no longer need the level of services provided. The PHA will offer a preference on a referral basis from agencies identified in a Memorandum of Understanding. **FUP, FYI, AND VASH Referral Preference (10 points):** When a voucher is available, the PHA will accept referrals from the following entities: • FUP: Olmsted County Health and Human Services • FYI: Olmsted County Health and Human Services, Minnesota CoC, and/or Lutheran Social Services • VASH: Veterans Administration Housing unit. **Residency Preference (4 points):** The PHA will offer a preference to any family who are Olmsted County residents. **Employment, Education, Elderly or Disabled (2 points):** The PHA will offer a preference to families who work at least 20 hours/week or have been hired to work in Olmsted County; attend post-secondary education full-time in Olmsted County; or is elderly or disabled.

To: The PHA has adopted the following categories of local preferences. Preferences shall comprise at least 95% of the wait list.

Preferences are divided into two categories – Referred Priority Placement and Referred Secondary Placement. The applicants under a *Referred Priority Placement* preference category will be added to the waiting list as with a Preference Ranking of 1. When there are multiple applicants with a ranking of “1”, those applicants will be selected in order of date and time of referral application receipt. *Referred Secondary Placement* category applicants will be placed on the wait list with a ranking of “2”. They will be selected after any *Referred Primary Placement* applicants, and then according to the time and date the referral application was received. Any applicant that does not meet any of the preference categories will not be given a ranking. These applicants will be selected after Referred Priority Placement and Referred Secondary Placement applicants, and then by time and date of receipt of application.

To: Referred Priority Placement Categories:

Public Housing Displacement: *The PHA will offer a preference to Olmsted County Public Housing residents that are required to move and cannot be placed in another public housing unit. They must be referred to the PHA and their status must be verified by an Olmsted County Health, Housing and Human Services authorized representative.*

Involuntary Displacement: *Individuals who are verified as displaced according to the following and referred to the PHA by a local government agency:*

a. *Federal Disaster (e.g. flood or fire) that makes units uninhabitable as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.*

b. *Government action:*

1. *Federal, State, or local unit of government or agency.*

2. *In connection with code enforcement or public improvement of development program.*

3. *Disabled Public Housing tenants requesting a unit transfer for whom the HRA owns no housing unit that will meet their disability-related needs, or which can feasibly be modified to meet said needs.*

Olmsted County HRA-Sponsored PBV: *The PHA will offer a preference to residents who have 1) utilized an Olmsted County HRA-Sponsored Project-Based Voucher for at least 365 days, 2) have been verified as “in good standing” by the property management company, and 3) have been referred to the PHA by an authorized*

representative within Olmsted County's Health, Housing and Human Services division.

Permanent Supportive Housing "Move-Up": *The PHA will offer a preference to individuals or families moving up from and referred by a local Continuum of Care Permanent Supportive Housing Program. Referred applicants must meet the baseline criteria per the "Move-Up Minnesota Assessment Tool". The Move-Up Voucher Program Guide can be located here:*

https://www.rivervalleyscoc.org/uploads/8/1/9/2/81921492/move_up_voucher_program_guide_1.pdf

Referred Secondary Placement Categories:

Safe at Home: *The PHA will offer a preference to individuals and families who are struggling to obtain or maintain, safe housing based upon previous or on-going threat of violence.*

Housing Barriers: *The PHA will offer a preference to individuals and families who are struggling to obtain housing based upon existing household barriers, such as criminal history.*

Transitions: *The PHA will offer a preference to individuals and families who are transitioning from another Olmsted County administered program who also meet the following criteria:*

- *The household would face undue hardship without rental assistance, and*
- *Are in good standing with the PHA and the current landlord, and*
- *No longer needs the level of support provided in the current program, or*
- *Have utilized the current program to its maximum.*

Housing Stability: *The PHA will offer a preference to individuals and families who do not have stable housing and who meet one of the below criteria:*

