



HOUSING AUTHORITY OF
THE CITY OF ERIE

**Housing Choice Voucher Program
(Section 8)
Administrative Plan**

(Month/Day/Year)

HOUSING AUTHORITY OF THE CITY OF ERIE
ERIE COUNTY, PENNSYLVANIA

HOUSING CHOICE VOUCHER PROGRAM
ADMINISTRATIVE PLAN

Revised
Board Approved
HUD Submittal

Month/Day/Year
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1. PROGRAM APPROACH AND OBJECTIVES

A. PURPOSE OF THE ADMINISTRATIVE PLAN

This Housing Choice Voucher Program Administrative Plan (“Plan”) establishes the Housing Authority of the City of Erie’s (“HACE”) discretionary policies and procedures that will be used in the administration of the Housing Choice Voucher Program (“HCV Program”) in accordance with U.S. Department of Housing and Urban Development (“HUD”) requirements. The approach to program functions contained in this Plan is applicable to admission and continued occupancy in the Housing Choice Voucher Program. The Moderate Rehabilitation Program will be administered in accordance with the approved Moderate Rehabilitation Plan. The Section 8 New Construction Management Plan will govern the operation of the Section 8 New Construction developments,

C. Ted Dombrowski and Better Housing. Other Policies and Plans that are used in the administration of HACE programs can be found at www.hace.org.

This Administrative Plan complies with the requirements of Title 24 of the Code of Federal Regulations (“CFR”) part 982.54. The goals of the Housing Choice Voucher Program are consistent with the City of Erie’s Comprehensive Plan. HACE operates within the limits of the City of Erie, Pennsylvania, except for assistance that is administered under HACE’s portability procedures.

B. OVERALL PROGRAM OBJECTIVES

The overall objectives for the Housing Authority of the City of Erie HCV Program are intended to achieve the following:

- Provide decent, safe and sanitary housing at affordable cost to very-low income families;
- Expand housing opportunities in the private rental market. Including areas of low poverty;
- Encourage participation by owners of residential units outside of areas of poverty or minority concentration;
- Encourage self-sufficiency of Program participants; and
- Assure compliance with the HUD regulations, Equal Housing Opportunity requirements, and HACE’s policies.

C. STAFFING AND ADMINISTRATIVE RESPONSIBILITY

HACE's HCV Program Department is responsible for administering the Housing Choice Voucher Program. The HCV Program operations are specialized, and the staff is assigned to perform such duties as intake; outreach to owners and families; eligibility; leasing/contracting; inspections; and income verification, including reexamination and computation of tenant rent.

The Program Coordinator, Assistant Program Coordinator and Housing Specialists handle all phases of the HCV program, including initial examinations and lease-up, annual reexaminations, interim reexaminations. Temporary staff may be assigned as needed to support departmental functions.

The Inspector is responsible for all the Housing Quality Standards (HQS) inspections for the HCV Program with the exception of quality control.

The HCV Program Coordinator reports to the Executive Director. In addition, the Executive Director, the Controller and one Accountant allocate a portion of their time to HCV Program functions.

HACE HCV Program offices are open during normal working hours of 8:30 am to 4:30 pm, Monday through Friday (except holidays). The main telephone number of HACE's HCV Program is (814) 456-2028.

D. OUTREACH INITIATIVES

Family Participation

HACE will make available information about the benefits of participating in the HCV program. Additional marketing targeted to very-low-income families will occur when the pool of available applicants on the waiting list decreases to a level that may affect the admissions of new participants or cause the Program leasing rates to decrease. Marketing may include the publication of information in local newspaper of general circulation, public announcements, radio advertisements, and/or specific marketing through "minority media".

Owner Participation

HACE will continue to encourage the participation of qualified owners of eligible affordable housing in all areas of its jurisdiction, provide assistance to HCV families to increase housing choice, and to take reasonable action to broaden area-wide housing choice. Marketing and outreach to owners are initiated by HACE through the following functions:

1. The HCV Program maintains up-to-date listings of available units and interested owners. Owners may request to be placed on the listing sheet. Owners of rental property who contact the HCV Program Office will be encouraged to list additional properties. The HCV Program staff continuously markets the Program through contacts with existing owners of HCV Program properties, general discussions designed to interest new owner participation and owner outreach symposiums.
2. Information about owner opportunities in HACE's HCV Program is obtainable by contacting the HCV Program management office. Owner's guidebooks are available to provide general Program information and to highlight the benefits of program participation as an owner.
3. General marketing by HACE may include the publication of advertisements in a local newspaper of general circulation, public announcements, radio advertisements and/or specific marketing through "minority media".

E. ELIGIBLE TYPES OF HOUSING

The HCV Program provides participants with the opportunity to choose affordable private-market housing that meets their needs. The following types of housing may be selected by participants of the Housing Choice Voucher Program (unless otherwise designated) and are considered approvable by HACE.

- Single-family residences, duplexes, low-rise and garden apartments, townhouses and high-rises.

HACE also approves the following special housing type in the HCV Program:

- Single Room Occupancy (SRO) units as defined in 24 CFR 982 sub-part M.

In general, HACE is not required to permit use of special types of housing in its program. However, HACE will permit use of any special housing type if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities in accordance with 24 CFR Part 8.

F. REGULATIONS GOVERNING THE PROGRAM

The HCV Program is governed by HUD Handbook 7420.7, where applicable, federal regulation (24 CFR parts 5, 982 and 985), HUD Memos, PIH Notices, HUD guidelines and/or other applicable law. If any amendments to HUD's rules, regulations or guidelines conflict with this Plan, such rules, regulations or guidelines will supersede.

G. EQUAL OPPORTUNITY REQUIREMENTS

HACE complies with all applicable federal, state and local nondiscrimination and equal opportunity laws including the Fair Housing Act; Title VI of the Civil Rights Act of 1964; the Age Discrimination Act of 1975; Executive Order 11063; Section 504 of the Rehabilitation Act of 1973; and Title II of the Americans with Disabilities Act and HUD'S Equal Access Rule 24 CFR 5.106.

The Housing Choice Voucher program requires all compliance with all equal opportunity requirements imposed by contract or federal law, including the authorities cited at 24 CFR 5.105(a) and Title II of the Americans with Disabilities Act, 42 U.S.C. 12101, et seq.

HACE prohibits discrimination based on race, color, religion, gender, age, national origin, disability or family status, and provides housing without regard to perceived sexual orientation, gender identity or marital status.

HACE's administrative office is accessible to persons with physical disabilities. The main telephone number of HACE is (814) 452-2425. Hearing impaired individuals may contact HACE at (814) 455-1797 which is a TDD/TDY/Voice telephone number, or Dial 711 for the PA Relay Service as indicated in this section.

Information on housing discrimination will be provided to each eligible applicant included in their voucher briefing packet. If a family claims that illegal discrimination has prevented them from finding or leasing a suitable unit under the Program, HACE will provide the family with information on how to complete and file a housing discrimination complaint.

Owners of property assisted under the HCV Program must comply with all federal, state and local equal opportunity and fair housing laws, including the Fair Housing Act. An owner who violates these laws will be deemed to be ineligible for participation in the HCV Program and may be subject to prosecution.

Special Needs and Reasonable Accommodation

HACE will make every effort to reasonably accommodate persons with documented special needs as mandated by the Americans with Disabilities Act, 42 U.S.C. 12101 et seq. These efforts will be made for all persons with whom HACE conducts business including both applicants and tenants in accordance with 24 CFR Part 8. Section 504 of the Rehabilitation Act of 1973 as amended and HACE's Reasonable Accommodation Policy.

Additional actions, which may be taken, include but are not limited to:

1. Additional telephone calls to accommodate the special needs
2. Scheduling additional appointments

3. Contacting a family member, case worker or other person who assists the family, with the applicant/participant's prior permission
4. Providing alternate equally effective forms of communication Home visits
5. Communications using email or text messaging
6. The use of a TTD/TTY telephone number
7. PA Relay Service Dial 711 or the below toll-free numbers:
 - TTY: 1-800-654-5984
 - Voice: 1-800-654-5988
 - Speech-to-Speech: 1-800-308-9292
 - Spanish: 1-844-308-9291

Documented Special Need – must be a signed statement, from a qualified professional who is familiar with the individual (applicant or resident) and their disability, indicating that the individual would benefit from the accommodation.

The Housing Authority of the City of Erie is committed to the Fair Housing Act, which among other things, prohibits discrimination against person with disabilities. In accordance with our statutory responsibilities and management policies, we will make reasonable accommodations in our rules, policies, practices, or services, when such accommodations may be necessary to afford persons with disabilities an equal opportunity to be able to use and enjoy their housing community.

HACE Reasonable Accommodation Policy states the process to request a reasonable accommodation can be found at www.hace.org.

If at any time a family is uncooperative with HACE's efforts with respect to reasonable accommodation, HACE will take action in accordance with the regular operating policies and procedures of HACE, including those contained within this Plan.

H. PRIVACY STATEMENT

It is the policy of HACE to facilitate the privacy of individuals conferred under the Privacy Act of 1974, and to ensure the protection of such individual's records maintained by HACE.

Therefore, unless it is required or permitted by law, HACE shall not disclose any personal information contained in its records to any person or agency unless the individual about whom information is requested gives HACE written consent to such disclosure.

This privacy policy in no way limits HACE's ability to collect such information as it may need to determine eligibility, compute rent or determine an applicant's suitability for tenancy.

2. ELIGIBILITY AND ADMISSION

A. APPLICANT ELIGIBILITY

Eligible families are admitted to the HCV Program based upon family composition, income limits, citizenship and other criteria as defined by HACE and HUD.

1. Eligibility Criteria

To be eligible for admission for participation, an applicant must meet the criteria for eligibility determination as established by HUD, as well as any additional criteria established by the Housing Authority of the City of Erie.

HUD has established the following basic factors for eligibility:

- Family Composition
- Income Limits
- Citizenship and eligible non-citizen status
- Admission criteria relevant to prior history in any HUD-assisted programs and criminal history checks.

2. Factors for Determining Eligibility

The family's eligibility for placement on the waiting list will be based on the following factors and will not be verified until selection from the applicant pool for housing assistance is made. A family is defined as a **person or group of persons**:

- a. Regularly living together, related by blood, marriage, adoption, guardianship, evidencing a stable relationship, operation of law; or an elderly family, single person, single pregnant woman with no other children, or a displaced person, as defined by HUD;
- b. Whose annual income, at the time of admission, does not exceed the income limits for occupancy as established by HUD and posted separately in HACE's offices;
- c. Who meet or exceed the screening criteria; and
- d. Other individuals, including foster children, live-in aides, and members temporarily absent, may be considered to be a part of the family group if they are living or will live regularly with the family. (Refer to Chapter 9 of this plan.)

3. Income Limits

Applicants must qualify for admission to the HCV Program based upon total annual income for all members of the household family. Eligibility is determined using the following income categories:

a. Extremely-low-income families (Income Targeting Eligible)

Families whose incomes, at the time of admission, do not exceed 30% of the area median income. Seventy-five (75%) of all new admissions to the HCV Program will be in this category.

b. Very-low-income families

Families whose income, at the time of admission, do not exceed the very-low-income limits established by HUD, but are greater than the extremely-low-income limit.

c. Low-income families

Families whose incomes, at the time of admission, do not exceed the low-income limit established by HUD and must meet reasons identified in 24 CFR 982.201 (b), (ii), (iii), (iv), (v) & (vi).

4. Citizenship

An applicant must be eligible as a Citizen of the United States or a Non-Citizen who has eligible immigration status as determined in accordance with 24 CFR part 5 Subpart E. Citizens of the Republic of Marshall Islands, the Federated States of Micronesia and the Republic of Palau who are eligible for assistance, are entitled to receive a preference for housing assistance, except that within Guam, such persons are not entitled to housing assistance in preference to any United States Citizen or national resident.

A Declaration of Citizenship Status form must be signed for all family members, including children. Verification of eligible citizenship status will be conducted upon receipt of the final application.

