

**ROCKVILLE HOUSING ENTERPRISES
HOUSING CHOICE VOUCHER PROGRAM**

ADMINISTRATIVE PLAN

**Rockville Housing Enterprises
(formerly Housing Authority of the
City of Rockville)**

**Approved by the Board of Commissioners
July 15, 2009**

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CHAPTER 1. INTRODUCTION

The Housing Choice Voucher Program was enacted as part of the Housing and Community Development Act of 1974, which recodified the U.S. Housing Act of 1937. The Act as amended and its requirements, as they apply to the Housing Choice Voucher and Moderate Rehabilitation Programs, are described in and implemented through this Administrative Plan (hereafter referred to as the Plan). The Plan establishes local written policies for administration of the program in accordance with HUD requirements and consistent with local objectives on matters for which the Public Housing Authority (PHA) has discretion.

Rockville Housing Enterprises (RHE) has full responsibility for the satisfactory completion of all contractual obligations to the U. S. Department of Housing and Urban Development (HUD) and for complying with HUD regulations pertaining to these programs and with any changes to those regulations implemented after the adoption of this plan. If such changes conflict with the Plan, HUD regulations will have precedence. HUD regulations are spelled out in the Code of Federal Regulations (CFR). The portions of federal regulations relevant to the Housing Choice Voucher Program are found in volume 24 of the CFR. The bulk of the relevant regulations are found at 24 CFR Part 5 and 24 CFR 982. Citations to relevant sections of the CFR are included throughout this plan. The administrative burden for implementation and compliance with the federal regulations rests with RHE.

The Plan covers both admission and continued participation policies for the Housing Choice Voucher (HCV) Program. Changes to the Plan will be approved by the RHE Board of Commissioners and a copy of the changes will be made available to HUD.

1.1. AGENCY BACKGROUND

RHE, formerly the Housing Authority of the City of Rockville, was founded in 1957 to provide public and assisted housing to the citizens of Rockville, Maryland, a city located in the suburbs of Washington, DC. The agency is governed by a five-member Board of Commissioners appointed by the Mayor and City Council of Rockville. The Board of Commissioners is made up of a diverse group of community leaders that meet monthly to establish and oversee all RHE policies and activities, including selection of the Executive Director, who monitors all day-to-day agency functions, including fiscal, property management and programmatic activities. The Director of Housing Choice Voucher Programs reports to the Executive Director and has overall responsibility for the HCV and Moderate Rehabilitation programs.

1.2. RHE MISSION AND GOALS

RHE's mission is to be an effective and innovative public agency dedicated to enhancing opportunities for self-sufficiency and for quality, safe, and affordable housing for citizens of the city of Rockville.

Specific goals related to the mission include:

- (1) To be an outstanding landlord. (The Traditional Public Housing Authority.)
- (2) To assist residents in the move to self-sufficiency. (The Service-Oriented PHA.)
- (3) To transform RHE into an effective affordable housing provider. (The Entrepreneurial PHA.)

1.3. RHE HOUSING PROGRAMS

1.3.a RHE's Housing Choice Voucher Program

Rockville Housing Enterprises (RHE) currently operates a Housing Choice Voucher Program funded by the U.S. Department of Housing and Urban Development (HUD). The program began in 1992 when RHE and HUD entered into an Annual Contributions Contract for the administration of the Housing Assistance Payments to assist low-income families. Successful operation of the program since that time has resulted in subsequent funding from HUD through allocation by a fair share formula or by awarding of funds through a competitive process resulting in funds supporting payments to assist many additional families.

RHE's mission for the housing voucher program is to provide rent subsidies and affordable housing choices to qualified families while simultaneously providing customer friendly service to applicants, participating families, landlords, and the community at large. The purpose of this program is to enable families of very low and extremely low incomes to seek decent housing of their choice in the private market, and to receive the rental assistance necessary to obtain that housing. The Housing Choice Voucher program provides Housing Assistance Payments (the difference between what an eligible family can afford to pay for housing, and the amount required to obtain decent housing throughout the city of Rockville) as determined in accordance with schedules and criteria established by HUD.

RHE owns 105 units of public housing and administers 409 housing vouchers including 50 Mainstream vouchers which provide housing assistance to households whose head, spouse or sole member is a person with disabilities

In addition, RHE administers assistance for five Moderate Rehabilitation Single Room Occupancy (SRO) units for homeless individuals recovering from substance abuse. Recipients receive case management services through Community Ministries of Rockville, Inc. The SRO building was built in the 1800's and converted under a HUD Mod Rehab contract to five units for this targeted group. Rockville is one of the few jurisdictions in the Baltimore-Washington metropolitan area to administer an SRO program.

1.3.b. Other RHE Grants and Programs

RHE receives funding from HUD for a Housing Choice Voucher Family Self-Sufficiency Program.

Family Self-Sufficiency (FSS) Program. RHE has received funding to offer a family self-sufficiency program to housing voucher recipients. The program focuses on assisting families to become economically independent within 5 years. Services include basic education courses, job training, child care and counseling. The FSS Coordinator for Housing Vouchers recruits and maintains records of families who participate in the program, coordinates program activities (including reconciliation of FSS escrow accounts), refers clients to services available in the community, and coordinates the FSS Program Coordinating Committee (PCC), which has an advisory role.

1.4. FAIR HOUSING GOALS

RHE complies fully with all federal, state, and local nondiscrimination laws and with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment (24 CFR 982.54). Except as otherwise provided in 24 CFR Part 8, no individual with disabilities shall be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination because of RHE facilities being inaccessible to or unusable by persons with disabilities. RHE's offices are accessible to persons with physical disabilities and telephone access for the hearing impaired is available through a TTY telephone number.

It is the policy of RHE to ensure that all persons with disabilities are provided reasonable accommodation so that they may fully access and utilize the housing program and its related services. Before approving a reasonable accommodation request, RHE must determine that the requested modification will not create a financial or administrative burden for the agency and must receive verification from an appropriate professional that the specific accommodation requested is necessary for the person with disabilities to fully participate in the HCV program.

RHE will endeavor to employ bilingual staff or to foster relationships with organizations that can provide translation services to families for which English is

not their first language. These services are to be made available at the request of the applicant.

In the selection and leasing process, RHE provides all applicants with written materials on federal, state and local laws and a copy of the housing discrimination complaint form to be used as an available recourse if they believe they are victims of discrimination.

RHE publishes and disseminates information about the availability and nature of housing assistance and advises service providers of housing eligibility guidelines so they can make appropriate referrals.

Owners of accessible units and units in neighborhoods with the lowest poverty and racial concentrations are encouraged to make units available to voucher holders to expand housing opportunities for assisted families. RHE will make additional efforts to help disabled persons find satisfactory housing upon request.

Families who have been issued vouchers are responsible for finding units and negotiating lease agreements with private market owners. RHE provides program training and assistance to eligible families for obtaining units. It should be noted that the legislative intent of this program is to place the responsibility for obtaining a home on the individual family, thereby (1) reducing the dependency of families on local housing authorities, and (2) providing families with greater freedom of choice as to type, size, and location of their homes. Therefore, RHE assistance focuses on encouraging families' self-sufficiency and independence.