- *At least one member is elderly (aged 62 and older) or disabled and the household is rent-burdened. Rent-burdened is defined as, at the time of referral, paying more than 40% of their gross income towards a rental or mortgage payment.*
- or*
- *The individual or family is currently experiencing sheltered or unsheltered homelessness. Sheltered Homelessness is defined as residing in an emergency shelter. Unsheltered Homelessness is defined as residing in a place not meant for human habitation, such as cars, parks, sidewalks, or abandoned buildings.*

Order of Selection

From: *Within each targeted funding or preference category, families will be selected by position determined by lottery or on a first-come, first-served basis according to the date and time their complete application is received by the PHA. When the PHA's waiting list is open, and waiting list selections are needed, 95% will be preference applicants and 5% non-preference.*

To: *Within each targeted funding or preference category, families will be selected by position on a first-come, first-served basis according to the date and time their complete referral and/or application is received by the PHA. When the PHA's waiting list is open, and waiting list selections are needed, at least 95% will be preference applicants.*

Chapter 5: Briefing Voucher Issuance

5-I.B. BRIEFING

Additional Items to Be Included in the Briefing Packet

Addition to Policy: *The grounds on which the PHA may terminate assistance for a participant family because of family action or failure to act; Requirements for notifying the PHA of any changes in income or family composition*

Chapter 6: Income Subsidy

6-I.G. STUDENT FINANCIAL ASSISTANCE

Calculating Income from Student Financial Assistance

***New Policy:** If the student does not live with their parents and is the head of household, cohead, or spouse, and is 23 or younger or does not have dependent children, then Title IV HEA assistance will be considered when determining the student's total financial assistance to be included in annual income. The PHA will use Notice PIH 2015-21 as a guide to determine the total amount of the student's tuition plus required fees and charges. The PHA will subtract the total tuition plus required fees and charges from the total student financial assistance. If the result is zero or exceeds the amount of total financial assistance from all sources, then no student financial assistance will be included in annual income. Any amount of student financial assistance that exceeds the total tuition plus required fees and charges will be included in annual income.*

6-III.D. HEALTH AND MEDICAL CARE EXPENSES DEDUCTION

Definition of Medical Expenses

***New Policy:** The PHA will use the most current IRS Publication 502 as a standard for determining if expenses claimed by eligible families qualify as health and medical care expenses. However, under no circumstances will the PHA deduct any expenses listed in IRS Publication 502 that do not conform with HUD's definition of health and medical care expenses.*

6-IV.C. APPLYING PAYMENT STANDARDS

Changes in Payment Standards

***Addition to Policy:** The PHA will not establish different policies for decreases in the payment standard for designated areas within their jurisdiction.*

Increases

***New Policy:** The PHA will not adopt payment standard increases earlier than the date required by the regulations.*

Rationale for Change:

The existing HUD regulations are reasonable.

6-IV.D. APPLYING UTILITY ALLOWANCES

Flat Fees

***New Policy:** The PHA will not base utility allowance payments on flat fees charged by the owner.*

Rationale for Change:

Basing allowances on charges by individual owner would put an immense burden on staff, without demonstratable benefit to the client.

Chapter 7: Verifications

7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION

Form HUD 9886-A

From: Family members turning 18 years of age between annual recertifications will be notified in writing that they are required to sign the required Consent to the Release of Information Form HUD-9886 at the family's next annual or interim reexamination, whichever is earlier.

To: Family members turning 18 years of age between annual recertifications will be notified in writing that they are required to sign the required Consent to the Release of Information Form HUD-9886-A within 10 business days of turning 18 years of age.

7-I.C. STREAMLINED INCOME DETERMINATIONS

From: When the PHA does not use a Safe Harbor income determination from a federal assistance program to determine the family's annual income as outlined above, then PHA will use a streamlined income determinations where applicable. Whether or not 90 percent or more of a family's unadjusted income is from fixed income sources: • The PHA will streamline the annual reexamination process by applying the verified inflationary adjustment factor to fixed-income sources. • The PHA will document in the file how the determination that a source of income was fixed was made. • Third-party verification of non-fixed income will be obtained annually as outlined in Notice PIH 2023-27 and Chapter 7 of this policy. • If the family's sources of fixed income have changed from the previous year, the PHA will obtain third-party verification of any new sources of fixed income.