5. Other Criteria

All applicants and participants of the HCV Program must meet other specific eligibility criteria. HACE will perform criminal history background checks in PA and nationally to include where household members are known to have resided, in accordance with 24 CFR 5.856. Police reports may also be used for verification

The Housing Authority of the City of Erie may deny program assistance to an applicant (or may terminate participation for a participant) if any one of the following occurs:

- a. Any member of the family has been evicted from any public housing, Indian housing, Section 23 or any HCV Program because of drug-related criminal activity as defined in 24 CFR 982.4, or if any member of the family has been evicted from public housing for any other reason in the **past 7 years**. The 7 year period shall begin on the date of such eviction. HACE will obtain verification from the Public Housing Authority (“PHA”) or the owner of federally assisted housing if applicable.
- b. Any PHA has terminated program assistance for violation of family obligations or program regulations under the Voucher program by any family member in the **past 7 years**. HACE will obtain verification from the PHA if applicable.
- c. **Any member of the family has committed drug-related criminal activity or violent criminal activity within the past 7 years as defined in 24 CFR 982.4.**
- d. Any family member, in the **past 7** years, has demonstrated a pattern of the abuse of alcohol or a pattern of illegal use of a controlled substance that may interfere with the health, safety or right to peaceful enjoyment of persons residing in the immediate vicinity of the residence (neighbors). If HACE has reason to believe that a detrimental pattern exists, additional inquiry may be initiated through such resources as police and medical records (if available) to determine if there is a threat to the health, safety or right to peaceful enjoyment of neighbors.
- e. Any family member has ever been convicted of manufacturing or producing methamphetamine on the premises of a federally assisted housing development or unit in violation of any federal or state law. These individuals will be permanently denied admission to HACE’s HCV Program.
- f. Any member of the family commits serious violent crimes as follows:
 - Any member has ever been convicted of a major felony such as: murder, rape or terrorism, but not necessarily limited to these items, shall be denied housing for a **period of 10 years** from date of such **conviction**;
 - Has ever been convicted of any form of sexual crime, or crimes against minor children, or have a history of arrests for any form(s) of sexual crime or crimes against minor children shall be denied housing for a period **of 10 years** from date of such **conviction**; or
 - Any member has ever been convicted as a sex offender and subject to a lifetime registration with federal, state or local law enforcement agencies. These individuals will be permanently denied admission by HACE.
- g. There is a history of criminal activity on the part of any applicant family member involving crimes of physical violence to persons or property and other criminal acts which would

- h. affect the health, safety and welfare of other residents, including but not limited to arrest or conviction for drug-related offenses. Any member of the family has ever engaged in or threatened abusive or violent behavior toward HACE personnel.
- i. There is a record of disturbance of neighbors, destruction of property, or, living or housekeeping habits at prior residences which may adversely affect the health, safety and welfare of other residents or neighbors.
- j. Any family member has committed any fraud, bribery or other corrupt or criminal act in connection with any federal housing program.
- k. The family currently owes rent or other amounts to HACE or for any previous tenancy in HUD-assisted housing programs.
- l. The family has breached an agreement with HACE to pay amounts owed to HACE, or amounts paid to an owner by HACE.
- m. The family has not reimbursed a PHA or other federally subsidized programs for amounts paid to an owner under a HAP contract for rent, damages to the unit (contracts effective prior to 10-2-1995) or other amounts owed by the family under the lease.
- n. Any member of the family fails to sign and submit the required consent forms for obtaining information, including form HUD 9886.
- o. Other reasons are required by HUD regulations or other applicable law.

6. Protections under the Violence Against Women Act

The Violence Against Women and Justice Department Reauthorization Act of 2017 (VAWA) is a gender neutral protection for the victims of domestic abuse. Accordingly, victims of domestic abuse will not be discriminated against during the application process with regard to eligibility, or have penalties regarding continued participation/tenancy if a household member is the victim of domestic violence, dating violence, sexual assault and stalking.

HACE may not consider incidents of domestic violence, dating violence, sexual assault and stalking as serious or repeated violations of the lease or “good cause” for termination of assistance, tenancy, or occupancy rights of the victim of abuse.

HACE may not consider criminal activity directly relating to abuse, engaged in by a member of the tenant’s household or any guest or other person under the tenant’s control, cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant’s family is the victim or threatened victim of that abuse.

HACE may request, in writing, that the victim, or a family member on the victim's behalf, certify that the individual is a victim of abuse and that the form HUD-5382 Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, and Alternate Documentation or other documentation as noted on the certified form, be completed and submitted with 14 days, or an agreed upon extension date, to receive protection under VAWA. Failure to provide the certification or other supporting documentation with the specified timeframe may result in eviction or the termination of rental assistance.

All HACE tenant's/participants will sign a Lease Addendum (Form HUD-91067) informing them of their rights under VAWA.

7. Evidence of Criminal Activity

HACE will deny assistance to a family based upon drug-related criminal activity, violent criminal activity, or alcohol abuse if the preponderance of evidence indicates that a family member has engaged in such activity, regardless of whether the family member has been arrested or convicted.

HACE will use the preponderance of evidence definition in Black's Law Dictionary, which is:

"Evidence which is greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not."

8. Eligibility Exceptions

- a. HACE may not deny admission to the HCV Program for a family member's drug-related criminal activity if the family member can demonstrate the following:
 - 1) has an addiction to a controlled substance, has a record of such impairment, or is regarded as having such an impairment; and
 - 2) has recovered from such addiction, does not currently use or possess controlled substances, and;
 - Has successfully completed a supervised drug or alcohol rehabilitation program;
 - Has otherwise been rehabilitated successfully; or
 - Is participating in a supervised drug or alcohol rehabilitation program.

- b. HACE will not deny the admission to the HCV program for a family member's drug-related criminal activity, violent criminal activity or alcohol abuse if the family member involved in such activity or abuse is no longer a member of the household.
- c. However, HACE shall permanently deny admission to any individuals convicted of manufacturing or producing methamphetamine on the premises of a federally assisted housing development or unit in violation of any federal or state law.

B. WAITING LIST

1. Waiting List Maintenance

The HCV Program of HACE maintains a separate waiting list from its Public Housing Program. HACE utilizes a random lottery system to position applicants on the final HCV waiting list. The Authority will determine a reasonable period for the opening and closing of applications. HACE will not accept applications prior to the opening and after the closing of the enrollment period. Applicants are selected from the waiting list in numerical order from lowest to highest. Only after a final application is completed will a determination be made on an applicant's eligibility.

Applicants must inform HACE of any changes to information listed on the application (e.g., address, phone number, email). Failure to notify HACE of such changes may result in the applicant's removal from the waiting list.

At minimum, the waiting list will contain the following applicant information:

- a. Applicant name, address and Social Security Number
- b. Family members
- c. Date of application
- d. Racial and ethnic designation of head of household
- e. Lead-Safe Housing Preference for local families with children

2. Cross Listing

If HACE's waiting list for the Public Housing Program is open when an applicant is placed on the waiting list for its HCV Program, the applicant can request to complete a Public Housing preliminary application.

3. Opening/Closing of the Waiting List

If HACE is taking application on an open-enrollment basis and decides to close the waiting list, HACE will do so in accordance with HUD regulations.

If the waiting list is closed and HACE decides to open the waiting list, HACE shall publicly announce the opening in the manner provided in 24 CFR 982.206. During the period when the waiting list is closed, HACE will not maintain a list of individuals who wish to be notified when the waiting list is reopened.

4. Removing Names from the Waiting List

HACE will remove the name of an applicant from the HCV waiting list when there is no response to a request for additional or updated information. Such a request will be made by HACE in writing and addressed to the applicant at their current or updated address listed on the application. The request will include a deadline date and notice of removal from the waiting list for non-compliance. If there is no response within 14 days, HACE will notify the applicant, by mail, that their request for housing assistance is denied. The notice will also inform the applicant of their opportunity for an Informal Review.

If an applicant's failure to respond to a request for information or update was caused by their verified disability, HACE will provide reasonable accommodation to give them an opportunity to respond.

An applicant may remove their name from the waiting list by requesting that their application be cancelled. Such request must be made in writing to HACE. Subsequent to cancellation, an applicant may reapply when the waitlist enrollment period is open again, but will not be given consideration for their position on the waiting list under their previous application.

5. Funding Limitations

If HACE does not have sufficient funds to subsidize the family unit size of the family at the top of the waiting list, HACE will **not** skip the top waiting list family in order to admit an applicant family with a smaller family unit size that can be immediately supported with available funding.

C. APPLICATION PROCESS

1. Application Policy

The policy of HACE is to treat all applicants in a fair and consistent manner. All families who are interested in applying for HACE's Housing Choice Voucher Program must complete a preliminary application when enrollment is open. HACE maintains a single waiting list for the HCV Program.

Any family who has failed to pay an outstanding balance consisting of uncollected rent and/or miscellaneous charges owed to HACE or any other federally funded housing program will be permitted to complete an application. However, an initial determination of ineligibility will be made based upon such debts owed.

2. Preliminary Application

To participate in the HCV Program, families must make a preliminary application to HACE using the forms prescribed by HACE and HUD. A prospective applicant can obtain an application from HACE HCV Program office or apply on the website during the open enrollment period. Instructions are provided with the announcement. Applicants will be notified by mail of their position on the waiting list.

3. Final Application

When an applicant has reached the top of the waitlist and is selected to process their application, a final application packet will be mailed to complete and provide necessary documentation on date instructed. Communication may be conducted by phone, mail, in person or other means acceptable to HACE.

The final application packet must be completed and signed by the head-of-household, spouse and all other adult members. Applicants who submit applications or related documents that are incomplete and/or unsigned will be considered to be ineligible for placement on the waiting list.

If the packet is returned to HACE (e.g. unknown address, vacant, etc.) or there is no response by due date, the application will be purged from the waitlist.

If the applicant is removed from the waiting list because of their failure to respond was due to a verified disability, HACE will reinstate the applicant to their former position on the waiting list.

All adult members must sign the Release of Information Forms for the application to be considered complete.

Applicants will be required to provide the following information during the processing of the final application:

- Annual income;
- Asset information;
- Family Composition and proof of age of all family members; (e.g.: Birth Certificates)
- Medical Expenses (disabled and/or elderly);
- Social Security Cards for all members;
- Verification of citizenship and/or eligible non-citizen status;
- Verification of disability status;
- Photo Id for adults 18 years and over; and
- Other information HACE may require to determine eligibility.

HACE will make special accommodations to assist an applicant with a disability to complete an application. An application in accessible format may be made available at the request of the person with a disability.

4. Notification of Eligibility for Participation

Upon completion of the final application and the information contained therein, the applicant will be sent one of the following:

- a. If the applicant meets the eligibility criteria, a letter will be sent, which will indicate, based upon the application submitted, that they appear to qualify for participation in the HCV program. They will also receive an extended Voucher briefing packet.

Normally, upon notice of eligibility, an applicant will receive information regarding a voucher briefing. In the event that HACE is in a shortfall (a time when funding utilization exceeds funding received by HUD), applicants will receive notification of eligibility only.

Applicants who received a determination of eligibility during shortfall, will be issued vouchers in application number order when additional funding is available to HACE.

- b. Applicants who are determined to be ineligible or unsuitable for admission will be notified promptly by mail or other suitable means such as email of HACE's decision. These applicants will receive a Notice of Ineligibility from HACE stating the basis for such determination. HACE shall provide such applicants with an opportunity for an informal review of the determination. The applicant must contact HACE in writing within 14 days of receipt of the Letter of Ineligibility. Upon timely receipt of the applicant's request for review, HACE will schedule the informal review. The review shall occur within a

reasonable time frame following the determination of ineligibility or unsuitability. The Letter of Ineligibility to the applicant will include the reason for the determination. Applicants determined ineligible for violent criminal activity or drug related activity as a result of the informal review, will be considered ineligible to reapply for a period of 1 year. Applicants denied for other reasons may reapply based upon the decision issued at the review.

After the ineligibility period has expired, applicants may reapply for housing subject to the conditions described in these policies.

- c. In the event the family is ineligible due to non-citizen status, HACE will notify the family in writing of ineligibility. The letter will inform them of their right to a Department of Homeland Security (DHS) appeal and/or PHA Informal Review and other applicable requirements of 24 CFR 5.5.

In the event of a subsidy short fall, HACE will be unable to select applicants and process waitlist eligibility determinations until funding is available. Applicants who were in process before the short fall will receive eligibility determinations (refer to 4a).

D. INCOME TARGETING

All information on the application will be verified when HACE estimates that a Voucher can be issued within 60 days. A family will not be selected for admission until verification of all required information has been provided.

To assure compliance with §513 of the Quality Housing and Work Responsibilities Act of 1998, families will be selected from the waiting list based upon Income Targeting requirements in accordance with the following:

1. Selection will be made based upon HACE's obligation that at least seventy-five percent (75%) of all new admissions to the HCV Program do not have incomes that exceed 30% of the area median income;
2. HACE will monitor admissions every 6 months to determine compliance with the 75% Income Targeting requirement; and
3. HACE will admit families to the HCV Program to comply with the Income targeting requirement and may adjust the waiting list selection to do so.