In no event may any family participating in any of the programs described herein simultaneously receive the benefit of more than one of the following: housing voucher assistance, Section 101 rent supplements, Section 236 Rental Assistance Payments, tenant-based assistance under the HOME Program, Public or Indian housing assistance, any local or state rent subsidy, or other duplicate subsidy as determined by HUD. 24 CFR 982.352

This Plan is organized as follows:

1. Introduction
2. Program Objectives
3. Eligibility for Assistance
4. Annual and Adjusted Income; Verification
5. Application, Waiting List Management, and Tenant Selection
6. Voucher Issuance
7. Leasing and Portability
8. Ongoing Occupancy Functions
9. Special Programs
10. Glossary
11. Appendices

CHAPTER 2. PROGRAM OBJECTIVES

2.1. PURPOSE OF THE TENANT-BASED PROGRAMS

The purpose of the Housing Choice Voucher program is to provide rent subsidies so eligible families can afford decent, safe and sanitary housing. 24 CFR 982.1 The family may rent a unit anywhere in the United States in the jurisdiction of a PHA that administers a housing voucher program. The voucher program is designed to promote freedom of housing choice and spatial deconcentration of very low-income families of all races and ethnic backgrounds. 24 CFR 982.353

2.1.a. Unit Allocation

The allocation of housing voucher units is tailored to meet the needs of the people of Rockville, Maryland and is consistent with the Consolidated Plan of the Department of Housing and Community Affairs for Montgomery County, MD and the city of Rockville, which is prepared annually in conjunction with the Community Development Block Grant applications.

2.1.b. Program Monitoring and Data Collection

The housing voucher staff has responsibility to monitor:

- (1) The availability of funding to ensure maximum use of funds.
- (2) The expiration and turnover of vouchers to ensure maximum use.
- (3) The timeliness of the annual recertification process.
- (4) The management of the waiting list and the selection of families to receive assistance in accordance with the policies in this Plan ; and
- (5) To conduct quality control reviews.

The Director of Housing Choice Voucher Programs and the Executive Director conduct quality control reviews of a sample of files or records drawn in an unbiased manner to determine that files and records conform to program requirements.

As specified by HUD's Section 8 Management Assessment Program (SEMAP) requirements, RHE performs supervisory quality control reviews through sampling of waiting list selections, rent reasonableness, adjusted income determinations, enforcement of HQS requirements and the conduct of annual HQS inspections. (See SEMAP certification Form HUD 52648 in the Appendix).

Many monitoring functions are initiated by computerized reports that will show on a monthly or quarterly basis how the program's Annual Contributions Contracts (ACCs) with HUD are being used and if the staff is consistently performing high quality, error-free work. In addition, reports are generated and reviewed to ensure that corrupt data does not remain in the database. Data is transmitted to HUD via the Public and Indian Housing Information Center (PIC) system.

2.1.c. Expanding Housing Opportunities

It is a goal of the federal Housing Choice Voucher program that housing assistance should be used to help low-income families move to areas without concentrations of poverty or minority populations. RHE supports and encourages this goal.

Within RHE's jurisdiction, there are no census tracts with minority or poverty concentrations; all voucher participants leasing within the City of Rockville will necessarily have selected housing in non-impacted neighborhoods. RHE will closely monitor available data on population changes within the city of Rockville to determine if any action is needed to avoid the creation of impacted population centers. In addition, RHE analyzes the search time of voucher holders to identify any problems families may experience locating housing.

RHE encourages owners to list available units and maintains a Units Available bulletin board in its waiting room. RHE provides maps to families looking for housing identifying the locations of job opportunities, schools, transportation and other services. The RHE briefing packet includes information on available units and willing owners, an explanation of portability, and a list of portability contacts at neighboring housing authorities.

2.2. HOUSING VOUCHER PROGRAM RESPONSIBILITIES

2.2.a. RHE Responsibilities 24 CFR 982.153

RHE must comply with the consolidated ACC, the application, HUD regulations and other requirements, and with the RHE Administrative Plan. In administering the program, RHE must:

- (1) Publish and disseminate information about the availability and nature of housing assistance under the program;
- (2) Communicate the status of program availability to other service providers in the community, and advise them of eligibility factors and guidelines so that they can make proper referrals of their clients to the program;

- (3) Explain the program to owners, by holding individual and group briefings for owners who participate in or who are seeking information about the housing voucher program. The owner briefing is intended to:
 - (i.) Explain how the program works;
 - (ii.) Explain how the program benefits owners;
 - (iii.) Explain owners' responsibilities under the program. Emphasis is placed on quality screening and ways RHE helps owners do better screening;
 - (iv.) Provide an opportunity for owners to ask questions, obtain written materials, and meet RHE staff; and
 - (v.) Encourage owners to make units available for leasing in the program, including owners of suitable units located outside of low-income or minority concentration areas.
- (4) Seek expanded opportunities for assisted families to locate housing outside areas of poverty or racial concentration;
- (5) Affirmatively further fair housing goals and comply with equal opportunity requirements;
- (6) Make efforts to help people with disabilities find satisfactory housing;
- (7) Receive applications from families, determine eligibility, maintain the waiting list, select applicants, issue a voucher to each selected family, and provide housing information to families selected;
- (8) Determine who can live in the assisted unit, at admission and during the family's participation in the program;
- (9) Obtain and verify evidence of citizenship and eligible immigration status in accordance with 24 CFR Part 5.
- (10) Review the family's request for approval of the unit and tenancy;
- (11) Inspect the unit before the assisted occupancy begins, and at least annually during the assisted tenancy;
- (12) Determine the amount of the housing assistance payment for a family;

- (13) Determine the maximum rent to the owner, and whether the rent is reasonable;
- (14) Make timely housing assistance payments to an owner in accordance with the HAP contract;
- (15) Examine family income, size and composition, at admission and during the family's participation in the program. The examination includes verification of income and other family information;
- (16) Establish an up to date utility allowance schedule, and adjust RHE's utility allowance, as needed. RHE reviews utility rate data obtained within the last 12 months and adjusts its utility allowance schedule if there has been a change of 10% or more in a utility rate since the last time the utility allowance schedule was revised.
- (17) Administer and enforce the housing assistance payments contract with an owner, including taking appropriate action, as determined by RHE, if the owner defaults (e.g., HQS violation);
- (18) Determine whether to terminate assistance to a participant family for violation of family obligations;
- (19) Conduct informal reviews of certain RHE decisions concerning applicants for participation in the program;
- (20) Conduct informal hearings on certain RHE decisions concerning participant families;
- (21) Provide sound financial management of the program, including engaging an independent public accountant to conduct audits; and
- (22) Administer an FSS program.

2.2.b. Family Obligations 24 CFR 982.551

When the family signs the housing voucher it agrees that it will:

- (1) Supply any information that RHE or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status (see 24 CFR Part 5). "Information" includes any requested certification, release or other documentation.

- (2) Supply any information requested by RHE or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements.
- (3) Disclose and verify social security numbers, and sign and submit consent forms for obtaining information.
- (4) Provide only information that is true and complete.
- (5) Be responsible for any HQS breach caused by the family or its guests as described in 24 CFR 982.404 (b).
- (6) Allow RHE to inspect the unit at reasonable times and after two days (48 hours) notice.
- (7) Not commit any serious or repeated violation of the lease.
- (8) Notify RHE and the owner before the family moves out of the unit, or terminates the lease on notice to the owner 24 CFR 982.314 (d).
- (9) Notify RHE if any family member no longer resides in the unit.
- (10) Promptly give RHE a copy of any owner eviction notice it receives.
- (11) Use the assisted unit for residence by the family. The unit must be the family's only residence. The family must notify RHE of any change in family composition and request RHE and owner approval to add a new occupant. A live-in aide may be added to the family composition if there is verification of need from a doctor or medical institution. A foster child/foster adult may reside in the unit with court verification of custody.
- (12) Not sublease or let the unit.
- (13) Not assign the lease or transfer the unit.
- (14) Engage in legal profit making activities in the unit, **only if** such activities are incidental to residency by the family. Any business uses of the unit must comply with zoning requirements and the affected household member must obtain all appropriate licenses.
- (15) Supply any information or certification requested by RHE to verify that the family is living in the unit, or relating to family absence from the unit, including any RHE-requested information or certification on the purposes of family absences. The family must cooperate with RHE for this purpose.