To: *When the PHA does not use a Safe Harbor income determination from a federal assistance program to determine the family's annual income as outlined above, then PHA will use a streamlined income determinations where applicable. Regardless of the percent of a family's unadjusted income from fixed income sources: The PHA will streamline the annual reexamination process by applying the verified COLA/inflationary adjustment factor to fixed-income sources. The family will be required to sign a self-certification stating that their sources of fixed income have not changed from the previous year. The PHA will document in the file how the determination that a source of income was fixed was made. If the family's sources of fixed income have changed from the previous year, the PHA will obtain third-party verification of any new sources of fixed income.*

Chapter 8: HQS & Rent Reasonableness

8-I.E. OWNER AND FAMILY RESPONSIBILITIES

Owner Obligation

New Policy: *The PHA will waive the owner's responsibility for housing quality standards deficiencies that have been determined to have been caused by the tenant, any member of the household, or any guest or other person under the tenant's control, to the extent the tenant can be held responsible for ensuring that the deficiencies are corrected: the tenant must take all necessary steps permissible under the lease and state and local law to remedy the deficiency. This may include paying the owner for the cost of the necessary repairs in accordance with the lease.*

8-II.G. ENFORCING OWNER COMPLIANCE

HAP Withholding

New Policy: *The PHA will not withhold assistance payments upon notification to the owner of the deficiencies.*

Rationale for Change:

While HUD now allows PHA's to withhold HAP payment immediately upon notifying an owner of

deficiencies, staff feels that this would further discourage continued owner participation and that the current policies of when abatement occurs are sufficient.

Chapter 10: Moving

10-I.B. FAMILY MOVES DUE TO UNIT DEFICIENCIES * New Section, all new policies

Units in Abatement

***New Policy:** Upon receipt of a family's written notification that it wishes to move, the PHA will issue a voucher within 10 business days of the PHA's written approval to move. No briefing is required for these families. The PHA will follow the policies set forth in Chapter 5 on voucher term, extension, and expiration.*

Termination of HAP Contract and Family Moves

***New Policy:** The PHA will issue a family whose HAP contract is being terminated due to an owner failing to make required repairs within the required time frame a voucher no later than 30 days prior to the termination of the HAP contract. The initial term of the voucher will be 120 calendar days. No briefing is required for these families. To continue under the tenant-based HCV program, the family must submit a Request for Tenancy Approval and proposed lease within the 120-day period unless the PHA grants an extension. The PHA will follow the policies set forth in Chapter 5 on voucher extension and expiration.*

Offer of Public Housing

***New Policy:** The PHA does operate a public housing program and will provide a preference for HCV families whose HAP contract is being terminated due to an owner failing to make required repairs within the required time frame, and who were unable to lease a new unit within the term of the voucher. Thirty days prior to the expiration date of the voucher, the PHA will provide written notice to the family stating that the PHA does provide such a preference and providing an estimation of availability for the appropriate-sized public housing unit.*

Relocation Assistance

***New Policy:** The PHA will assist families with disabilities with locating available accessible units in accordance with program requirements. The PHA will use up to two months of withheld and abated payment to assist with any required security deposit at the new unit. Funds will not be used for any other relocation assistance. If the family receives a refund of a security deposit for the new unit, the PHA will not require any amount to be remitted to the PHA.*

10-I.C. MOVING PROCESS

Voucher Issuance and Briefing

***Addition to Policy:** For families moving due to an owner failing to make required repairs timely, resulting in the PHA terminating the HAP contract, the PHA will follow the policies set forth earlier in this section and in Chapter 8, Part II.*

10-II.B. INITIAL PHA ROLE

Voucher Issuance and Briefing

***Addition to Policy:** However, if the move is due to the HAP contract being terminated due to an owner failing to make required repairs within the required time frame, the PHA will issue the family a voucher no later than 30 days prior to the termination of the HAP contract. The initial term of the voucher will be 120 calendar days.*

Chapter 11: Reexaminations

11-II.B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION

Changes in Family Unit Size (Voucher Size) * New Section

New Policy: If the family unit size (voucher size) changes during the term of a HAP contract, the new family unit size will be used to determine the payment standard at the family's first regular reexamination following the change in family unit size.