At any time HACE may, at its sole discretion and without notice, adjust the selection of Income Targeting Eligible families to an amount between 75% and 100%, if it has determined, that an insufficient number of household incomes do not exceed the 30% area median income.

Where necessary, a request will be made to HUD by HACE to establish and implement different targeting standards, for “good cause”, in accordance with HACE’s Agency plan. “Good cause” may include, but is not limited to, the requirement to house eligible families as special non-waiting list admissions and the treatment of the family’s income for the purposes of eligibility and Federal Income Targeting.

E. PREFERENCES

Families who qualify for a Preference, as defined in this section, will be admitted prior to families who do not have a Preference. All Preferences will be rated as equal, having no individual weight or aggregate value for multiple preferences. HACE will place families on the waiting list by application number, and by the Preferences as described below:

a. Special Lead-Safe Housing Preference for Local Families with Children

Any applicant family who currently resides in a unit which has been selected for the HUD-funded Lead Hazard Control Program operated by the Redevelopment Authority of the City of Erie and who:

- Has, as one of its members, a child under 6 years of age; and
- Resides in the City of Erie

b. Youth to Independence (FYI) Voucher Preference

An eligible FYI participant who has completed their 36 month voucher term may be eligible for a HCV preference on the waiting list.

F. PREFERENCE DENIAL

A preference does not guarantee admission. The applicant must meet all HACE tenant screening criteria before being selected as a tenant.

If the applicant’s Special Lead-Safe Housing preference cannot be verified, the applicant will be placed back on the waiting list in their original position and notified of the preference denial and given the opportunity for an informal review.

If an FYI participant whose voucher has terminated and is denied a preference for a HCV, the participant will be notified of the preference denial, and given the opportunity for an informal hearing.

G. SPECIAL ADMISSIONS (NON-WAITING LIST SELECTION)

A special admission is the admission of an applicant who is not on HACE's waiting list or who is admitted without consideration of the applicant's waiting list position. HACE will admit families as special admissions under the following conditions:

1. If HUD awards funding that is targeted for families living in specified units:
 - HACE will use the assistance for the families living in these units; and
 - HACE will maintain records showing that a family was admitted with HUD-targeted assistance.
2. HACE will admit a family who is part of a HUD Office of Inspector General ("OIG") witness protection program, provided that the OIG furnishes a written threat assessment that recommends re-housing the family to avoid or minimize risk of violence against family members as a reprisal for providing information.

H. FOSTER YOUTH TO INDEPENDENCE INITIATIVE VOUCHERS (FYI)

FYI vouchers are reserved for youth ages 18 and not more than 24 years old, who have left foster care or will be leaving foster care within 120 days and are at risk of becoming homeless.

FYI vouchers will be requested from HUD on an as needed basis as referred applicants apply for housing. Referrals to HACE are only available for individuals who qualify through the Erie County Office of Children and Youth.

If a referred applicant is currently on the HCV waitlist, they will be selected in order of their position on the HCV waitlist in accordance with HACE admission policies. Their application cannot be removed, cancelled or withdrawn, in anticipation of a FYI voucher availability.

If HACE HCV waitlist is closed, it will reopen and close, to accept an FYI applicant youth, without opening the waitlist for other applicants.

FYI applicants are subject to the same screening procedures and eligibility requirements as an HCV applicant. If eligible, they will be offered a voucher once HACE receives approval from HUD. If ineligible, they can request an Informal Review (see chapter 12).

The family will have a maximum of three (3) years to use the voucher. At the end of 3 years, the voucher will be given to another FYI qualified applicant or turned back into HUD. If there is an HCV available at the time of the FYI voucher expiration HACE or another Housing Authority may absorb the tenant into their HCV program.

Portability requirements for a FYI voucher are the same as HACE's standard HCV with one exception. HACE has elected to waive the 1st year residency within the City of Erie so that FYI applicants may port to Erie County immediately when they receive their voucher. Other than porting to the County, a FYI voucher holder must reside within the City of Erie for 1 year before porting elsewhere.

I. VASH

HACE administers vouchers specifically for homeless Veterans and their families who are referred by the Veterans Affairs Medical Center (VAMC). The VAMC maintains the VASH waitlist and conducts their screening for eligibility, prior to a written referral for a voucher. HACE is required to verify a Lifetime Sex Offender registration and income limits for determination of eligibility. After admission, a participant who wishes to add another household member, will be subject to the HCV standard screening criteria.

VASH vouchers are portable to any Housing Authority that administers HCV's. As part of the VASH voucher requirement, the Veteran must agree to comply with required case management activities through the VAMC or the voucher may be terminated.

3. VERIFICATION, INCOME AND DETERMINATION OF TTP

A. VERIFICATION POLICY

1. Third-Party Verification

HACE will require that all applicants and participants sign HUD and HACE required Release and Consent forms for the purpose of obtaining independent verifications pertaining to eligibility and rent determinations. Third-party written verification will be requested by HACE to the extent that such verification is possible. In cases where appropriate third-party verification cannot be used, HACE will document the file as to why another method was used. HACE will attempt to obtain all verifications for the purpose of determining anticipated income and expenses for the subsequent 12 month period. Enterprise Income Verification (EIV) as accessed in accordance with HUD requirement shall be the first source of third-party verification to the extent that such information is available. HACE, at its discretion, may use other HUD-allowed variations applicable to this verification policy.

In accordance with 24 CFR §982.516(a)(2), HACE will make very reasonable attempt to obtain and document in the applicant/participant file third party verification of the following factors:

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

HACE will use the most effective third party verification techniques available and will apply them in the priority order listed below:

- a. **Upfront Income Verification (UIV) (Priority 1):** 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.

HUD's Enterprise Income Verification (EIV) system shall be the first choice of Upfront Income Verification to be used in its entirety to verify tenant income and employment information.

HACE may use other UIV resources including, but not limited to:

- Private sector databases (e.g., The Work Number)
- State government databases

- b. Written Third Party Verification (Priority 2):** An original or authentic document generated by a third party source dated either within the sixty (60) day period preceding the reexamination or HACE request date. Such documentation may be in the possession of the tenant (or applicant), and is commonly referred to as tenant-provided documents. HACE 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, government award letters, medical bills, income tax documents, checks, bank statements, payroll reports or other documents that would provide information as to applicable current or ongoing amounts received or disbursed by the family. HACE staff will review and determine the validity and/or accuracy of the document. Government checks will not be photocopied but will be documented by HACE. In all instances, current acceptable tenant-provided documents must be used for income and rent determinations.

HACE will obtain at a minimum, two current and consecutive pay stubs for determining annual income from wages. For new income sources or when two pay stubs are not available, HACE may project income based on the information from a traditional written third party verification form or the best available information.

Note: Documents older than 60 days are acceptable for confirming effective dates of income.

- c. Written Third Party Verification Form (Priority 3):** Also known as traditional third party verification, it 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). HACE shall send the form directly to the third party source by mail, fax or email.

- **Mail documentation** of a request by HACE, mailed directly to an appropriate individual authorized to report applicable information of the family member, and returned directly to HACE.
- **Facsimile-transmitted documentation** directly issued to HACE which has been signed or certified by an appropriate individual authorized to complete such verification.
- **Email documentation** directly transmitted to HACE that contains an identifiable email address from which it originated, and indicates the appropriate individual and entity requested to verify the information; or an attached file that contains the requested information that clearly indicates authenticity. This verification method will be used by HACE where UIV and Written Third Party Notification (Priority 2) information is not available, or to obtain additional information necessary to accurately verify information received in higher priority categories.

- d. **Oral Third Party Verification (Priority 4):** through contacts made by telephone or in person, to an appropriate third party. HACE staff member will document the facts obtained, the date and time of the contact, the specific party who provided the information, and other data on a form prescribed HACE.

This verification method is used in the event that either two attempts have been made to obtain any written third-party verification without success, or third party verification is not possible.

2. **Non-Third-Party Verification**

Where third party verification is not available or where HACE has made numerous attempts to obtain the required verifications with no success, or in instances where 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, HACE will document in the family file as to the reason(s) why third party verification was not available. The tenant will then be required to submit the following:

- **Self-Certification:** by the applicable family member who provides a notarized statement or affidavit that indicates the item(s) to be verified. This form of verification will be used when all other methods are not possible.

3. **Citizenship Verification**

Participation in the HCV Program is restricted to citizens or eligible non-citizens of the United States. Citizens of the Republic of Marshall Islands, the Federated States of Micronesia, and the Republic of Palau who are eligible for assistance as non-citizens, are entitled to receive a preference for housing assistance, except that within Guam, such persons are not entitled to housing assistance in preference to any United States citizen or national resident.

If the Declaration of Citizenship/Eligible Non-Citizen Status indicates that verification must be done, HACE will request information from DHS. This information will be requested first through "SAVE" procedure, then secondary verification if "SAVE" does not verify eligible status. Note: This verification is only to be done prior to admission unless a new family member joins the family.

If it is determined that a family has an ineligible family member, assistance will be offered on a pro-rata basis in accordance with HUD Handbook 7465.7. Failure to accept pro-rated assistance will result in denial of assistance and the family will be removed from the waiting list. The verification of citizenship will occur only once for each member of the household.

4. HUD's EIV System

HUD's EIV system will also be used to verify if the family is being assisted under a HUD rental assistance program at another location or has a past due balance at another location. HACE staff will refer to HACE's EIV policy for guidance.

B. INCOME, ASSETS AND INCOME EXCLUSIONS

1. Income

For the purpose of determining tenant rent and assistance payments in the Housing Choice Voucher Program, income is considered to be the annual income of all family members, monetary or not, which go to, or are on behalf of, the family, head or spouse, or any other family member; or are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and as defined in 24 CFR 5.609. This definition includes income earned on tangible and intangible asset(s) held by any family member, such as interest, dividends and other net income of any kind from real or personal property.

2. Assets

Other than income, assets are also used to determine an applicant's rent. Assets include the following but are not limited to:

- Savings accounts;
- Checking accounts;
- Equity in real property;
- Stocks, bonds and treasury notes; and/or
- Whole life insurance policies.

Any asset valued at \$5,000 or less will be verified the 1st year and every 3rd year thereafter. However, verification of asset valued over \$5,000 can be made through any third party means in accordance with section A of this chapter.

3. Income Exclusions and Deductions

Certain income will be excluded when determining annual income of the family. HACE will exclude from its annual income determinations those amounts identified in 24 CFR 5.609 (c) and those amounts established by HUD in the following categories:

Deductions

- Exemption for elderly or disabled families;
- Medical expenses for elderly or disabled families;
- Auxiliary apparatus and attendant care expense for a member of the family who has a disability;
- Child care expenses; and
- Exemption for minors, students or persons with disabilities.

Exclusions

- Earned income of minors;
- Income of an eligible live-in aide; and
- Other amounts as defined in 24 CFR 5.609(c).

Eligible child care expenses will be limited to the lesser **of the amount** earned by the family member enabled to work. Where more than one family member works, HACE will assume, for the purpose of determining this limitation, that the child care expenses enables the lowest paid individual to work.

C. TOTAL TENANT PAYMENT AND MINIMUM RENT

1. Total Tenant Payment

HACE will calculate the Total Tenant Payment (“TTP”) of all participants in the Voucher Program in accordance with 24 CFR 5.628. The TTP is used to calculate the tenant rent in the Voucher Program.

2. Minimum Rent

HACE has established a minimum rent of fifty dollars (\$50) for Program **participants**. HACE will grant an exemption from the minimum rental amount in cases of family hardship for any of the following:

- a. The family has lost eligibility, or is awaiting an eligibility determination, for a federal, state or local assistance program, including a family that includes a member who is a **non-citizen**, lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled for public benefits but for Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996;
- b. The family would be evicted as a result of the imposition of the minimum rent requirement;

- c. The income of the family has decreased because of changed circumstance, including loss of employment;
- d. A death in the family has occurred;
- e. Other valid reasons approved by HACE on a case-by-case basis.

Families will be eligible for the hardship exemption only if the hardship is reported in writing to HACE. HACE will exempt the family beginning the month following the month in which the exemption was requested. Verification will be conducted and HACE will determine eligibility based upon the above-listed factors and HUD regulations.

- a. A temporary hardship is 2 months at minimum rent and must be reimbursed to HACE.
- b. A permanent hardship is over 2 months. The minimum rent will not be required to be reimbursed to HACE.

3. Zero Income

In any instance, if a family reports that it has no income being received by family members, HACE will require that the family report and certify every 90 days following the initial reporting date as to the total household income. HACE may make further investigation into the family's information, if it appears that the family is receiving unreported income as defined in 24 CFR 5.609.