- (16) The family must promptly notify *RHE* of any **absence from the unit**. Absence means that no member of the family is residing in the unit. The family may only be absent from the unit for up to 30 days, and must request permission from RHE for absences exceeding 30 days. RHE will make a determination within 5 business days of the request. An authorized absence may not exceed 180 days. Any family absent for more than 30 days without authorization will be terminated from the program. Authorized absences may include, but are not limited to: (1) prolonged hospitalization; (2) absences beyond the control of the family (i.e., death in the family, other family member illness); (3) other absences that are deemed necessary by RHE.
- (17) Not own or have any interest in the unit except for cooperative housing or manufactured homes.
- (18) Not commit fraud, bribery or any other corrupt or criminal act in connection with the programs.
- (19) Not engage in drug-related criminal activity or violent criminal activity.
- (20) Not abuse alcohol in any way that threatens the health, safety or right to peaceful enjoyment of other residents or persons residing in the immediate vicinity of the premises.
- (21) Not receive Section 8 tenant-based assistance while receiving another housing subsidy, for the same unit or for a different unit, under any duplicative (as defined by HUD) federal, State or local housing assistance program.

2.2.c. Owner Responsibilities 24 CFR 982.307 and 982.452

The owner is responsible for performing all of the owner's obligations under the HAP contract and the lease including:

- (1) Perform all management and rental functions for the assisted unit, including selecting a voucher holder to lease the unit, and deciding if the family is suitable for tenancy of the unit.
- (2) Maintain the unit in accordance with HQS, including performance of ordinary and extraordinary maintenance.
- (3) Comply with equal opportunity requirements.
- (4) Prepare and furnish to RHE information required under the HAP contract.

- (5) Be responsible for collecting from the family any security deposit, the tenant portion of the rent, and any charges for unit damage by the family.
- (6) Enforce tenant obligations under the lease.
- (7) Pay for utilities and services, unless paid by the family under the lease.
- (8) Be responsible for provisions on modifications to a dwelling unit occupied or to be occupied by a disabled person. 24 CFR 100.203

CHAPTER 3. ELIGIBILITY FOR ASSISTANCE

3.1. ELIGIBILITY FACTORS FOR HOUSING VOUCHER ASSISTANCE

24 CFR 982.201

There are five eligibility requirements for admission to the housing voucher program. The applicant must: (1) qualify as a family; (2) have an income within the income limits; (3) meet citizenship/eligible immigration criteria; (4) provide documentation of Social Security numbers; and (5) sign consent authorization documents. In addition to the eligibility criteria, families must also meet RHE screening criteria, including criminal background checks of all adults, to be admitted to the voucher program.

3.1.a. Family Status. The applicant must qualify as a family.

3.1.a.i. A Family includes but is not limited to:

- (1) Two or more persons sharing residency whose income and resources are available to meet the family's needs and who are related by blood, marriage or operation of the law, or have a history as a family unit, or show evidence of a stable relationship that has existed over a period of time.
- (2) A family with or without children (including children temporarily absent from the home due to placement in foster care);
- (3) An elderly family, a near-elderly family, a disabled family, a single person, or a pregnant woman;
- (4) The remaining member of a tenant family.
- (5) The head of household must be the adult member of the household who is designated by the family as the head, is wholly or partly responsible for paying the rent, and has the legal capacity to enter into a lease under the state and local laws of the city of Rockville, Maryland.
- (6) Children subject to a joint custody agreement will be allowed to be claimed as a dependent only by the household where the child spends 50% or more of his or her time. Verification of the address where the child resides the majority of the time may be through home address reported on school records or other documentation that is deemed conclusive by the Executive Director.

- (7) Unborn children and children in the process of being adopted are considered family members for purposes of determining bedroom size, but are not considered family members for determining income limit.

3.1.a.ii. A family may include a live-in aide.

A live-in aide is a person who lives with an elderly person or a person with disabilities when the family has verified that a live-in aide is essential to the care and well-being of the elderly or disabled family member.

A live-in aide must be a person who:

- (1) Would not be living in the unit except to provide the necessary supportive services; and
- (2) Is not obligated for the financial support of the elderly or disabled family member.

RHE will conduct a criminal background check on any person proposed to be a live-in aide and may refuse to approve, or withdraw approval of, a specific live-in aide who:

- (1) Has committed drug-related criminal or violent criminal activity; or
- (2) Has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program; or
- (3) Owes rent or other amounts to RHE or to another PHA in connection with the housing voucher or public housing programs.

3.1.b. Income Limits.

3.1.b.i. Very Low-Income Limit. Generally, a family must be a very low-income family to be eligible for housing voucher assistance.

3.1.b.ii. Continuously Assisted. A low-income family may be eligible for housing voucher assistance if the family has been continuously assisted under the 1937 Housing Act. A family is continuously assisted if the family is already a receiving family under any 1937 Housing Act program when the family is admitted to the voucher program. Any interruption between assistance under one of these programs and admission to the Housing Choice Voucher program will be considered to break the continuity of assistance under the 1937 Housing Act.

3.1.b.iii. Other Eligible Low-Income Families. A low-income family may be eligible for assistance if the family is:

- (1) A family physically displaced by rental rehabilitation;

- (2) A non-purchasing household residing in a HOPE 1 or HOPE 2 project;
- (3) A non-purchasing household residing in a HUD assisted multifamily project subject to a resident home ownership program under 24 CFR 248.173;
- (4) A non-purchasing household displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract; or
- (5) A family residing in a HUD-owned multifamily project when HUD sells, forecloses or demolishes the project.

3.1.c. Social Security Numbers (SSN) 24 CFR 5.216

Verification of Social Security numbers must be provided for all family members.

3.1.d. Citizenship or Eligible Immigration Status 24 CFR Part 5, Subpart E

To receive assistance, a family member must be a U.S. citizen or eligible immigrant. Assistance is prohibited to non-immigrant students and their families.

All household members must sign a declaration claiming status as a U.S. citizen or an eligible non-citizen or stating a preference not to claim eligibility. Declarations for children must be signed by parents or guardians.

U.S. citizens must provide verification of citizenship, which may be a U.S. birth certificate, a U.S. passport, or a certificate of naturalization.

Non-citizens who are 62 years of age or older and claim to have eligible immigration status must provide a signed declaration of eligible immigration status and proof of age.

Other non-citizens claiming eligible immigration status must provide documentation of their immigration status. Staff will verify the immigration status of every non-citizen claiming eligibility through the U.S. Citizenship and Immigration Services (USCIS).

Mixed families with eligible and ineligible members will be eligible to receive prorated assistance.

RHE will inform all applicants at the time an application is submitted that housing assistance is available only to US citizens and eligible immigrants and provide information on the types of evidence that will be required.