Chapter 12: Termination

12-I.E. MANDATORY POLICIES AND OTHER AUTHORIZED TERMINATIONS

Other Authorized Reasons for Termination of Assistance: *Asset Limitation* *New Section

New Policy: The PHA has adopted a policy of total nonenforcement of the asset limitation for all program participants. The asset limitation only applies to initial eligibility determinations for new admissions to the PHA's HCV program.

Rationale for Change:

While HUD allows PHA's to enforce asset limitations such as homeownership and the asset cap, staff feels that this would discourage voucher recipients from striving to succeed.

Chapter 15: Special Housing Types

INTRODUCTION

Addition to Policy: The PHA must permit a family to lease a manufactured home and space with assistance under the program.

Rationale for Change:

New HUD regulations state that the PHA must permit a family to lease a manufactured home and space with assistance under the program. Policies have been updated to reflect this requirement.

15-IV.A. OVERVIEW (SHARED HOUSING)

Addition to Policy: The PHA will provide information to families regarding the shared housing option, including a listing to families of any known for-profit or nonprofit shared housing matching services in the community at briefing, and upon request.

15-VI.C. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION (Manufactured Homes)

Distribution of HAP *New Section

New Policy: If the housing assistance payment exceeds the portion of the monthly rent due to the owner, the PHA will pay the balance to the family.

Single HAP to Family * New Section

New Policy: The PHA will not exercise the option to pay a single HAP and will pay HAP directly to the owner.

PART VII: HOMEOWNERSHIP*

Rationale for Changes*:

The previous plan did not include any PHA policies or indicate whether or not the PHA was going to implement an optional homeownership assistance plan. While OCHRA has provided homeownership assistance in the past, a full program is required to comply with current regulations. Staff is advising that a homeownership assistance option not be offered at this time as other funding options may be used for this purpose without the need for a full plan. All new policies below are to be utilized only when providing homeownership assistance is required due to a reasonable accommodation.

15-VII.A. OVERVIEW

***New Policy:** The PHA will not offer a homeownership assistance program unless it is necessary if needed as a reasonable accommodation for a person with a disability so that the program is readily accessible to and usable by persons with disabilities. The following policies and procedures are only applicable in this case.*

15-VII.B. FAMILY ELIGIBILITY

***New Policy:** The PHA will not establish a higher minimum income standard for disabled and/or non-disabled families.*

15-VII.C. SELECTION OF FAMILIES

***New Policy:** The PHA will not administer a homeownership assistance program, unless it is necessary as a reasonable accommodation for a person with a disability. In this case, the family must meet all other eligibility requirements as defined in Section 15-VII.B. of this plan.*

15-VII.E. ADDITIONAL PHA REQUIREMENTS FOR SEARCH AND PURCHASE

***New Policy:** The family will be allowed 120 days to identify a unit and submit a sales contract to the PHA for review. The family will be allowed an additional 120 days to close on the home. PHAs may grant extensions to either of these periods for good cause. The length of the extension(s) will be determined on a case-by-case, but in no case will an extension exceed a total of 125 days. The maximum amount of time a family will be given to locate and complete the purchase of a home under the homeownership option is 365 days. During these periods, the family will continue to receive HCV rental assistance in accordance with any active lease and HAP contract until the family vacates the rental unit for its purchased home. All requests for extensions must be submitted in writing to the PHA prior to the expiration of the period for which the extension is being requested. The PHA will approve or disapprove the extension request within 10 business days. The family will be notified of the PHA's decision in writing. The family will be required to report their progress on locating and purchasing a home to the PHA every 30 days until the home is purchased. If the family cannot complete the purchase of a unit within the maximum required time frame, and is not receiving rental assistance under a HAP contract at the time the search and purchase time period expires, the family will be issued a voucher to lease a unit.*