To establish any non-monetary contributions received by the family, HACE will require the completion of the "Zero Income Questionnaire".

4. Utility Allowances

A Utility Allowance Schedule will be developed by HACE for the Voucher Program. This Utility Allowance Schedule will be calculated using actual rates and average consumption estimates provided by the local utility companies. These allowances will be reviewed annually. New allowances will be issued whenever rates have been increased or decreased by at least 10% cumulatively.

For utilities paid by the family, HACE will include a utility allowance in the calculation of the family's share of rent. The utility allowance is used in determining the monthly Housing Assistance Payments (HAP) in the Housing Choice Voucher Program.

5. Utility Assistance Payments

HACE will pay on behalf of the tenant, an amount by which the housing assistance payment exceeds the rent to owner, directly to the utility company for gas, electric or

water/sewer/trash. A Utility Assistance Payments (“UAP”) check will be issued at the beginning of each month. It shall be the responsibility of the tenant to provide a utility account number.

4. BRIEFINGS AND VOUCHER ISSUANCE

A. BRIEFINGS

Housing Choice Voucher Briefing

When a family is to be issued a Voucher, they will receive an extended Voucher Briefing packet. The voucher packet is a step by step guide to leasing an apartment. The family is required to view the HACE HCV Briefing on our website in coordination with the packet.

The voucher briefing will also inform the family on how the HCV Program works including recertifications and interims, Housing Quality Standard Inspections, family and owner responsibilities, and where a family may lease a unit inside or outside HACE's jurisdiction. The family is issued their Voucher with the packet.

Voucher Briefing Packet Information

The applicant will be provided at a minimum the following materials:

- a. A Voucher packet containing items required by 24 CFR 982.301(b);
- b. Printed power point of the webinar.
- c. Instructions for submitting a unit
- d. RFTA, Amenities form and the HUD Tenancy Addendum
- e. Utility Allowance schedule
- f. City of Erie census tract
- g. A current list of available units and interested owners
- h. Requirements to reporting changes in family income and circumstances
- i. The HUD brochure, [A Good Place to Live](#)
- j. HUD Lead-Based Paint Brochure/Notification
- k. FSS Program brochure
- l. VAWA
- m. Fair Housing Equal Opportunity (FHEO) housing discrimination
- n. LGBTQ Equal Access to HUD Programs
- o. HACE Move-in/Move-out Checklist

Required Viewing of Voucher Briefing

The family is required to self-certify that they completed watching the video by submitting an email or written statement along with their voucher number. Failure to submit this certification will void submissions of RFTA's.

Expanded Housing Opportunities

The Housing Authority of the City of Erie includes with each voucher orientation packet a Housing Resource list that includes the names and telephone numbers of owners who are offering housing units throughout Erie.

HACE will assist families in negotiations with owners and provide any other recommendations relative to the families' needs for housing.

B. FAMILY OBLIGATIONS

The Voucher Program family must comply with the obligations described in 24 CFR 982.551 as identified in their signed Housing Choice Voucher, and as listed herein:

Providing Required Information

- The family must **provide** any information that HACE or HUD determines is necessary in the administration of the Program.
- The family must **provide** any information requested by HACE or HUD for use in a regularly scheduled reexamination or interim examination of family income and composition in accordance with HUD requirements.
- The family must **provide** and verify social security numbers, and must sign and submit consent forms, in accordance with 24 CFR part 5 subpart B.
- Any information provided by the family must be true and complete.

HQS Breach Caused by the Family

- The family is responsible for an HQS breach caused by the family as described in 24 CFR 982.404(b).

Allowing PHA Inspection

- The family must allow HACE to inspect the unit at reasonable times and after reasonable notice.

Violation of Lease

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

Family Notice of Move or Lease Termination

- The family must notify HACE and the owner before the family moves out of the unit or terminates the lease upon notice to the owner.

Owner Eviction Notice

- The family must promptly give HACE a copy of any owner eviction notice.

Use and Occupancy of the Unit

- The family must use the assisted unit for residence by the family, and the unit must be the family's only residence.
- The composition of the assisted family residing in the unit must be approved by HACE.
- The family must promptly notify HACE if a family member no longer resides in the unit.
- If HACE gives approval, a foster child or a live-in aide may reside in the unit.
- Members of the household may engage in legal profit-making activities in the unit, but only if such activities are incidental to primary use of the unit for residence by members of the family.
- The family must not sublease or sublet the unit.
- The family must not assign the lease or transfer the unit.

Absence from Unit

- The family must supply any information or certification requested by HACE to verify that the family is living in the unit, or relating to the family's absence from the unit, including any requested information or certification regarding the purposes of family absences.

Interest in Unit

- The family must not own or have any interest in the unit.

Fraud and Other Program Violation

- The members of the family must not commit fraud, bribery or any other corrupt or criminal act in connection with the Program.**Crime by Family Members**
- The members of the family may not engage in drug-related criminal activity or violent criminal activity.

Other Housing Assistance

- An assisted family, or any member of the family, may not receive HCV tenant-based assistance while receiving another housing subsidy, for the same unit, or for a different unit under any duplicative federal, state or local housing assistance program.

C. SUBSIDY STANDARDS

The unit size indicated on the Voucher issued to the family will be based on the following subsidy standards criteria:

1. Head of Household and spouse or persons engaged in any form of spousal relationship, will be assigned one bedroom.
2. All family members of the same gender will be assigned so that two persons will share the same bedroom. However, HACE has the discretion to separate same gender children that are 5 years apart.
3. Opposite gender persons may not be required to share the same bedroom.
4. Persons living as co-heads of the household (e.g., two sisters) can be eligible for separate bedrooms.
5. Subsidy standards will be based on a minimum of one person per bedroom size Voucher issued.
6. Family members may be issued separate bedrooms for medical reasons. A medical professional acceptable to HACE must verify a reasonable accommodation request to certify it is medically necessary.
7. A family that consists of a pregnant woman (with no other persons) will be treated as a two-bedroom family.

In determining the Voucher size to be issued, the following **will also** apply:

- Consideration will be given for a child who is away at school but returns to the unit during recesses.
- A child who is temporarily placed in foster care will be considered to be a member of the family household.
- **Any live-in** aide approved by HACE to reside in the unit to care for a family member who is **disabled, or elderly will be permitted** a separate sleeping room. Only one (1) bedroom per household is permitted.
- Any family member leaving the household must prove new residency by submitting verification that is acceptable to HACE.

HACE will use the following standards in determining Voucher size:

VOUCHER SIZE	MINIMUM NO. PERSONS	MAXIMUM NO. PERSONS
SRO	1	1
0 BR	1	2
1 BR	1	2
2 BR	2	4
3 BR	3	6
4 BR	5	8
5 BR	6	10
6 BR	9	12

- Reasonable exceptions to these standards may be made at the discretion of the Executive Director or designee based upon individual circumstances.
- A family who chooses to lease a unit with fewer bedrooms than is listed on the family's Voucher must indicate their preferences in writing. HACE will determine if the unit size will meet Housing Quality Standards.

Over Housing/Under Housing

- If a family size decreases, the voucher size may also decrease. This will be effective at the annual recertification.**
- If a family size increases and are now under housed, they may locate suitable housing immediately unless the family submits a written statement to stay in unit and receives HACE's approval.**

D. VOUCHER TERM

At HACE 's discretion, vouchers may be issued at 60, 90 or the total 120 day term.

The voucher term plus any extensions may not exceed a total period of 120 days from the beginning of the initial term. HACE may grant an additional extension beyond the maximum of 120 days as reasonable accommodation for a family who includes a member who has a disability.

The family must submit a Request for Tenancy Approval within this term.

E. VOUCHER PORTABILITY

The term "portability" refers to the process of leasing a dwelling unit with tenant-based housing voucher assistance outside of the jurisdiction of the PHA that initially issues the family its voucher (the initial PHA). HACE will adhere to the Program regulations covering where a family may move and the responsibilities of the initial PHA and the receiving PHA (the PHA with jurisdiction over the area to which the family moves) found at §982.353 through §982.355, and Notice PIH 2008-43 HA.

Incoming Vouchers

HACE will accept families who have valid Vouchers from another Housing Authority's jurisdiction. HACE will have the discretion to bill incoming portable Vouchers or to absorb them. If an incoming portable family's income is greater than 30% of the area median income, HACE may bill the initial Housing Authority for the Voucher. HACE, as "receiving Housing Authority", may grant a 30 day extension in accordance with HUD.

Outgoing Vouchers

In some instances, a family may choose to move to a PHA's jurisdiction where housing costs and payment standards are higher than those in HACE's jurisdiction. In these situations, if the receiving PHA does not wish to absorb the family into its own program, and intends to bill HACE, there is a possibility that HACE may NOT have sufficient funding to support that assistance payment in the "higher cost" jurisdiction. Therefore, in some cases, because of limited availability of funds, a family may not be able to relocate into another jurisdiction with higher payment standards. HACE will make every effort to inform the family of these types of limitations prior to the family electing to use the portability feature in a higher cost area. HACE also has the right to waive the 12 month residency requirement so that a family may move to a location of their choice so long as the receiving Housing Authority agrees to this arrangement.

Denying Family Requests to Move Under the Portability Procedures

The housing choice voucher regulations at §982.353 provide that voucher holders (with the exception of non-resident applications) and participating families have the right to receive tenant-based voucher assistance in accordance with program requirements to lease a unit outside of the initial PHA jurisdiction. The family may lease a unit anywhere in the United States, provided the area is in the jurisdiction of a PHA with a tenant-based voucher program. HACE may only deny a family's request to move under portability if it has grounds to do so under the program regulations, which are as follows:

- HACE has grounds to deny the move because of the family's action or failure to act as described in §982.552 or §932.553. The Violence Against Women and Department of Justice Reauthorization Act of 2017 (VAWA) defines exceptions to these provisions. (See Chapter 2, Section A7)
- The family is a non-resident applicant, or the family was a non-resident applicant that has not yet been assisted in HACE's jurisdiction for 12 months since being admitted to the program (see §982.353(c)).
- The family is an applicant and is not income-eligible (see §982.535(d)(1)) in the area in which they wish to initially lease a unit.
- HACE does not have sufficient funding for continued assistance to support the move in accordance with §982.314(e)(1) and as described below.

Denying Portability Moves Due to Insufficient Funding

HACE may only deny a request to move to a higher cost area in accordance with §982.314(e)(1) if HACE is unable to avoid terminations of housing choice voucher assistance for current participants during the calendar year in order to remain within its budgetary allocation (including any available HAP reserves) for housing assistance payments. A "higher cost area" is defined 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 (e.g., the receiving PHA issues a 3-bedroom voucher to a family that received a 2-bedroom voucher from the initial PHA). Before denying the family's request to move due to insufficient funding, HACE must contact the receiving PHA and confirm that the receiving PHA will not absorb the family. If the receiving PHA is willing to absorb the family, there are no grounds to deny the portability move under §982.314(e)(1).

If HACE denies the family's request to move under §982.314(e)(1), it must promptly notify the family (assuming the family is still a participant in HACE's voucher program) once there is sufficient funding available to support the family's request to move. HACE will promptly process the family's request to move if the family indicates it still wishes to move at that time.

5. APPROVAL OF AN INITIAL LEASE

A. REQUEST FOR APPROVAL TO LEASE A UNIT

The family must submit to HACE a Request for Tenancy Approval (RFTA), Amenities form, and a proposed lease that includes HUD's Tenancy Addendum. All documents must be submitted during the term of the Voucher.

B. APPROVAL PROCESS

After the family submits a Request for Tenancy Approval and required forms HACE will review the documents for approval in accordance with the following:

1. Determine if the lease can be approved and includes the Tenancy Addendum;
2. Determine if the rent is reasonable and within applicable limits;
3. Negotiate the rent, if required;
4. Determine compliance of leasing to family members;
5. Determine if the property and owners are eligible to participate in the HCV Program;
6. Inspect and approve the unit for HCV Program;
7. Advise the owner of their responsibility to screen the prospective tenant as HACE has not screened the family's behavior or suitability for tenancy; and
8. Provide the following information to the owner:
 - The family's current address; and
 - The name and address (if known to HACE) of the owner of the family's current and prior addresses.

Conditions 1 through 6 above must be met before the lease will be approved.

C. ADDITIONAL DOCUMENTATION

House Rules of the owner may be attached to the lease as an addendum. Owners will be requested to file a change of address with the HCV Program Office when applicable.