For all denials of voucher assistance on the basis of ineligible immigration status, the informal hearing provisions apply. 24 CFR 5.514

3.1.e. Criminal Background. 24 CFR 982.307

Applicants with a history of drug-related or violent criminal activity are not eligible for assistance. RHE conducts a criminal background check on all adult household members including live-in aides and individuals added to a household after initial occupancy and may deny admission based on the factors described under Denial of Assistance in Chapter 5.

3.2. ELIGIBILITY OF STUDENTS

The eligibility of students not living with their parents or guardians may be determined based on the income of the student's parents. See Chapter 4, Restrictions on Assistance to Students.

3.3. ELIGIBILITY OF NEW HOUSEHOLD MEMBERS

RHE will approve a child added to a household through birth, adoption or court-awarded custody. A family must obtain approval from RHE and the owner before adding any other individual to the household

Before approving any new adult household member, RHE will conduct a criminal background check and verify the individual's citizenship or immigration status and income. The individual will be required to provide documentation of his or her Social Security number and sign the release of information documents required to complete the verification process. In addition, the family must document the owner's agreement to the household addition.

CHAPTER 4: ANNUAL AND ADJUSTED INCOME AND VERIFICATION

4.1. ANNUAL INCOME 24 CFR 5.609

Annual income means all amounts, monetary or not, which:

- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; and
- (2) Are based on, at the time of admission, reexamination, or recertification:
 - (i.) Actual income being received (projected forward for a 12-month period):
 - (ii.) Past actual income received or earned within the last 12 months of the determination date, as HUD may prescribe.
- (3) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

4.1.a. **Annual income - includes**, but is not limited to:

- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) The net income from operation of a business or profession.
 - a. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income.
 - b. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation.
 - c. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
- (3) Interest, dividends, and other net income of any kind from real or personal property.
 - a. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the Family.
 - b. Where the Family has Net Family Assets in excess of \$5,000, Annual income includes the greater of the actual income derived from all Net Family Assets or a percentage of the value of such

Assets based on the current passbook savings rate, as determined by HUD;

- (4) The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump sum payment for the delayed start of a periodic payment (*except as described under "Annual Income Excludes" below*);
- (5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (*except as described under "Annual Income Excludes" below*);
- (6) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling;
- (7) Payment of a welfare allowance or grant, including any imputed welfare income (see Glossary);
- (8) All regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the Family, spouse, or other family members whose dependents are residing in the unit (*except as described under "Annual Income Excludes" below*); and
- (9) Any student financial assistance in excess of amounts received for tuition, except assistance received by persons over the age of 23 who have dependent children or assistance received by a student living in an assisted household with a parent or guardian. (See also paragraph 4.1.h. below.)

4.1.b. Annual Income - Excludes the following:

- (1) Income from employment of children (including foster children) under the age of 18 years;
- (2) Payments received for the care of foster children or foster adults (see Glossary);
- (3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
- (4) Amounts received by the family, that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;

- (5) Income of a live-in aide;
- (6) The full amount of student financial assistance paid directly to the student or to the educational institution except as described in paragraph 4.1.(9) above;
- (7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (8) Amounts received under training programs funded by HUD;
- (9) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
- (10) Amounts received by a participant in other publicly-assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
- (11) A resident service stipend. This is a modest amount, not to exceed \$200 per month, received by a resident for performing a service for the PHA, on a part-time basis, that enhances the quality of life in the development;
- (12) Incremental earnings and benefits from participation in qualifying state or local employment training programs and training of a family member as resident management staff when the training program includes clearly defined goals. Payments may be excluded only while the family member participates in the training program.
- (13) Temporary, nonrecurring or sporadic income (including gifts) (see Glossary);
- (14) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
- (15) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
- (16) Adoption assistance payments in excess of \$480 per adopted child;

- (17) Deferred periodic payments of Supplemental Security Income and Social Security benefits that are received in a lump sum;
- (18) Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;
- (19) Amounts paid by a state agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
- (20) Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937. These exclusions include:
 - (i) Food Stamp allotment;
 - (ii) Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions);
 - (iii) The first \$2,000 in payments per year received under the Alaska Native Claims Settlement Act;
 - (iv) Income derived from certain submarginal land of the United States which is held in trust for certain Indian tribes;
 - (v) Payments or allowances made under Department of Health and Human Services' Low-Income Energy Assistance Program;
 - (vi) Payments received under programs funded in whole or in part under the Job Training Partnership Act;
 - (vii) Income derived from the disposition of funds of the Grant River Band of Ottawa Indians;
 - (viii) The first \$2,000 of per capita shares received from judgement funds awarded by the Indian Claims Commission or the Grant of Claims or from funds held in trust for an Indian tribe by the Secretary of Interior and up to \$2,000 per year of income received by individual Indians from trusts or restricted lands held by the Secretary of Interior for the benefit of individual Indians.
(Exclusions apply on a per person basis);

- (ix) Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs;
- (x) Payments received from programs funded under Title V of the Older Americans Act of 1965;
- (xi) Payments received after January 1, 1989 from the Agent Orange Settlement Fund or any other Agent Orange settlement fund;
- (xii) Payments received under the Maine Indian Claims Settlement Act of 1980;
- (xiii) The value of any child care provided or reimbursed under the Child Care and Development Block Grant Act of 1990; and
- (xiv) Earned income tax credit refund payments;
- (xv) The low-income subsidy received to assist low-income persons in paying for their Medicare prescription drug plan costs; and
- (xvi) Payments for living expenses under the AmeriCorps Program.

4.1.c. Historical amounts.

If RHE is unable to determine annual income using current information because the family reports little to no income or because income fluctuates, RHE may average past actual income received or earned within the 12 months before the certification date to calculate annual income.

RHE may also ask the family to provide documentation of current income. If the family can provide acceptable documentation dated either within the 60-day period preceding the certification effective date or the 60-day period following the request date, RHE may use this documentation to determine annual income.

RHE may reject any income documentation based on reasons described by HUD.

4.1.d. Averaging Income.

All current income should be annualized. If income cannot be anticipated, RHE staff will average the known sources of income, or annualize the current income and conduct an interim exam if income changes.

4.1.e. Minimum Income.

There is no minimum income requirement. Families who verify their income at zero may be served, but must report any income in the month it begins. (See Chapter 8, Paragraph 8.1.b.iii. Other Required Recertifications.)

4.1.f. Income of Absent Family Member.

Any member of the household will be considered permanently absent if he or she is away from the unit for more than three consecutive months or more than 120 days in a calendar year.

A family member who is absent due to hospitalization or other confinement for medical reasons may continue as a member of the household for up to 180 days if verification of the medical need for confinement is received from a medical professional.

The income of the family member who is temporarily absent is included in the annual income for the household.

4.1.g. Income of Dependent.

Although the earned income of minors is not included in annual income, benefits and other non-earned income are included.

4.1.h. Restrictions on Assistance to Students 24 CFR 5.612

4.1.h.i. The income of a student's parents shall be considered in determining the eligibility of any individual who:

- Is enrolled as a student at an institution of higher education; and
- Is under 24 years of age;

Unless the individual is:

- A veteran of the United States military; or
- Is married; or
- Has a dependent child.

4.1.h.ii. Students who qualify as independent students may be considered eligible without evidence of their parents' income if the student's parents or guardian provide a certification of the amount of financial support provided to the student even if the amount is zero.

An Independent Student is one who

- Is of legal contract age under state law; and
- Has established a separate residence for at least one year; and
- Has not been claimed as a dependent by a parent or guardian; or
- Is a graduate or professional student or an orphan or ward of the court who has not been claimed as a dependent by a parent or guardian.