15-VII.F. HOMEOWNERSHIP COUNSELING

***New Policy:** Families will not be required to participate in ongoing counseling after commencement of homeownership assistance.*

15-VII.G. HOME INSPECTIONS, CONTRACT OF SALE, AND PHA DISAPPROVAL OF SELLER**Home Inspections**

***New Policy:** When the family locates a home they wish to purchase and submits a copy of their purchase offer/contract, the PHA will conduct an inspection within 10 business days. Any items found not to meet housing quality standards must be repaired before the unit can be determined eligible for the homeownership program. The family must hire an independent professional inspector, whose report must be submitted to the PHA for*

review. This inspector must be a member of the American Society of Home Inspectors (ASHI) or other recognized professional society, or a licensed engineer. The inspector cannot be a PHA employee or contractor. The PHA will review the professional report in a timely fashion and, based on the presence of major physical problems, may disapprove the purchase of the home. If the PHA disapproves the purchase of a home, the family will be notified in writing of the reasons for the disapproval. While the family is receiving homeownership assistance, the PHA will conduct an inspection every other year.

15-VII.H. FINANCING

***New Policy:** As a check against predatory lending, the PHA will review the financing of each purchase transaction, including estimated closing costs. The PHA will review the loans for features, such as balloon payments, adjustable-rate mortgages, and unusually high interest rates, all of which are prohibited. The PHA also will not approve “seller financing” or “owner-held” mortgages. Beyond these basic criteria, the PHA will rely on the lenders to determine that the loan will be affordable to program participants. The mortgage the family applies for must require a minimum down payment of at least three percent of the sales price with one percent of the down payment coming from the purchaser’s personal funds. The PHA will not require that the family have any more than the minimum of one percent of their own money in the transaction. However, in cases where a lender is requiring a larger amount, the family may be held to the underwriting guidelines set by their lending institution. The PHA will approve a family’s request to utilize its Family Self-Sufficiency escrow account after final disbursement for down payment and/or closing costs when purchasing a unit under the HCV homeownership option.*

15-VII.I. CONTINUED ASSISTANCE REQUIREMENTS, FAMILY OBLIGATIONS

***New Policy:** Any inspection the PHA conducts after the initial inspection will be done on an advisory basis. The family will be encouraged to make the repairs but will not be required to do so as a condition of ongoing assistance.*

15-VII.K. HOMEOWNERSHIP ASSISTANCE PAYMENTS AND HOMEOWNERSHIP EXPENSES

***New Policy:** The PHA will use the following amounts for homeownership expenses: Monthly homeownership payment. This includes principal and interest on initial mortgage debt, taxes and insurance, public assessments, and any mortgage insurance premium, if applicable. Utility allowance. The PHA’s utility allowance for the unit, based on the current HCV utility allowance schedule. Monthly maintenance/major repair/replacement allowance. A single monthly maintenance/repair/replacement allowance will be provided at \$120 per month. Monthly co-op/condominium assessments. If applicable, the monthly amount of co-op or condominium association operation and maintenance assessments. Monthly principal and interest on debt for improvements. Principal and interest for major home repair, replacements, or improvements, if applicable. Land lease payments. Land lease payments where a family does not own fee title to the real property on which the home is located. The PHA’s housing assistance payment will be paid directly to the family. It will be the family’s responsibility to make the entire payment to the lender. The PHA may make an exception if the family requests the payment to go directly to the lender, and this arrangement is acceptable to the mortgage company. If the assistance payment exceeds the amount due to the lender, the PHA must pay the excess directly to the family.*

15-VII.M. MOVING WITH CONTINUED ASSISTANCE

***New Policy:** For families participating in the homeownership option, requests to move will be approved and/or denied in accordance with PHA policies in Chapter 10. The PHA will not require additional counseling of any families who move with continued assistance.*