D. DISAPPROVAL OF OWNER

HACE will refuse to enter into a HAP contract and deny approval to lease a unit from an owner for any of the following reasons:

- The owner has been debarred, suspended or subject to a limited denial of participation under 24 CFR part 24;
- The owner has a history of refusing to terminate tenancy of families who threaten the health or safety of other residents, managers, HACE employees; who disturb the peaceful enjoyment of others residing in the immediate vicinity; or who engage in drug-related or criminal activity; or
- If the owner has not paid State or local real estate taxes, fines or assessments.
- The owner has violated obligations under a HAP contract;
- The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
- The owner has engaged in drug trafficking.
- The owner has a history or practice of non-compliance with HQS for units leased under HCV Program or with applicable housing standards for units leased with project-based HCV assistance or leased under any other federal housing program;
- The owner has a history or practice of renting units that fail to meet state or local codes; or
- The owner refuses (or has a history of refusing) to evict families for drug-related or violent criminal activity, or for activity that threatens the health, safety or right of peaceful enjoyment of the premises by tenants, Housing Authority of the City of Erie employees or owner employees or residences by neighbors; or
- The owner has failed to pay or has failed to certify to the payment of county, city, and school taxes, and municipal services.
- The owner is a current Registered Sex Offender or Life Time Sex Offender.
- The owner has an outstanding balance owed to HACE.

For purposes of this Admin Plan, “owner” includes any principal or other interested party.

E. FAIR MARKET RENT/PAYMENT STANDARD LIMITATIONS

HACE establishes the Payment Standard for the Housing Choice Voucher Program each time there is a change to the HUD-published Fair Market Rent (“FMR”). The payment Standard for the Voucher Program will be reviewed annually and may be increased/decreased in response to changes in the FMR limitations. In no event will the payment Standard be less than 90% or greater than 110% of the applicable FMR.

Families under a HAP Contract will be held harmless, with no reduction in subsidy, for as long as the family continues to receive the voucher assistance in that unit.

F. EXCEPTION PAYMENT STANDARDS

Subject to HUD approval, HACE may designate an area (or areas) in its jurisdiction as an “exception area”. Exception Payment Standards, if utilized, will be greater than 110%, but no more than 120% of the existing FMRs as established by HUD. In approving tenancies with higher payment standards in exception areas, the rents may be limited by rent reasonableness as described in Section G of this chapter.

HACE may request, and HUD may approve, an exception payment standard amount if required as reasonable accommodation for a family that includes a person with disabilities. Such cases will be assessed for consideration on an individual basis.

G. REASONABLE RENT DETERMINATIONS

For the Housing Choice Voucher Program, HACE will make a determination as to the reasonableness of the rent the owner is proposing in relation to comparable units in accordance with 24 CFR 982.507.

1. HACE will determine rent reasonableness in the following instances:

- When units are initially leased;
- Before any increase in rent to owner;
- When a 10% decrease in the FMR occurs; and
- If directed by HUD.

2. HACE will determine rent reasonableness based on the following:

- Three comparable unassisted units in the neighborhood;
- The previous rent charged on requested unit; and
- Other units in the building (apartment complex).

NOTE: Copies of the rent reasonableness form will be maintained in each tenant file. If three comparable unassisted units cannot be located due to local rental market size, one unit will be sufficient to prove rent reasonableness.

3 For initial Voucher tenancies, HACE will:

- Provide guidance and advice to the family on whether the rent is reasonable and the unit is affordable;
- Assist the family in negotiating the owner's rent if requested by the family;
- Not approve any new move in where the family will pay an amount for rent that exceeds 40% of the family's monthly adjusted income (except as provided by HUD); and
- Use the rent reasonableness determination to disapprove owner rents.

H. SECURITY DEPOSIT REQUIREMENTS

HACE will deny approval of a lease where a request has been made to collect from a family a security deposit that is in **excess of PA landlord and tenant law**, private market practice or in excess of amounts charged by the owner to unassisted tenants. Generally, in the Erie market area, and for the purposes of determining private market practice herein, a security deposit equal to 1 month's rent to the owner is considered to be the standard.

When the tenant vacates a dwelling unit, the owner, subject to state or local law, may use the security deposit, including any interest thereon, in accordance with the lease, as reimbursements for any unpaid rent payable by the tenant, damages to the unit or for other amounts the tenant owes under the lease.

I. SEPARATE AGREEMENTS ACCEPTABLE TO THE HACE

Families are permitted to pay extra charges for additional amenities that are not included in the same rent for other units in the building or in other comparable apartments or houses (e.g., membership for swimming pool, use of parking facilities or furniture). Copies of all agreements for special charges or services must be submitted to HACE in writing for approval. HACE will review the agreements to determine whether they are acceptable and reasonable.

Nonpayment of extra charges from separate agreements may not be considered a violation of the lease covered under the HAP contract.

6. HOUSING QUALITY STANDARDS INSPECTIONS

A. HOUSING QUALITY STANDARDS APPROACH

The Housing Authority of the City of Erie will continue to assure that all units in its HCV Program meet the Housing Quality Standards (“HQS”) as defined in 24 CFR 982.401. Inspections for HQS compliance will be conducted initially prior to leasing and biennially during the term of the lease. Additional inspections may occur if deemed to be necessary by HACE, the owner or family.

HACE employs or contracts with qualified housing inspectors who have been trained on the HQS requirements. Each inspection conducted will be recorded on an inspection form which is prescribed by HUD. All inspection documents will be retained by HACE in accordance with HUD requirements.

The inspection type will be indicated on the inspection form as one of the following categories:

- Initial inspection
- Biennial Inspection
- Special Inspection (compliant or quality control)

As part HACE’s responsibility to assure HQS compliance, corrective action will always be required on units that do not meet the inspection criteria. Enforcement of HQS may include abatement of assistance payments to an owner or the termination of the HAP contract for violating its terms. An initial HAP contract will not be executed by HACE before the unit passes inspection.

The owner will be allowed 2 re-inspections for deficiencies to be corrected, at HACE’s discretion, depending on the amount and complexity of work to be done.

B. VARIATIONS TO HQS

HACE will inspect units in its HCV Program based upon HQS. HACE has included, in its inspection regulations, additional local codes for acceptability under Plumbing and General Health and Safety. HACE is in compliance with the most current building codes adopted by the City of Erie. All plumbing contained in the assisted structure and all windows with respect to storm windows within the assisted unit meet the applicable requirements of the City of Erie.

C. ACCEPTABLE METHODS OF INSPECTIONS

A physical inspection is the standard method of inspection. HACE shall consider the following methods acceptable forms of verification that a unit complies with HQS standards:

1. Owner/Participant provided photo of a repair
2. Video Inspection conducted between HACE HCV Inspector, Owner and/or Participant

It is the responsibility of HACE to determine the appropriate acceptable method of inspection.

D. INITIAL INSPECTIONS

Inspections will be conducted prior to a family's leasing of a unit under the Housing Choice Voucher Program. Once a family submits a Request for Tenancy Approval ("RFTA") or other HUD required request forms, HACE will promptly process the request, and the inspector will schedule an appointment with the owner and/or family to occur within 15 days of the RFTA submission unless otherwise delayed by the owner or tenant, or due to other reasons outside of HACE's control. The RFTA must be properly completed and signed by both the family and owner before the HACE will process the request and inspect the unit.

During the inspection, the inspector may provide the owner with general information about the HCV Program or specific information pertaining to HQS. In addition, the inspector may negotiate the rental amount.

Immediately following a "failed" initial inspection, HACE will issue to the owner of the property a notice of the deficiencies and a time limit for correction. The owner generally will be given up to 30 days to correct the deficient item(s). HACE's Executive Director or designee may approve a reasonable extension of time depending upon the extent or scope of work required or weather conditions that prohibit remediation. In all cases, the owner will be encouraged to correct the deficiencies in a timely manner. The deficiency notice will instruct the owner to contact HACE after all cited deficiencies have been corrected.

After the expiration date of the deficiency notice (or any approved extension thereof), the lease approval request will automatically be denied. Provided that time remains on their Voucher, the family may submit another Request for Tenancy Approval for the same unit or for another unit. Only one Request for Tenancy Approval form may be submitted at a time.

E. BIENNIAL INSPECTIONS

Each unit under the HCV Program must be inspected after the 1st year of the HAP Contract to ensure continued compliance with Housing Quality Standards and/or any approved local variances. After the initial inspection biennial inspections will proceed. Eligibility for biennials will be at HACE's discretion.

HACE maintains an accurate report of all units in its Housing Choice Voucher Program which includes biennial HQS inspections to ensure that each unit is inspected within 730 days of the last full inspection. Immediately following a "failed" inspection, HACE will issue to the owner

of the property a notice of the deficiencies and a time limit for correction. The owner will be given a 24 hour notice or up to 30 days to correct the deficient item(s).

Due to unpredictable weather during the months of November through May, HACE may allow the owner to delay correcting exterior deficiencies that exist in such areas as painting and concrete. All work must be completed by June 1 of the given year. Non-compliance by the owner will result in the termination of the HAP contract.

F. SPECIAL INSPECTIONS

Complaint

If an owner or family complains that an unsatisfactory condition exists with respect to HQS, HACE may promptly conduct a complaint inspection. Immediately following a “failed” complaint inspection, HACE will issue to the owner of the property and family a notice of deficiencies and a time limit for correction.

Quality Control

For monitoring purposes, HACE will conduct a Quality Control inspection on a minimum number of units under HAP Contract as defined in Chapter 14 of the Plan and in accordance with HUD regulations.

G. ENFORCEMENT OF INSPECTION STANDARDS

Following each inspection, HACE will notify the owner and/or tenant of the results and, if necessary, a deadline for compliance with HQS. Regardless of how the deficiencies were caused, housing assistance payments will be abated if the HQS deficiencies are not corrected by the compliance date. Reinspection’s by HACE to verify HQS compliance will include only those fail items for which the owner (and/or tenant) was previously notified. If new deficiencies are discovered during a reinspection, a new deficiency notice will be issued, which will contain a compliance deadline date for the new deficiencies.

Owner HQS Responsibilities and Related Actions:

1. The owner must maintain the assisted unit in accordance with HQS.
2. HACE will take prompt action to enforce the owner’s obligations for owner breach of the HQS.
3. HACE will notify the owner and tenant of HQS deficiencies for which the owner is responsible. The notice will provide for the following:

- For HQS failures, the owner will be given up to 30 days to correct the item(s). HACE Executive Director or designee may, at their discretion, approve a reasonable extension of time depending upon the extent or scope of work required.
 - If the defect is life threatening to the family’s health or safety, the owner will be given 24 hours to correct the violation. If the owner fails to correct failed items, the payment will be abated, or the HAP Contract will be terminated.
4. HACE will not make any assistance payments for a dwelling unit in which HQS deficiencies have not been corrected after the notice period has expired.
 5. If “life threatening” deficiencies are not corrected within 24 hours, the owner will be given notice of intent to terminate the HAP Contract and the Housing Assistance Payment will be abated through the Termination Notice period.
 6. The owner will not be responsible for a breach of the HQS not caused by the owner, and for which the family is responsible. HACE may, however, terminate assistance to the family because of a breach caused by the family.

Family HQS Responsibilities and Related Actions:

1. The family is responsible for a breach of the HQS as listed in 24 CFR 982.404(b)(1) and as described herein:
 - The family fails to pay for any utilities that are to be paid for by the family;
 - The family fails to provide and maintain any appliances that are required to be provided by the family; or
 - Any member of the household or guest damages the dwelling unit or premises.
2. HACE will take prompt action to enforce the family obligations for the family’s breach of the HQS.
3. HACE will notify the owner and tenant of the HQS deficiencies for which the family is responsible. The notice will provide for the following:
 - For HQS failures, the family will be given up to 30 days to correct the item(s). HACE Executive Director or designee may, at their discretion, approve a reasonable extension of time depending upon the extent of scope of work required.

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- If the defect is “life threatening”, the family will be given 24 hours to correct the violation.

- If the family fails to correct failed items, HACE may terminate the family assistance in accordance with 24 CFR 982.552.

- **H. 24 HOUR DEFICIENCIES (LIFE THREATENING)**

The following failed inspection items will be considered emergency violations and must be corrected within 24 hours. At HACE’s discretion, other life-threatening conditions may exist that are not listed below.