4.1.h.iii. RHE will review the eligibility of students at initial certification and at each recertification. If any student in a leased household is not eligible, RHE must terminate assistance for the household. If such a household includes both eligible and ineligible students, RHE will issue a voucher to the eligible members of the household who may remain in their current unit if the ineligible student moves out or may move to a new unit.

4.1.i. Student Financial Assistance

4.1.i.i. Student financial assistance is not counted as income when it is received by students who are:

- Living with their parents in an assisted household; or
- Over 23 years of age *and* have one or more dependents.

4.1.i.ii. For all other students, student financial assistance in excess of amounts received for tuition are included in annual income.

4.1.j. Reductions in Welfare Assistance 24 CFR 5.615

Neither annual income nor rent is adjusted to reflect a loss of welfare payments when the welfare reduction is the result of fraud, failure to participate in an economic self-sufficiency program or failure to comply with a work requirement.

The term "imputed welfare income" is used for the amount of lost welfare income that is included in annual income. "Imputed welfare income" is equal to the amount of the welfare reduction less any new income acquired by the family since the welfare reduction. When the new income equals the welfare reduction, imputed welfare income is reduced to zero.

RHE will obtain written verification from the welfare agency that a family's benefit reduction was due to fraud or noncompliance before refusing to reduce the family's rent.

This provision does not apply if welfare benefits are reduced due to a lifetime limit on the receipt of benefits or a situation in which the family has complied with welfare requirements but cannot find employment.

The provision does not apply to a family that was not receiving voucher assistance at the time of the welfare sanction.

RHE is not responsible for determining whether a deduction of welfare benefits by the welfare agency was correctly determined by the welfare agency.

4.1.k. Earned Income Disregard 24 CFR 5.617

Some increases in the earned income of persons with disabilities will be excluded from annual income for a period of two years.

This exclusion pertains only to a person with disabilities whose income increases while receiving voucher assistance if that person:

- (1) Was unemployed for the past year or more; or
- (2) Is participating in any economic self-sufficiency or other job training program; or
- (3) Became employed or received increased earnings during or within six months after receiving assistance benefits or services under any state TANF program.

RHE will exclude all of the increased income of such a person for a *cumulative* 12-month period.

For a second cumulative 12-month period, RHE will exclude 50% of the increase in such a person's income.

The eligibility of any individual for the earned income disregard is 48 months from the date of the first exclusion.

4.2. INCOME FROM ASSETS 24 CFR 5.603 and 5.609

Income received from assets held by household members is included in annual income. When net family assets are \$5,000 or less, the actual income from assets is added to annual income. If assets total more than \$5,000, income from the assets is "imputed," and the greater of actual asset income and imputed asset income is counted in the annual income.

4.2.a. Assets Include:

- (1) Amounts in savings and checking accounts
- (2) Stocks, bonds, money market funds and other investment accounts
- (3) Equity in real property or other capital investments
- (4) Cash value of trusts available to the family
- (5) Retirement savings accounts

- (6) Lump sum payments including inheritances, lottery winnings, capital gains, and insurance settlements
- (7) Personal property held as investments, such as collections
- (8) Cash value of life insurance policies
- (9) Assets disposed for less than fair market value but more than \$2,000 during the two years preceding the eligibility certification for the program

4.2.b. Assets Exclude:

- (1) Necessary personal property such as furniture and automobiles
- (2) Interest in Indian trust lands
- (3) Assets that are part of an active business or farming operation
- (4) Assets not accessible by the family, such as a trust
- (5) Handicapped-equipped vehicles
- (6) Equity in cooperatives or manufactured homes occupied by the family
- (7) The value of a home currently being purchased through the Section 8 Homeownership program. This exclusion is limited to the first ten years after the purchase date of the home.

4.2.c. Net Family Assets means the net cash value of all household assets after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment.

4.2.d. Assets Disposed of for Less than Fair Market Value.

In determining net family assets, RHE shall include the value of any family assets disposed of by an applicant or tenant for less than fair market value that is in excess of the consideration received therefore. Such amounts shall be counted as assets for two years following the date of disposition. These amounts will be counted only when the total value of assets disposed of exceeds \$2000.

Assets disposed of as the result of a separation or divorce settlement, foreclosure or bankruptcy will not be considered to be disposed of for less than fair market value

4.2.e. Trusts.

A trust over which members of the household have no control and to which they have no access will not be considered an asset. Any income distributed from the trust to a member of the household shall be counted when determining annual income.

4.3. ADJUSTED INCOME 24 CFR 5.611 (See Glossary)

Adjusted income is annual income after deducting the following allowances.

- (1) **Dependent Allowance.** \$480 for each dependent
- (2) **Elderly Household Allowance.** \$400 for an elderly family or disabled family
- (3) **Allowance for Medical Expenses.** An allowance for medical expenses is given to any family in which the head, spouse or co-head is elderly (62 years or older), or disabled. The amount of the allowance is equal to the total of medical expenses for all family members less 3% of annual income.
- (4) **Allowance for Childcare Expenses.** An allowance for the care of children under 13 years of age is given to enable a family member to work, search for work or go to school. The allowance cannot exceed the amount earned by the member able to work because childcare was available. An allowance is not given for any childcare cost that is reimbursed by anyone outside the family (for example, Purchase of Care or Working Parents' Assistance Programs).
- (5) **Allowance for Disability Assistance.** An allowance is deducted to cover an expense exceeding 3% of annual income for a care attendant or any "auxiliary apparatus" for a disabled family member if:
 - a. The expense enables an adult family member to work (including the disabled family member); and
 - b. The allowance does not exceed the amount earned by the member or members who are enabled to work by the expense.
 - c. If a household is eligible to receive an allowance for medical expense and disability assistance, 3% of income is deducted first from total medical expenses. If 3% of income is greater than total medical expenses, the remainder of the 3% is deducted from disability assistance expenses.

4.4. VERIFICATION PROCEDURES

RHE must verify all factors affecting a household's eligibility, preference and rent payment.

4.4.a. EIV and Third-Party Verification

Wherever possible, RHE must obtain verification from third-party sources. For current program participants, verification of employment income or Social Security or unemployment benefits must include data from HUD's Enterprise Income Verification (EIV) system. Through its EIV system, HUD provides employment data reported to state wage information agencies and information on amounts paid as Social Security or unemployment benefits.

In addition to EIV data, RHE requires verification directly from the source of income, from those who receive payment for deductible expenses and from institutions or professionals who have information relevant to a family's eligibility or rent.

Third-party verification may include:

- (1) Written verification mailed directly from the third party to RHE;
- (2) Oral verification, generally by telephone, when RHE staff is able to determine that the person providing information is the person who should be providing the required verification; or
- (3) Electronic verification sent directly to RHE by fax or obtained from the internet.

Third-party verification can never be hand carried by the family. Telephone calls to obtain third-party oral verification must be originated by RHE staff. Staff must document an oral verification in writing in the file including the date of the conversation, the name and position of the person providing the information and the information provided.

On any occasion that RHE is unable to obtain third party verification, staff must document the participant file to explain why.

4.4.b. Review of Documents

When third-party verification cannot be obtained, staff will review original documents provided by the family. Staff may use a review of documents in instances where no third-party source is available (for example, date of birth) or when staff has made two attempts to obtain third-party verification over a two-week period without result. All attempts to obtain verification must be documented in the tenant file.