15-VII.N. DENIAL OR TERMINATION OF ASSISTANCE

***New Policy:** In order for the PHA to consider granting relief from the requirement to automatically terminate homeownership assistance 180 days following the PHA’s last housing assistance payment on behalf of the*

family, the family must submit a written request to the PHA at least 30 days prior to the date of automatic termination. The request must include an explanation of the circumstances that will cause an extreme hardship for the family (e.g., the imminent loss of income or employment) as well as documentation supporting the request. The PHA will determine on a case-by-case basis whether to grant relief from the requirement and for what period of time. In no case will the PHA postpone termination beyond an additional 90 days. The PHA will terminate a family's homeownership assistance if the family violates any of the homeowner obligations listed in Section 1, as well as for any of the reasons listed in Section 2 of Form HUD-52649, Statement of Homeowner Obligations Housing Choice Homeownership Voucher Program. In making its decision to terminate homeownership assistance, the PHA will consider alternatives as described in Section 12-II.C and other factors described in Section 12-II.D. Upon consideration of such alternatives and factors, the PHA may, on a case-by-case basis, choose not to terminate assistance. Termination notices will be sent in accordance with the requirements and policies set forth in Section 12-II.F.

Chapter 16: Program Administration

16-II.C. UTILITY ALLOWANCES

Energy Efficient Utility Allowance * New Section

New Policy: The PHA will not maintain an energy efficient utility allowance schedule.

Rationale for Change:

Staff recommends not utilizing a separate utility allowance schedule due to the administrative burden with little known benefit.

16-IV.B. REPAYMENT POLICY

Criminal Prosecution for Program Fraud/Abuse * New Section

New Policy: The PHA will consult with the HUD Field Office and regional OIG Special Agent in Charge (SAC) to determine whether it will refer the matter to the state or local district attorney to pursue criminal fraud charges.

General Repayment Agreement Guidelines for Families - No Offer of Repayment Agreement

Addition to Policy: The PHA, in consultation with HUD and local law enforcement, determine to pursue criminal charges in connection with the conduct and the amounts owed.

Exhibits 16-1 through 16-4 have been updated to the current versions of the HUD released forms.

Chapter 17: Project-Based Vouchers

NOTE: Due to FR Notice 3/13/2023 and other updated regulations, this chapter has been fully updated and is being provided as an attachment.



Chp 17
Project-Based Vouch

Chapter 18: Special Purpose Vouchers

18-I.K. PROJECT-BASING FUP VOUCHERS

Removal of the section and policy. Redirects to Chapter 17.

18-III.C. HCV PROGRAM ELIGIBILITY (VASH)**Minimum Rent * New Section**

New Policy: The PHA will establish a minimum rent of \$0 for VASH families.

18-III.H. PROJECT-BASING VASH VOUCHERS**Termination of Assistance * New Section**

New Policy: If the family fails to participate in case management when required by the VA, the PHA will terminate the family's assistance. The family will have 120 days to vacate the unit. The PHA will terminate assistance to the family at the earlier of (1) the time the family vacates or (2) the expiration of the 120-day period. If the family fails to vacate the unit within the established time, the owner may evict the family. If the owner does not evict the family, the PHA will remove the unit from the HAP contract or amend the HAP contract to substitute a different unit in the project if the project is partially assisted. The PHA may add the removed unit back onto the HAP contract after the ineligible family vacates the property.

18-IV.E. PREFERENCES (MAINSTREAM VOUCHERS)**Voucher Extension * New Section**

New Policy: At least 30 days prior to the expiration of the initial term of the voucher, the PHA will contact the family to remind them of the expiration date of their voucher, the process for requesting an extension, and to inquire if the family needs assistance with their housing search. Depending on the family's preferred method of communication, the PHA may contact the family via telephone, text message, email, or other accessible communication method. The PHA will ensure effective communication with persons with disabilities, including those with vision, hearing, speech, intellectual or other developmental disabilities, or any other communication-related disabilities.