1. Air quality – propane, natural gas, or methane gas detected
2. Misaligned chimney, flue or ventilation system
3. Electrical shock or fire hazard – exposed wires; open panels; water leaks on or near electrical equipment; missing breakers or fuses; missing covers; missing or broken outlets; switch or cover plates
4. Waterlogged ceiling in imminent danger of falling
5. Lack of unit security
6. Utilities not in service
7. Lack of sufficient heat to maintain adequate inside temperatures
8. Major plumbing leaks or flooding
9. No running hot water
10. Lack of functioning toilet
11. Smoke detector – missing or inoperable
12. Carbon Monoxide Alarm – missing or inoperable
13. Emergency/fire exits – blocked or unusable
14. Fire escapes – blocked egress or ladders or visibly missing components
15. Flammable materials – improperly stores or located

I. ABATEMENT OF PAYMENT

24 Hour Notice

If a unit fails to meet Housing Quality Standards and the owner and tenant have been given a 24 hour deficiency notice for compliance, and all deficiencies have not been corrected within that period, the Housing Assistance Payment (“HAP”) will be abated the first of the month following the deficiency notice.

30 Day Notice

If a unit fails to meet HQS and the owner and tenant have been given a 30 day notice of deficiency and the deficiencies have not been corrected within 30 days, the HAP will be abated the first of the month following the 30 day notice. A request for an additional 30 days may be reviewed for approval upon tenant and/or owner request.

J. HAP CONTRACT TERMINATION

HACE will terminate a HAP Contract for non-compliance with the HQS requirements. An advance notice of termination (usually 30 days) will be sent by First Class Mail to the owner to inform them of the termination date and the reason. In addition, the family will be notified promptly of the termination notice and will be offered a Voucher to relocate, as appropriate. Generally, the termination will be effective the day following the last day of the abatement period. However, depending upon the seriousness or recurrence of the deficiency, HACE may not provide an abatement period and may simply terminate the HAP Contract for non-compliance.

In the event that a unit under an active HAP Contract passes inspection during an abatement period or after HACE provides notice of the termination, the owner and family may agree to continue the lease if the family has not yet relocated. No assistance payment can be made for the period that the unit did not pass inspection during the abatement period.

K. NOTIFICATION OF INSPECTION

Participant families will be provided reasonable notice of the date and time inspections are to be conducted by HACE. If the family is unable to be at home, they must either arrange for an adult representative to be present for the inspection or contact the HCV Program Office to reschedule. If the family or representative is not home for the appointment, and the inspector does not gain entry, HACE will consider it to be a missed inspection. HACE will schedule a second appointment in the same manner.

If the family misses two (2) scheduled inspection appointments, HACE will terminate their assistance for violating the Family Obligations as defined in 24 CFR 982.551(d). The family has a right to dispute the termination through HACE’s informal hearing process.

7. PAYMENTS TO OWNERS

A. HOUSING ASSISTANCE PAYMENTS

HACE provides rental assistance for its participants by making Housing Assistance Payments to the owner. The Housing Assistance payment is calculated by HACE based upon the contract rent and Total Tenant Payment.

When the unit has passed HQS and HACE has processed all the required documents, the owner and the family will execute the lease and the Tenancy Addendum. **The owner and HACE will then execute the HAP Contract within 60 days.**

Upon execution of the HAP Contract, all pertinent information regarding the owner and the HAP payment will be included in the HAP Register. **In accordance with the HAP Contract, HACE considers the HAP payment received by the owner after disbursement has been deposited into the authorized designated owner/agent account.**

B. ADJUSTMENTS OF RENT TO OWNER

Owners may not request rent increases prior to the expiration of the first term of the lease. **Thereafter, owners will receive notification of their tenant's annual recertification, informing them how and when they may request an increase. It is the owners responsibility to notify the tenant** of their request. The new proposed rent must meet the rent reasonableness requirements, otherwise HACE will deny the increase. Only annual increases in accordance with 24 **CFR 982.507** are permitted.

8. REEXAMINATIONS

HACE will, for each family who participates in the HCV Program, examine family income, size and composition at admission and at least annually for the purposes of determining rent, assistance payments and eligibility. The examination will include a review of income and other family information. Verification will be in accordance with Chapter 3 of this Plan. The family must submit documentation and verification that HACE deems to be necessary for the purpose of determining annual income, adjusted income or total tenant payment, or for the purpose of auditing the family's eligibility to receive assistance. Families with fixed incomes may be eligible for triennial reexaminations.

A. REPORTING REQUIREMENTS

1. Families who participate in the HCV Program must report all changes in family income, assets, composition and other related items as identified in 24 CFR parts 5 subpart B in accordance with the "Reporting" requirements of this Plan. Participants who report no income will be subject to the "Zero Income" requirements of this Plan.
2. Families must supply all information requested by HACE or HUD for use during admission of an applicant, a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements. "Information" includes any requested certification, release or documentation.
3. HACE must approve the composition of the assisted unit including approval of the inclusion of a foster child or live-in aide.
4. Any information supplied by the family must be true and correct.
5. Failure by the family to comply with these reporting requirements is considered to be a violation of their obligations and grounds for termination of participation.

B. REPORTING EXCEPTIONS

Families who receive Social Security, Social Security Disability or Supplemental Security Income (SSI) are not required to report their annual increase when it occurs. HACE will not increase the family's total tenant payment until their next regularly scheduled annual reexamination except when an interim recertification is necessary as a result of any other changes listed in the "Reporting Requirements" section of this chapter.

C. ZERO INCOME

In any instance, if a family reports that it has no income being received by family members, HACE will require that the family report and certify every 90 days following the initial reporting date as to the total household income. HACE may make further investigation into the family's information, if it appears that the family is receiving unreported income as defined in 24 CFR 5.609.

To establish any non-monetary contributions received by the family, HACE will require the completion of the "Zero Income Questionnaire".

D. ANNUAL REEXAMINATION

1. Effective on the anniversary date, HACE will conduct a reexamination of the family's income, composition and circumstances. The process will begin approximately 90 days prior to the anniversary date, when HACE will mail the family a continued occupancy packet and other forms deemed to be necessary by HACE for the purpose of the reexamination.
2. Annual reexamination may be conducted in person, mail, phone or any communication approved by HACE.
3. Failure by the family to comply with HACE's requests for information or to sign consent forms will result in the termination of the family's participation in the HCV Program. The family will have the right to an informal hearing in accordance with Chapter 12 of this Plan.
4. The effective date of an annual reexamination will occur on the annual reexamination anniversary date of the family.

Family Obligation to Recertify:

The family will be mailed a recertification packet that includes a HCV Occupancy form, authorization for release and other required forms that must be completed and returned with the income, expense, asset, and all other requested documentation by due dates listed.

The annual recertification notice will state the following "Important Dates" for compliance and penalties for non-compliance. If a participant fails to comply and provide the required information, the owner and participant will be notified that the HAP Contract and assistance will be terminated for tenant violation of 24 CFR 982.551(b), *failing to supply required information*, under the Family Obligations. The family may request an informal hearing (see Chapter 12) within the due date listed on the annual recertification notice.

Completion of the Annual Reexaminations

The family's TTP will be calculated based upon the information provided and verified during the annual reexamination. However, HACE may determine the TTP by disallowing deductions and or allowances that it could not substantiate through reasonable verification means. Any changes will be effective on the annual reexamination effective date except as provided under paragraph G of this chapter.

E. TRIENNIAL REEXAMINATIONS

The exception to annual recertifications will be for families with incomes that are made up of 100% fixed income. 24 CFR parts 5, 891, 960 and 982 permits Public Housing Authorities to eliminate annual income reviews in some years by applying a COLA determined by the Federal Government to fixed income sources. All other forms must still be completed, signed and dated yearly.

F. INTERIM REEXAMINATIONS

If any changes of family composition or a decrease of income occur prior to scheduled reexamination, the family is required to report those changes within 20 days to HACE. Once reported, an interim reexamination will be conducted.

1. Families must report all changes in family income, assets, size and composition when they occur. HACE will conduct interim reexaminations between annual reexaminations in accordance with HUD requirements and the provisions of this Plan. HACE will not increase the family's rent between annual reexamination unless there is a change in the source of income of any member, or if a new family member has an additional source of income in the household.
2. Any decrease in rent that results from a decrease in income will be effective the first of the month following the reported change. All reported decreases must first be properly verified in accordance with the provisions of this Administrative Plan.
3. Any interim reexamination that results in an increase in rent will become effective the first day of the second month following the increase in income, except as provided in paragraph F-1 of this chapter.
4. Any change that results from the interim reexamination will continue until the next scheduled annual reexamination whereby all applicable information will be used in accordance with HUD regulations.

5. Families whose welfare assistance is reduced specifically because of fraud or failure to participate in an economic self-sufficiency program or comply with a work activities requirement will not have their TTPs reduced based upon the benefit reduction. HACE will obtain verification from the welfare agency prior to denying any request for an income reexamination under this paragraph.

G. DISALLOWANCE OF EARNED INCOME FOR PERSONS WITH DISABILITIES

1. Initial 12-Month Period

HACE will not increase the portion of rent of a qualified disabled family member as a result of increased income due to employment during the 12 month period beginning on the date on which the employment commenced. Eligible families are those who participate in the HCV Program:

- a. Whose income increases as a result of employment of a disabled member of the family who was previously unemployed for 1 year or more. For purposes of this section, “previously unemployed” is a person who has earned, in the previous 12 months no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage;
- b. Whose earned income increases during the participation of a disabled family member in any family self-sufficiency or other job-related training program; or
- c. Whose annual income increases as a result of new employment or increased earnings of a disabled family member, during or within the last 6 months after receiving assistance, benefits, or services under any state program for Temporary Assistance for Needy Families (TANF) funded under Part A Title IV of the Social Security Act, as determined by the PHA in consultation with the local agencies administering TANF and Welfare-to-Work programs.

The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance, provided that the total amount over a 6-month period is at least \$500.

2. Phase-in of Rent Increases in second year

Upon expiration of the initial 12-month period described in paragraph (1) of this section, the rent payable by a family may be increased due to continued employment of a disabled family member. In the second year of the 12-month disallowance, the increase may not be greater than 50 percent of the amount of the individual’s total income increase.

3. Maximum Two-Year Disallowance

The disallowance of increased income of an individual family member, as provided in the previous paragraphs of this section (G), is limited to a lifetime 24-month period. It only applies for a maximum disallowance of twelve months for each instance, (100% disallowance under paragraph G-1 and the 50% disallowance under paragraph G-2).

H. REPORTING REQUIREMENT

1. Families who participate in the HCV program must report all changes in family composition and/or income, and other related items within 20 days of the change. Such changes must be reported in accordance with the “Reporting” requirements of this Policy. Participants who report no income will be subject to the “Zero Income” requirements of this Policy.
2. Families must supply all information requested by HACE or HUD for use in admission of an applicant, a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements. “Information” includes any requested documentation, release or certification.
3. HACE must approve the composition of the assisted unit including approval of the inclusion of a foster child or live-in aide.
4. Any information supplied by the family must be true and correct.
5. Failure by the family to report, within 20 days, applicable changes that would increase TTP will result in HACE’s calculating a “retroactive rent” for the family based upon the actual date of the changes. A retroactive rent will be determined by calculating the TTP that the family should have paid during the period that the changes were not reported and subtracting that total from the amount of TTP the family actually paid for the same time period. This retroactive rent amount may either be paid in one payment or by a repayment agreement in accordance with Chapter 13 of this Plan. If HACE believes that any action or inaction under this paragraph is intentional, HACE may simply terminate the participation of the family and initiate court action to recover monetary damages.
6. Failure by the family to comply with these reporting requirements is considered to be a violation of their obligations and grounds for termination of participation.

I. INCORRECT REPORTING

In any instance, if HACE believes that a family has provided false, misleading or deliberately inaccurate information to HACE, HACE may conduct additional investigation to obtain reasonable evidence, and terminate the family’s assistance with proper notice, and/or

prosecute the family in accordance with the law. Where evidence of fraud exists, HACE may refer all information to HUD's Office of Inspector General for further investigation.

9. SPECIAL FAMILY CIRCUMSTANCES

A. FAMILY BREAKUP

If the family breaks up, HACE may terminate the HAP contract or may continue housing assistance payments on behalf of family members. The factors to be considered in making this decision are based on the following:

- Whether the assistance should remain with family members remaining in the original assisted unit.
- The interest of minor children or ill, elderly or disabled family members.
- Whether actual or threatened domestic violence was involved in the breakup.
- If a judicial decree is issued by the courts in a divorce, HACE will be bound by the court's determination as to which family member will continue to receive the Program assistance.

B. REMAINING MEMBER OF THE FAMILY

"Remaining family member" is defined as a family member of an assisted tenant family who remains in the unit when other members of the family have moved out **or are deceased**. A minor is not considered to be a remaining member of the family, unless:

- The minor has been declared emancipated by the courts; or
- A caretaker who has been appointed by the courts to oversee the welfare of the minor moves into **the unit**.