4.4.c. Tenant Self-Certification

RHE may accept a family's self-certification of relevant facts only when no other verification has been possible. A self-certification does not need to be notarized, but it must be signed and dated by the family member making the certification.

4.4.d. Timing of Verification

At the time of voucher issuance, verifications used must be no more than 60 days old. Verifications will be maintained in the tenant file.

If third-party verification is received after documents have been accepted as provisional verification and there is a discrepancy, RHE will determine which information is the most accurate and implement interim rent changes if required.

The table on the next page outlines factors that must be verified and common methods that can be used for verification.

4.4.e. Verifying a Departing Household Member

Families reporting that an adult member has left the household must provide verification of that departure. Verification must be conclusive evidence that the departing member has a new residence. Examples of acceptable documents include an executed lease in the member's name, a new driver's license with a new address, or a current utility bill or bank statement with a new address. Self-certification cannot be used to verify a household member's departure unless approved by the Executive Director.

| PHA VERIFICATION REQUIREMENTS TABLE | | |
|---|---|---|
| Item to be Verified | Third-Party Verification | Hand-Carried Documents |
| Age | NA | Birth certificate, baptismal certificate, military discharge papers, passport, SS benefits page |
| Alimony or child support | Separation/divorce agreement; Court statement showing payments or non-payment | Copy of recent checks; Separation/divorce agreement |
| Assets disposed of for less than fair market value | NA | Certification by application or participant |
| Assistance Animal | Medical professional's statement that animal is required | NA |
| Auxiliary apparatus | Medical professional's statement that apparatus is required | Copies of receipts, cancelled checks or statements showing periodic payments |
| Care attendant | Statements from medical professional that care is required, from attendant as to amount of payment | Copies of receipts, cancelled checks or statements showing periodic payments |
| Child care expense | Statement from provider of payment amount, hours of care, names of children; verification of employment, student status and/or job search | Copies of receipts, cancelled checks or statements showing periodic payments |
| Disability status | Medical professional's statement that person qualifies under the definition of disability | SS disability award letter |
| Dividend income & savings account interest | Bank verification; electronic statement printed at RHE's office | Current bank statements |
| Employment Income | EIV print out; employer's verification form; oral employer's verification | Current pay stubs for 6 consecutive weeks; W-2 forms |
| Family Composition | NA | Birth & marriage certificate; divorce decrees; school records; utility bills |
| Full-time student status | Written or oral statement from school | School records |
| Immigration status | Verification from DHS through ASVI | (Declaration and immigration documents are required but alone do not satisfy verification requirement.) |
| Live-in aide | Medical professional's statement that live-in aide is required | NA |
| Medical Expenses | NA | Receipts, cancelled checks, pharmacy record or statements showing periodic payments |

| PHA VERIFICATION REQUIREMENTS TABLE | | |
|--|---------------------------------|---|
| Item to be Verified | Third-Party Verification | Hand-Carried Documents |
| Net income from a business | NA | Income tax return; financial statement for business |
| Personal property held as an investment | NA | Assessor's report; purchase receipts; |
| Real property | NA | Property tax statement; rental income and expense records or tax return |
| Recurring contributions and gifts | Statement from donor | NA |
| Self-employment income, tips | NA | Income tax return |
| Social Security income | EIV | Current benefits award letter |
| Social Security number | NA | Social Security card; ID card issued by gov't agency, insurance provider, employer or trade union; pay stubs; bank statement; Form 1099; benefit award letter; insurance policy; court record |
| TANF (Temporary Assistance to Needy Families) | | TANF award letter |
| TCF (Temporary Cash Assistance) | | TCF award letter |
| Unemployment compensation | | Benefit notification letter; copies of checks |
| Zero Income | NA | Zero income form |

CHAPTER 5: APPLICATION, WAITING LIST MANAGEMENT, AND TENANT SELECTION

5.1. OVERVIEW

RHE's policy is to ensure that all families who express an interest in housing voucher assistance are given an equal opportunity to apply and are treated in a fair and consistent manner.

RHE maintains separate waiting lists for the housing voucher and public housing programs. An applicant applying for one program at a time when the waiting list for the other program is open will have the opportunity to be placed on both waiting lists. 24 CFR 982.205

The housing voucher waiting list is generally closed until the number of applicants on the waiting list falls below the number of anticipated openings during the coming 12 to 18 months. When that happens, the list will be opened for a limited period as determined by the RHE Executive Director.

When the waiting list is open, applicants submit a brief pre-application. When that application comes to the top of the waiting list, the applicant is invited to complete a full application.

Staff will verify all information related to eligibility, preference, income and rent. Eligible families will be invited to a briefing to receive a voucher. Ineligible applicants will be informed of their ineligibility and their opportunity for an informal review.

5.2. NONDISCRIMINATION

All applicants will be provided an equal opportunity to obtain assistance based on the policies set forth in this Administrative Plan in accordance with federal, state and local law. All individuals will be treated in a consistent manner without regard for race, color, religion, sex, national origin, age, familial status or disability.

Complaints of discrimination by applicants/participants may be reported to RHE. RHE staff will assist in completing and filing any housing discrimination complaint. See Appendix for materials and forms (Form HUD-903).

5.3. OPENING AND CLOSING THE WAITING LIST

24 CFR 982.206

5.3.a. Opening the Waiting List

The opening of the waiting list will be advertised through public notice in a local city of Rockville newspaper of general circulation, on the city of Rockville Cable Channel (53) and in appropriate minority media. In addition, other key organizations will be notified including the Rockville Mayor's Office, the Rockville City Council, the Montgomery County Department of Health and Human Services, and local non-profit agencies. The public notice will state where and when to apply, and any closing date and will include a brief description of the housing choice voucher program. Applicants or residents of other assisted RHE housing programs may submit a separate preliminary application to apply for a housing voucher. The public notice will state any limitations regarding who may apply.

5.3.b. Closing the Waiting List

RHE will provide public notice of the closure of the housing voucher waiting list at least 30 days in advance of any closure. A decision to close the list is made when there are enough applicants already on the list to fill any anticipated turnover or new allocations for the next 12-18 months. In most cases, the public notice announcing the opening of the waiting list will also include the closing date of the waiting list.

5.4. TENANT SELECTION PREFERENCES

24 CFR 982.207

RHE has chosen to use local preferences to meet local objectives in choosing among applicants. Preferences determine the order in which eligible applicants are selected from the waiting list.

There are three preference categories. Each category is assigned points. Applicants are placed on the waiting list based first on the applicant's number of preference points; then, among applicants with an identical number of points, based on the lottery number or the date and time of the application.

5.4.a. Preference Categories

The preferences for which an individual may qualify and the points assigned are as follows:

| <u>Preferences</u> | <u>Points</u> |
|---|---------------|
| Living and Working in the City Limits of Rockville | 4 |
| Living or Working in the City Limits of Rockville | 2 |
| Working Families living outside of Rockville | 1 |

These local preferences are based on Rockville community needs and are consistent with the PHA Plan, the Consolidated Plan and Fair Housing laws.

5.4.b. Definition of Preference Categories

An applicant qualifies for a preference if the household meets any of the following conditions:

- (1) Living and Working in the city of Rockville
 - (a) The primary residence of the head, spouse or co-head is within the city of Rockville as verified by one of the following:
 - (i) Lease, bank statement or utility bill bearing the name of the head, spouse or co-head and an address within the city of Rockville;
 - (ii) Photo identification issued by a government agency such as a driver's license;
 - (iii) Registration of children in local schools, **and**
 - (b) Head, spouse or co-head is either working or hired to work within the corporate limits of Rockville.