Families may request an extension, either orally or in writing, at any time prior to the expiration of the family's voucher. All requests for extensions will automatically be granted without the requirement for the family to provide documentation. The initial extension period will be for 90 days. If the family requires additional extensions beyond 90 days, the family may request additional extensions, either orally or in writing, at any time prior to the expiration of the extended voucher term. All subsequent extensions will also be for a period of 90 days and will not require the family to meet certain circumstances or provide documentation. Each time the family requests an extension, the PHA will inquire if the family needs assistance with their housing search and will provide a current listing of available accessible units known to the PHA.

Rationale for Change:

Staff acknowledges that due to the special requirements for this voucher, additional follow up is reasonable and necessary to ensure that the clients are served at an equitable level.

18.V.D. WAITING LIST (STABILITY VOUCHERS)**SV Waiting List**

From: The PHA does not offer either a homelessness or VAWA preference for the HCV waiting list.

To: When an applicant is added to the waiting list that qualifies for the Domestic Violence/VAWA and/or Homeless/In Shelter Homeless preference and a Stability Voucher is available, the applicant family will be referred to the CoC (if the referral did not originate from the CoC) by the PHA.

Rationale for Change:

There is now a preference in place for both categories.

Glossary

B. GLOSSARY OF SUBSIDIZED HOUSING TERMS

The following additions and modification were made either due to new references in the updated plan or to provide previously missing terms.

Abatement. Stopping HAP payments to an owner with no potential for retroactive payment.

Authorized voucher units. The number of units for which a PHA is authorized to make assistance payments to owners under its annual contributions contract.

Building. A structure with a roof and walls that contains one or more dwelling units.

Independent entity. The unit of general local government; however, if the PHA itself is the unit of general local government or an agency of such government, then only the next level of general local government (or an agency of such government) or higher may serve as the independent entity; or a HUD-approved entity that is autonomous and recognized under state law as a separate legal entity from the PHA. The entity must not be connected financially (except regarding compensation for services performed for PHA-owned units) or in any other manner that could result in the PHA improperly influencing the entity.

PHA-owned unit. A dwelling unit in a project that is: (A) Owned by the PHA (including having a controlling interest in the entity that owns the project); (B) Owned by an entity wholly controlled by the PHA; or (C) Owned by a limited liability company or limited partnership in which the PHA (or an entity wholly controlled by the PHA) holds a controlling interest in the managing member or general partner. A controlling interest is: (A) Holding more than 50 percent of the stock of any corporation; (B) Having the power to appoint more than 50 percent of the members of the board of directors of a non-stock corporation (such as a nonprofit corporation); (C) Where more than 50 percent of the members of the board of directors of any corporation also serve as directors, officers, or employees of the PHA; (D) Holding more than 50 percent of all managing member interests in an LLC; (E) Holding more than 50 percent of all general partner interests in a partnership; or (F) Equivalent levels of control in other ownership structures.

Request for Tenancy Approval (RTA). A form (Form HUD-52517) submitted by or on behalf of a family to a PHA once the family has identified a unit that it wishes to rent using tenant-based voucher assistance.

Section 8 Management Assessment Program (SEMAP). A system used by HUD to measure PHA performance in key Section 8 program areas. See 24 CFR Part 985.

Small Area Fair Market Rents (SAFMRs). FMRs established for ZIP code areas.

Tenant-paid utilities. Utilities and services that are not included in the rent to owner and are the responsibility of the assisted family, regardless of whether the payment goes to the utility company or the owner. The utilities and services are those necessary in the locality to provide housing that complies with HQS. The utilities and services may also include those required by HUD through a *Federal Register* notice after providing opportunity for public comment.

Modified:

Fair market rent (FMR). The rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe, and sanitary rental housing of modest (non-luxury) nature with suitable amenities. In the HCV program, the FMR may be established at the ZIP code level (see definition of *Small Area Fair Market Rents*), metropolitan area level, or nonmetropolitan county level