If guardianship is awarded to the caretaker, a new Voucher may be required due to the new family composition.

C. SINGLE MEMBER HOUSEHOLD

The HAP Contract terminates automatically upon the death of a single member household, including single member households with a live-in aide.

D. TEMPORARILY ABSENT CHILD

For the purposes of determining family composition, a temporarily absent child is considered to be part of the assisted household. This statutory provision is intended to promote family reunification by permitting the family to rent a unit that will be large enough to accommodate the whole family when the absent child returns from foster care.

E. JOINT CUSTODY OF MINORS

Minors must reside within the assisted household over 50% of the time to be considered a member of that household. Verification will be required through documentation provided by the court.

In the event there is joint custody, HACE shall make a reasonable determination of family composition using, but not limited to, the following resources:

- Benefits received
- School enrollment
- Limited medical records
- A notarized statement from the parents

F. LIVE-IN AIDE:

In addition to family members, a live-in aide may be considered to be part of the household for the care and well-being of one or more elderly or near-elderly persons or persons with disabilities in accordance with 24 CFR 966.4. The live-in aide must vacate the premises when the family member who requires the assistance moves from the unit and/or the live-in aide is no longer required for assistance.

HACE will require that the live-in aide is:

- Is essential to the care and well-being of that person;
- Is not obligated for the support of the person;
- Would not be living in the unit, except to provide the necessary supportive services; and
- Is not a sex offender subject to a lifetime registration.

HACE will also require a request for a reasonable accommodation, from a medical professional who is familiar with the family member, to certify that a live-in aide is medically necessary for the care and well-being of the family member. A determination of the acceptability of such statement will be made by HACE prior to approval of the live-in aide.

G. DISAPPROVAL OF LIVE-IN AIDE

At any time HACE will withdraw the approval of a live-in aide, in accordance with 24 CFR 982.316, if the live-in aide:

- Commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
- Commits drug-related criminal activity or violent criminal activity;
- Currently owes rent or other amounts to HACE in connection with any HCV Program or public housing assistance under the 1937 Act; or
- Has a record of disturbance of neighbors, destruction of property, or, living or housekeeping habits at prior residences which may adversely affect the health, safety and welfare of other residents or neighbors.

If the live-in aide has their approval withdrawn, they are no longer eligible to remain in the assisted unit and will be considered to be an ineligible member of the household. If the ineligible member remains in the unit after HACE provides notice of the ineligibility, HACE will terminate assistance to the family.

H. VAWA

The ***Violence Against Women and Justice Department Reauthorization Act of 2017 (VAWA)*** is a gender neutral protection for the victims of domestic abuse. Accordingly, victims of domestic abuse will not be discriminated against during the application process with regard to eligibility, or have penalties regarding continued participation/tenancy if a household member is the victim of domestic violence, dating violence, or stalking.

HACE may not consider incidents of domestic violence, dating violence, or stalking as serious or repeated violations of the lease or “good cause” for termination of assistance, tenancy, or occupancy rights of the victim of abuse.

HACE may not consider criminal activity directly relating to abuse, engaged in by a member of the tenant's household or any guest or other person under the tenant's control, cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant's family is the victim or threatened victim of that abuse.

HACE may request, in writing, that the victim, or a family member on the victim's behalf, certify that the individual is a victim of abuse and that the form *HUD-5382 Certification of Domestic Violence, Sexual Assault, or Stalking, and Alternate Documentation* or other documentation as noted on the certified form, be completed and submitted within 14 days, or an agreed upon extension date, to receive protection under VAWA. Failure to provide the certification or other supporting documentation within the specified timeframe may result in eviction or the termination of rental assistance.

All HACE tenants/participants will sign a Lease Addendum (Form HUD-91067) informing them of their rights under VAWA.

10. EXCLUSIONS TO HOUSEHOLD

A. GENERAL POLICY

Income and the Total Tenant Payment are calculated in accordance with 24 CFR part 5, subpart F for all family members who reside in the household.

B. ABSENT FAMILY/FAMILY MEMBER

The family must declare any family member who is permanently or temporarily absent by notifying HACE in writing. HACE will advise the family at the time how this may affect the Total Tenant Payment and/or the Voucher size. HACE will utilize the following in determining temporary/permanent absences:

1. Absence by the family from their unit for more than 90 days will be considered by HACE to be abandonment of the unit. The family's assistance will be terminated and they will be provided an opportunity to request an informal hearing. (See Section F of this chapter for abandonment)
2. If a member of the family leaves the unit for 90 days or more, they will be considered to be permanently absent. HACE will determine if the family's unit size must be changed to meet the subsidy standards. HACE will review each family's circumstances on a case-by-case basis.
3. If a single-member household is absent for more than 90 days, their assistance will be terminated, unless they request and are granted an extension. Third-party documentation acceptable to HACE must be submitted that indicates they will return within the next 90 days (maximum absence cannot exceed 180 days).

C. TEMPORARILY ABSENT FAMILY MEMBERS' INCOME

HACE will include the income of all temporarily absent family members when determining the TTP.

If the spouse or the head of household is temporarily absent, their entire income is counted. If a household member is temporarily in a long term care facility, a determination will be reviewed on a case by case basis.

D. OTHER ABSENT FAMILY MEMBER

The following will be considered to be permanently absent family members and will not be included in the household:

- Family members in the military (excluding head, spouse or co-head); and
- Children who do not reside in the household over 50% of the time; and
- Family members who have been incarcerated for more than 180 days.

E. VISITORS

Overnight adult guests are permitted to visit for up to 14 days in a calendar year with HACE's written approval. If the visitor stays for more than 14 days in the year, it will be considered to be a violation of the Family Obligations and grounds for termination of assistance to the family.

F. ABANDONMENT OF UNIT

1. Abandonment of the leased premises by the family shall be presumed when the family moves out all or substantially all of the family's goods and personal items from the leased premises, and (a) any rent becomes due and unpaid, and/or (b) notice to terminate for any other lease violation has been served, and/or (c) mail is undeliverable or has been returned to the owner and/or HACE.
2. Upon abandonment of the leased premises by family, the owner should mail a written notice to the family that they plan to re-enter the leased premises and take possession of the same and that they shall dispose of any remaining goods and personal property in the leased premises in accordance with State law.

11. TERMINATIONS AND FAMILY MOVES

A. LEASE TERMINATION

Owner

1. During the initial term of the lease or during any renewal term, the owner may only terminate the tenancy because of:
 - a. Serious or repeated violations of the lease.
 - b. Criminal activity, which includes, but is not limited to:
 - 1) Illegal use of a controlled substance;
 - 2) Any drug-related criminal activity on or near the premises;
 - 3) Alcohol abuse and any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents; or
 - 4) Other good cause, which includes, but is not limited to:
 - Disturbance of neighbors.
 - Destruction of property.
 - Living or housekeeping habits that cause damage to the unit or premises.
2. After the 1st year of the lease, the owner must give at least a 60 day notice to terminate the lease for other good cause as follows:
 - a. A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, or the owner's desire to rent the unit for a higher rent).

Family

1. The family may terminate the lease without cause at any time after the 1st year provided that the family notifies the owner and HACE at least 30 days, but no more than 60 days, before the termination. (See Section D of this chapter for family moves)

Mutual Agreement

1. During the 1st year of the lease, the tenant and owner may agree to terminate the lease. A copy of the termination agreement must be provided to HACE at least 30 days prior to the move.

B. HAP CONTRACT TERMINATION

Owner

1. The HAP contract terminates when:
 - a. The owner has legal possession of the unit subsequent to an eviction; or
 - b. The owner notifies the tenant and HACE that they no longer intend to participate in the Program.

HACE

1. The HAP contract will terminate automatically when:
 - a. The lease terminates;
 - b. HACE terminates assistance to the family;
 - c. The family moves from the contract unit;
 - d. 180 days have elapsed since the last Housing Assistance Payment to the owner;
 - e. Available Program funding is not sufficient to support continued assistance for the family;
 - f. The contract unit does not meet the subsidy standards;
 - g. The contract unit does not meet all requirements of the HQS; or
 - h. The owner has breached the HAP contract.

C. TERMINATION OF ASSISTANCE TO FAMILY

HACE may at any time terminate Program assistance for a participant for any of the following reasons:

1. If the family violates its obligations under the Program as required by 24 CFR 982.551;
2. If the family does not comply with the regulations listed in 24 CFR 982.552 (b) and (c);
3. If HACE determines that any family member has engaged in illegal drug activity, criminal activity, or alcohol abuse (see applicable definitions in Chapter 2 of this Plan); or
4. If the family commits fraud in connection with the HCV Program. HACE will immediately and permanently terminate the HCV assistance, of persons who are convicted of manufacturing or producing methamphetamine on the premises of the assisted housing development or unit in violation of any federal or state law. "Premises" is defined as the building or complex in which the dwelling unit is located, including common areas and grounds.

D. FAMILY MOVES

Transfers

If the family desires to move to a new unit, HACE will issue to the family a new Voucher if the family has complied with all the tenant obligations while in their current unit. However, if HACE does not have sufficient funding for continued assistance, no move will be permitted.

If a family moves to another unit without notifying HACE in writing, it will be considered to be a violation of the Family Obligation(s) and reason for termination.

Number of Moves

Families may not move during the 1st year of the lease, unless for good cause. HACE will limit the number of moves that a HCV Program family may make to 1 per year.

Charges against Security Deposit:

If the owner is claiming damages, unpaid rent or utilities against the security deposit, the owner must submit to the tenant:

- Verification of past-due rent or utilities
- Verification of damages that may include but is not limited to:
 - Invoices or estimates for repairs/contracting required due to tenant damages
 - Photographic proof of damages

If the owner does not have the tenants forwarding address, email or cell phone, to send an attachment or to mail, they may mail to their former address.

If the owner and tenant do not come to an agreement, the owner must file a civil suit to settle dispute.

Notice of charges against security deposit must be provided to tenant within 30 days of the tenant move-out in accordance with Pennsylvania State Law.

E. DEFINITION OF CONTINUOUSLY ASSISTED

An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the Housing Choice Voucher Program. HACE will continuously assist a family if no more than 120 days have elapsed since the family has received assistance, except as required as a reasonable accommodation for a family that includes a person with disabilities.

12. INFORMAL REVIEWS & HEARINGS

HACE will conduct Informal Reviews and Hearings in accordance with all applicable HUD regulations contained in Section 24 of the Code of Federal Regulations; HUD Notices; any applicable federal, state or local law governing such process; and this Administrative Plan. An Informal Review will be offered to an applicant when HACE has denied Program assistance. An Informal Hearing will be offered to a participant family when specific decisions have been made by HACE relating to individual circumstances of the family.

A. INFORMAL REVIEWS FOR APPLICANTS

1. Acceptable Reasons for Informal Reviews

Except as noted below, HACE will give an applicant an opportunity for an Informal Review of a determination by HACE to deny assistance. Any such decision will be provided promptly to the applicant in writing and delivered by First Class Mail. The decision notice will include a brief statement of the reason for the denial, the applicant's right to a review, and the procedure to request a review.

2. Unacceptable Reasons for Informal Reviews

HACE will not provide an applicant with an opportunity for an Informal Review for any of the following reasons:

- a. Discretionary administrative determinations by HACE.
- b. General policy issues or class grievances.
- c. A determination of family unit size under HACE's subsidy standards.
- d. A HACE determination not to approve an extension or suspension of a Voucher term.
- e. A HACE determination not to grant approval to lease a unit under the Program or to approve a proposed lease.
- f. A HACE determination that a unit selected by the applicant is not in compliance with HQS.
- g. A HACE determination that the unit is not in compliance with HQS because of the family size or composition.

3. Request for Informal Review

An applicant will be provided with HACE's procedure for requesting an Informal Review in the Notice of Ineligibility. The applicant must request an Informal Review by writing to the address listed in the notice. The request for an Informal Review must be received by HACE within 14 days of the date of such notice. If the applicant fails to properly submit the request within the prescribed time, they will forfeit their right to an Informal Review, and the decision to deny assistance will be final.