- (2) Living or Working in the city of Rockville
 - (a) The primary residence of the head, spouse or co-head is within the city of Rockville as verified by one of the following:
 - (i) Lease, bank statement or utility bill bearing the name of the head, spouse or co-head and an address within the city of Rockville;

- (ii) Photo identification issued by a government agency such as a driver's license
- (iii) Registration of children in local schools, **or**
- (b) Head, spouse or co-head is either working or hired to work within the corporate limits of Rockville.
- (3) A Working Family is defined as an applicant household whose head, spouse or co-head is:
 - (a) Employed at the time of certification in a position providing a minimum of 20 hours of work each week; or
 - (b) Age 62 or older, or
 - (c) A person with disabilities; or
 - (d) Participating in an education or training program designed to prepare people for the job market.

RHE Housing Voucher staff will verify that an applicant's declared address for residency or work is, in fact, located in the corporate limits of the city of Rockville by confirming that address in the listing of streets and unit numbers as provided by the city of Rockville.

5.4.c. Preference Verification

5.4.c.i. Initial Self-Certification. No verification of local preferences is required at pre-application. Families self-certify preference eligibility and are placed on the waiting list according to date, time, and preferences claimed.

An applicant may update his or her application by providing information in writing to RHE, including changes in family composition or income, or preference qualifications, at any time while on the list. RHE staff will annotate the applicant's file and will update the household's place on the waiting list.

5.4.c.ii. Final Verification of Preferences. Prior to voucher issuance, the family's preference eligibility based on current circumstances must be documented through third-party verification.

5.4.d. Preference Denial.

If at final verification of local preferences it is determined that the family does not qualify for the claimed preference, the application will be given a new place on

the waiting list based on the application's lottery number or date and time of application but without benefit of the preference originally claimed.

The family will be given written notice that RHE was unable to verify its qualification for the preference status claimed and the right to request an informal review.

RHE will not deny a local preference, nor otherwise exclude or penalize a family in admission to the program, solely because the family resides in public housing.

5.4.e. Preference Based on Income Targeting

Federal law requires that 75% of families admitted each year have incomes at or below the extremely low-income limit, which is 30% of the area median income. If necessary to meet the statutory requirement, RHE retains the right to skip higher income families to reach extremely low-income applicants. This measure will be taken only if it appears the 75% goal will not otherwise be met.

To ensure the goal is met, RHE will monitor the income of newly admitted families and the income of families on the waiting list. If there are not enough extremely low-income families on the waiting list to meet the 75% income targeting requirement, RHE will conduct outreach on a non-discriminatory basis to attract extremely low-income families.

5.5. APPLICATION PROCESS

Families who wish to apply to the waiting list must complete a written preliminary application for housing when the list is open. Reasonable accommodation and assistance will be provided to persons with disabilities during the application process.

The application process involves two phases: the initial pre-application for assistance, which results in the family's placement on the waiting list and completion of a full Application for Housing Assistance when the family reaches the top of the waiting list.

5.5.a. Submitting a Pre-application.

When the housing voucher waiting list is open, RHE pre-application forms and instructions are available at RHE's main office, by mail, or on RHE's website during the open period. RHE staff are available to help families with the pre-application process. The RHE pre-application form requests minimal information about the applicant family and requires the applicant's signature. The pre-application process relies on self-certification.

Completed applications may be mailed or delivered in person to RHE's main office. Applications delivered in person or by mail will be stamped upon receipt at RHE's office with both date and time and with a waiting list control number, during the period that the waiting list is open. Only those mailed applications with postmarks dated before the closing date of the application period will be accepted.

5.5.a.i. Establishing the Waiting List.

Before the waiting list is opened, RHE's Board of Commissioners will determine whether the applications received will be ordered using a lottery or based on the date and time each application is received.

5.5.a.ii. Lottery. When a lottery is to be used to determine the order of applications on the waiting list, RHE will employ a computerized random number generating program to assign each application a sequential number representing its waiting list placement. Lottery numbers will be assigned before preferences are taken into account.

A list of all applications received printed in the order assigned through the lottery will be presented to the Board of Commissioners at its regular monthly meeting. The Board will review, approve and ask its Chair to sign the printed list to certify it as the official waiting list. The certified copy will be maintained in a secure location with RHE official documents.

After lottery numbers have been assigned and the waiting list order has been certified, the list will be reordered based on preferences claimed. All applications with an identical number of preference points will be organized within one pool. Within that pool, applications will be ordered according to lottery number, the lowest lottery number placed at the beginning of that preference pool. Within each preference pool there will be breaks in the lottery number sequence where lottery numbers have been assigned to applications in a different preference pool.

5.5.a.iii. Date and Time of Application. If the RHE Board has determined that applications should be ordered by the date and time each application is received, pre-applications will be entered on the waiting list and ordered based on preferences claimed and date and time of application. The date and time of the application will be used to determine the sequence of applications within each preference category.

5.5.a.iv. Notification of Initial Applicant Status. RHE will make a preliminary determination of eligibility based on the information provided on the pre-application and send a written notification of preliminary eligibility by mail within 60 days of the submission deadline to each applicant that submits a completed pre-application.

5.5.b. Management of the Waiting List 24 CFR 982.204

5.5.b.i. Updating Waiting List Information. Once each year, a letter will be mailed to each applicant on the waiting list requesting up-to-date household information and confirmation by return mail of the family's continued interest in receiving voucher assistance. Failure to respond to an up-date letter within 30 days after the date on the letter will result in removal from the list as described below in paragraph 5.5.b.ii.

Upon request, an additional extension may be given for disabled applicants needing a reasonable accommodation.

5.5.b.ii. Failure to Respond to RHE Mailing.

If a letter to a waiting list applicant is returned to RHE by the Post Office as undeliverable and without a forwarding address, the applicant will be removed from the list without further notice, and the envelope and letter will be placed in the applicant's file.

If a letter is returned to RHE with a forwarding address, it will be resent to the forwarding address and the applicant will have 30 days from the date of the second mailing to respond.

Any applicant whose letter was not returned as undeliverable that fails to respond to an RHE mailing requesting information will be sent a second written notification and given a final 10 business days to respond to RHE.

- (1) If the applicant fails to respond within 10 business days, the application will be removed from the waiting list.
- (2) An applicant removed from the waiting list for failure to respond to RHE will not be entitled to reinstatement unless the applicant has a disability and asks for a reasonable accommodation to respond.

5.5.b.iii. Applicant request for removal from the waiting list. 24 CFR 982.204

An applicant may be removed from the waiting list at any time by submitting a request in writing.

5.5.c. Completing a Full Application

5.5.c.i. Application Processing. When voucher funding is available, applicants from the top of the waiting list (chosen by preference, lottery number or application date and time) will be contacted by mail for an eligibility interview to complete a full Application for Housing Assistance.

5.5.c.ii. Certification Interview. Each family selected from the waiting list will be given a date and time to report for a certification interview. All adult members of the household, age 18 or over, must attend the certification interview.

RHE will allow the family to reschedule a certification interview; however, generally not more than one opportunity will be given to reschedule without good cause and not more than two opportunities will be provided to a household with good cause. When a good cause exists, RHE will work closely with the family to find a more suitable time.

5.5.c.iii. Missed Appointments. Any applicant who fails to attend a scheduled appointment without contacting RHE to reschedule will be sent a notice of denial. The notice will provide the household an opportunity to request an informal review.