4. Informal Review Process

The Informal Review will be conducted by a hearing officer appointed by HACE who has neither made nor approved the decision under review or by a subordinate of such person. The process will be in accordance with the following:

- a. The applicant will be notified of the date, time and location of the Informal Review within approximately 30 days of the receipt of the request. HACE schedules Informal Reviews each month and may be conducted by phone, in person or other suitable means approved by HACE.
 - The applicant may request, in advance, that HACE reschedule their review because of a reasonable inability to attend.
 - An applicant's failure to attend a scheduled Informal Review without advance notification to HACE will be reason for automatic denial of the request without a decision by the hearing officer on the merits of HACE's determination to deny assistance.
- b. Persons with disabilities will be afforded special considerations in the scheduling and conducting of the Informal Reviews.
- c. The applicant will have a right to examine their file prior to the review.
- d. HACE must be given the opportunity to examine, at its offices, any family documents that are directly related to the review. HACE may copy any such document at its expense. If the family does not make the document available for examination by HACE, the family may not rely on the document at the review.
- e. The applicant will have the right of representation by legal counsel at the applicant's expense. HACE must be notified in advance if the applicant intends to be represented by legal counsel.
- f. Evidence, witnesses and any information applicable to the review may be presented by either HACE or the applicant.

- g. The hearing officer will conduct the Informal Review in a manner intended to ensure proper order.
- h. A final decision will be made by the hearing officer based upon the facts and evidence presented at the Informal Review.

B. INFORMAL HEARINGS FOR PARTICIPANTS

1. Acceptable Reasons for Informal Hearings

HACE will give a participant an opportunity for an Informal Hearing for certain HACE determinations relating to individual circumstances of the participant family. Any applicable determination will be promptly provided to the participant in writing and delivered by First Class mail. The notice will include a brief explanation of the determination, the applicant's right to a hearing, and the procedure to request a hearing. HACE will offer a participant family an Informal Hearing for the following reasons:

- a. A determination of the family's annual or adjusted income, and the use of such income to compute housing assistance payments.
- b. A determination of the appropriate utility allowances (if any) for tenant-paid utilities from HACE's utility allowance schedule.
- c. A determination of the family unit size under HACE subsidy standards.
- d. A determination that a Voucher Program family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under HACE's subsidy standards or a determination to deny the family's request for an exception from the standards.
- e. A determination to terminate assistance for a participant family because of the family's action or failure to act in accordance with applicable HUD regulations or HACE policies (see 24 CFR 982.552).
- f. A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under HUD regulations or HACE policy.

2. Unacceptable Reasons for Informal Hearings

HACE will not provide a participant family with an opportunity for an Informal Hearing for any of the following reasons:

- a. Discretionary administrative determinations by HACE.

- b. General Policy issues or class grievances.
- c. Establishment of HACE's schedule of utility allowances for families in the Program.
- d. A HACE determination not to approve an extension or suspension of a Voucher term.
- e. A HACE determination not to approve a unit or lease.
- f. A HACE determination that an assisted unit is not in compliance with HQS (unless a decision to terminate assistance was made due to tenant caused HQS deficiencies).
- g. A HACE determination that the unit is not in compliance with HQS because of the family size.
- h. A determination by HACE to exercise or not to exercise any right or remedy against the owner under a HAP contract.

3. Request for Informal Hearings

A participant family will be provided with HACE's procedure for requesting an Informal Hearing in the determination notice. The participant must request an Informal Hearing by writing to the address listed in the notice. The request for an Informal Hearing must be received by HACE **within 14 days** of the date of the notice. If the participant fails to properly submit the request within the prescribed time, **they will forfeit their right** to an Informal Hearing and the determination will remain as final.

HACE will notify the family that they may first ask for an explanation of the basis of a HACE determination under B.1a, b, and c of this section. If the family does not agree with the explanation, they then may request an Informal Hearing in accordance with the Informal Hearing request procedures defined above.

4. Informal Hearing Process

The Informal Hearing will be conducted by a hearing officer appointed by HACE who has neither made nor approved the decision under review or by a subordinate of such person. The process will be in accordance with the following:

- a. The participant will be notified by mail or other suitable means, of the date, time and location of the Informal Hearing within approximately 30 days of the receipt of request by HACE. **The hearing may be conducted by phone, in person or other suitable means approved by HACE.**
 - The participant may request, in advance, that HACE reschedule **their** hearing because of a reasonable inability to attend.

- A participant's failure to attend a scheduled Informal Hearing without advance notification to HACE will be reason for immediate denial of the request without a decision by the hearing officer on the merits of HACE's determination to terminate assistance.
- b. Persons with disabilities will be afforded special considerations in the scheduling and conducting of the Informal Hearings.
 - c. The participant will have a right to examine **their** file prior to the hearing.
 - d. HACE must be given the opportunity to examine, at its offices, any family documents that are directly related to the hearing. HACE may copy any such document at its expense. If the family does not make the document available for examination by HACE, the family may not rely on the document at the hearing.
 - e. The participant family will have the right of representation by legal counsel at the family's expense. HACE must be notified in advance if the family intends to be represented by legal counsel.
 - f. Evidence, witnesses and any information applicable to the hearing may be presented by either HACE or the participant family.
 - g. The hearing officer will conduct the Informal Hearing in a manner to ensure proper order.
 - h. A final decision will be made by the hearing officer based upon the facts and evidence presented at the Informal Hearing.

C. HEARING OFFICER AND CONDUCT OF INFORMAL REVIEWS/HEARINGS

1. Hearing Officer

The Hearing Officer for all HCV Program Informal Reviews and Informal Hearings will be HACE Executive Director or other member of management with appropriate administrative authority. They or a subordinate of such person will have neither made nor approved the decision under review. The Hearing Officer will be responsible for insuring that all eligible requests for reviews and hearings are scheduled within approximately **30 days** of the receipt of such requests. Following each of the reviews and hearings, the Hearing Officer will be responsible for promptly providing a decision letter to the applicant or participant family in accordance with this Plan.

2. Conduct of informal Reviews and Hearings

The Hearing Officer is authorized to regulate the conduct of hearings and reviews at their discretion. This is a non-judicial function; therefore, no formal procedure is required. It shall be the responsibility of the Hearing Officer to insure that adequate information is presented and that the order of the hearing proceeds accordingly. The Hearing Officer always will identify the session (parties present, date, time, place) and read the initial HACE determination or decision which prompted the review or hearing. It is the responsibility of the Hearing Officer to take pertinent notes and acknowledge material and testimony needed to make a reasonable determination. The need for a tape recording and transcript of the proceedings shall be at the discretion of the Hearing Officer.

D. INFORMAL REVIEW AND HEARING DECISIONS

The Hearing Officer is responsible for issuing to the applicant or participant a written decision within a reasonable length of time following the review or hearing. The decision letter shall be sent to the family by First Class Mail. The letter will contain a statement of the decision, and the reason(s) for the decision, including any applicable HUD regulations and/or HACE policies. Factual determinations that relate to the individual circumstances of the family will be based on a preponderance of evidence presented at the review or hearing. HACE is not bound by any decision contrary to HUD regulations or requirements or otherwise contrary to federal, state or local law.

E. RESTRICTION ON ASSISTANCE TO NON-CITIZENS

HACE will comply with the Informal Hearing provisions for the denial of assistance on the basis of ineligible immigration status contained in 24 CFR part 5 subpart E.

13. REPAYMENT AGREEMENTS

HACE provides, in certain instances, an opportunity for a family who owes money to HACE, for overpayments of assistance resulting from unreported or misreported family information, to enter into a repayment agreement and continue to participate in the HCV Program. HACE will calculate the installment amounts and prescribe the terms of the repayment agreement.

Only one repayment agreement will be offered to families who owe HACE money. If circumstances result in additional monies owed by the family to HACE, such monies must be reimbursed in one payment, which will be due within no more than 60 days of the notice to the family by HACE. Failure by the family to meet this requirement will result in the termination of the HAP Contract.

A. MISREPORTED OR UNREPORTED INCOME

When HACE identifies cases where the family has erroneously reported their household income, or has not reported all of their household income, a determination will be made as to whether the family's action or inaction appears to be deliberate and whether any Family Obligations have been violated. A repayment agreement may be offered if the family has not:

- Committed fraud or willfully misrepresented information;
- Violated any of the Family Obligations; or
- Previously breached a repayment agreement with HACE.

B. OTHER AMOUNTS OWED TO HACE

A family may owe HACE money for reasons other than overpayments as stated previously in this chapter (A). Repayment agreements for other amounts owed may be offered to families by HACE depending upon the origin of the outstanding debt and any rules governing the type of debt. The decision to offer a repayment agreement in this category will be made on an individual basis and is at the sole discretion of HACE.

C. REPAYMENT AGREEMENT POLICY

The repayment agreement will be specific, identifying the reason for the reimbursement, term of the agreement, payment frequency and due date, installment amount and other binding conditions structured by HACE. A repayment agreement must be executed by the family's head of household within 30 days of the offer by HACE; otherwise, it will be considered to be a refusal by the family to enter into the agreement. The repayment agreement policy conforms to the following:

- Each installment will be due in advance without notice to the family. Payments will be made to HACE's main office or address identified in the repayment agreement.
- A repayment agreement for a family will consist of a term of no longer than 12 months unless a longer time is approved by the Executive Director or designee.
- Any breach of the terms or conditions of a repayment agreement will result in the termination of program assistance for the family in accordance with 24 CFR 982.552 (c)(vii).
- If a family is offered a repayment agreement for monies owed HACE, and the family refuses, the entire amount will be due immediately. Failure by the family to pay HACE will be considered reason for the termination of program assistance under 24 CFR 982.552(c)(v).
- Advance notice of a termination of program assistance under this paragraph and a right to an Informal Hearing will be provided to the family prior to a discontinuation of assistance.
- If the family participates in the FSS program, HACE may reduce the amount of the family's escrow balance by the amount owed HACE.

D. REPAYMENT AGREEMENTS BY OWNERS

In some cases the owner of an assisted unit under a HCV Program HAP Contract may have received excess assistance payments through no fault of their own. When overpayments cannot be deducted from the owner's monthly HAP check, an agreement may be offered by HACE for reimbursement. Such agreement will be for no longer than 12 months and will include specific terms and conditions structured at the discretion of HACE and agreed to by the owner.

E. PROSECUTION FOR FRAUD

If HACE determines that the family (or owner, if applicable) has committed fraud after a repayment agreement has been executed, HACE may terminate assistance and may seek prosecution through the courts. In all cases involving fraud, HACE has the right to prosecute in accordance with applicable laws.

14. PROGRAM INTEGRITY AND PERFORMANCE

A. PROGRAM MONITORING

Monthly reports will be maintained to monitor the waiting list and outstanding Vouchers to effectively manage the leasing schedule and to provide HACE with program demographics. A HAP contract register will be maintained and regularly reviewed to monitor the monthly Housing Assistance Payments.

B. ETHICS

In accordance with federal regulations, HACE nor any of its contractors or subcontractors may enter into any contract or arrangement in connection with the tenant-based programs in which any of the following classes of persons has any interest, direct or indirect, during his or her tenure with HACE or for 1 year thereafter:

1. Any present or former member or officer of the Housing Authority (except a participant commissioner).
2. Any employee of the Housing Authority or any contractor, subcontractor or agent of the Housing Authority who formulates policy or who influences decisions with respect to the programs.
3. Any public official, member of a governing body, or State or local legislator who exercises functions or responsibilities with respect to HACE's programs; or
4. Any member of the Congress of the United States.

Any member of the classes described above must disclose their interest or prospective interest to the Housing Authority and HUD.

The Conflict of Interest prohibition under this section may be waived by the HUD Field Office upon the request of HACE for good cause.

No Commissioner or HACE employee shall solicit or receive any gift or consideration.

Violations of these requirements will result in disciplinary action as outlined in the HACE's Employee Handbook and be determined by action of the Board of Commissioners.

C. QUALITY CONTROL

HACE will conduct Quality Control reviews in five key management areas relating to specific performance indicators of the Section Eight Management Assessment Program (“SEMAP”). The reviews will be completed by HACE Executive Director, a management designee, or an independent contractor in accordance with 24 CFR Part 985 to determine performance for the following:

1. Selection from the Waiting List
2. Reasonable Rent
3. Determination of Adjusted Income
4. HQS Quality Control Inspections
5. HQS Enforcement

The Quality Control Samples will be drawn in an unbiased manner and reviewed by the appropriate management individual as defined above for the purpose of determining if the work documented in the files conforms to program requirements. The minimum size of the sample will be as follows:

UNIVERSE	MINIMUM NUMBER IN SAMPLE
50 or less	5
51-600	5 plus 1 for each 50 (or part of 50) over 50
601-2000	16 plus 1 for each 100 (or part of 100) over 600
Over 2000	30 plus 1 for each 200 (or part of 200) over 2000

E. FINANCIAL REPORTING

All financial reporting will be in accordance with applicable HUD regulations and Generally Accepted Accounting Principles.

F. EXPENDITURE THRESHOLD

The threshold for the amount of expenditures that may be made from the Operating Reserve for other housing purposes without prior approval of the Board is set at \$1000.