5.5.c.iv. Determination of Eligibility. After the interview and verification process is completed, RHE staff will make a final determination of eligibility. A family may be determined eligible, ineligible, or ineligible for the preference status claimed.

A family that is determined eligible will be scheduled to attend a briefing session at which a voucher will be issued.

A family that is determined ineligible for the preference status claimed will be returned to the waiting list as described in paragraph 5.5.d.

5.5.c.v. Ineligibility Determination. A family that is determined ineligible for assistance will be notified in writing of the ineligibility determination and given an opportunity for an informal review as described below in paragraph 8.8.a.

5.5.d. Refusal of Housing

If the applicant refuses the offer of a housing voucher or the opportunity to complete a full application for voucher assistance, the applicant will be removed from the waiting list for the voucher program. The applicant will remain on the waiting list for any other programs for which the family has applied.

5.5.e. Suitability for Tenancy 24 CFR 982.307

Screening for suitability for tenancy is the responsibility of the owner. RHE conducts a criminal background check on all adult household members but does not conduct any additional screening to determine suitability for tenancy.

RHE provides potential landlords with the current and former addresses of searchers and the names and contact information for landlords at those addresses.

5.6. RHE GROUNDS FOR DENIAL OR TERMINATION OF ASSISTANCE

24 CFR 982.551, 552, 553

5.6.a. Reasons for Denial or Termination of Assistance

RHE will deny assistance to an applicant if:

- (1) The family does not meet any one or more of the eligibility criteria of the program.
- (2) The family violates any family obligations under the applicable housing voucher program.
- (3) Any member of the family fails to:
 - (i) Supply information or documentation required for the application, lease-up or recertification process; or
 - (ii) Sign and submit consent forms for obtaining information; or
 - (iii) Respond to a written waiting list update request.
- (4) Any member of the family has been evicted from public housing or any federally assisted housing for any reason within the last ten years prior to the date of RHE's denial notice.
- (5) Any member of the family:
 - Is currently engaging in illegal drug use; or
 - Has illegally used or possessed a controlled substance for personal use or has abused alcohol in a way that may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents; or
 - Has demonstrated a pattern of illegal drug use that may threaten the rights of others.
 - Has committed drug-related criminal activity, or violent criminal activity.
- (6) Any family member has ever been convicted of manufacturing or producing methamphetamine, "speed".

- (7) Any family member has a lifetime registration under a state sex offender registration program.
- (8) The family has engaged in or threatened abusive or violent behavior toward any RHE staff member or resident. This behavior includes oral or written threats or physical gestures that communicate an intent to insult or intimidate.
- (9) Any member of the family has ever had his or her voucher assistance terminated for cause by a housing authority under the voucher program.
- (10) Any member of the family has ever committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
- (11) Any family member currently owes rent or other amounts to RHE or another housing authority in connection with voucher or public housing assistance under the 1937 Act.
- (12) The family has breached an agreement with RHE to pay amounts owed to a housing authority, or amounts paid to an owner by a housing authority.
- (13) Thirty percent of the family's monthly adjusted income calculated in accordance with federal regulations is equal to or greater than the Payment Standard assigned for the family's voucher size; or, if the family's Total Tenant Payment (TTP) is equal to or greater than the gross rent approved for the family's Moderate Rehabilitation unit.

5.6.b. Criminal Record Check

All adult members (18 and over) of the applicant family will be required to complete a criminal record check process.

5.6.c. Evidence

RHE will deny assistance 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.

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

5.6.d. Additional Considerations

RHE will consider evidence that those who have illegally used or possessed controlled substances or abused alcohol have successfully completed a supervised drug or alcohol rehabilitation treatment program, and have been certified by the treatment program as "clean" for at least one year as of the date of the eligibility determination. (HUD Notice PIH 96-27)

RHE will consider all of the circumstances in each case, the extent of participation or culpability of individual family members, and the effects of denial on other family members who were not involved in the action or failure to act. When there are mitigating circumstances, staff may enter into a service agreement or repayment plan with the family.

5.6.e. Denial of assistance may include any or all of the following:

- (1) Deny listing on the RHE waiting list;
- (2) Deny or withdraw a Housing Choice Voucher or Mod Rehab housing;
- (3) Refusal to enter into a HAP contract or approve a lease request; and/or
- (4) Refusal to process or provide assistance under portability procedures.

5.6.f. Notification of Ineligibility 24 CFR 982.201

RHE will provide an applicant prompt written notice of its decision to deny assistance. The notice will give a brief statement of the reasons for the decision and inform the applicant of his/her right to request an informal review of the ineligibility decision. The applicant will be given 10 days to request an informal review.

CHAPTER 6: VOUCHER ISSUANCE

6.1. SUBSIDY STANDARDS

Subsidy standards are established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

In determining bedroom size, RHE generally assigns one bedroom to two people. However,

- (1) RHE will allocate separate bedrooms for persons of opposite sex (other than adults who have a spousal relationship or children under the age of 3 years);
- (2) Dependents of the same sex where the age difference is greater than 5 years will not be required to share rooms.
- (3) Adults and children will not be required to share the same bedroom, unless the child is under the age of three.
- (4) Adults not in a spousal relationship will not be required to share a bedroom.
- (5) Live-in aides will be provided separate bedrooms.
- (6) A pregnant woman living alone must be treated as a two-person family.
- (7) Children who are in the process of being adopted, children whose custody is being obtained, or children who are temporarily away at school or temporarily absent in foster care, are included in determining the family's bedroom size.
- (8) RHE will grant exceptions to normal occupancy standards when a family requests a larger size than the guidelines allow and documents a medical reason why the larger size is necessary.

This results in the following standards:

| Unit Size | Minimum Number of Persons in Household | Maximum Number of Persons in Household |
|-----------|--|--|
| 0-BR | 1 | 1 |
| 1-BR | 1 | 2 |
| 2-BR | 2 | 4 |
| 3-BR | 3 | 6 |
| 4-BR | 4 | 8 |
| 5-BR | 6 | 10 |
| 6-BR | 6 | 12 |

The above standards do not preclude a family from selecting either a smaller or larger-sized unit than listed subject to the specific regulations of the assigned HUD program.

6.2. ISSUANCE OF HOUSING CHOICE VOUCHER

6.2.a. Applicant Briefing 24 CFR 982.301

To be issued a voucher, applicants must attend a HUD-required briefing at which RHE staff will explain how the program works. The briefings will be conducted as much as possible in group sessions and will include an overview of the housing voucher program including HQS requirements and specific tips on how applicants can conduct their search for housing.

RHE will accommodate any applicant with a disability through an individual meeting, if requested. RHE must ensure that any persons with disabilities understand the briefing in order to gain full benefit of the program. RHE staff will assist individuals who have special needs, or mobility/portability issues.

An applicant who cannot attend the originally scheduled briefing must contact RHE prior to the briefing to be scheduled for a later session. A family that fails without good cause to attend the scheduled briefing or contact RHE in advance will be denied admission. A family that without good cause misses a briefing rescheduled at the family's request will be denied admission.

6.2.a.i. Oral Briefing. HUD requires that the oral briefing include all of the following:

- (1) A description of how the program works
- (2) Family and owner responsibilities
- (3) Types of eligible housing and where a family may lease a unit
- (4) An explanation of the advantages of moving to an area that does not have a high concentration of poor families
- (5) An explanation of portability and a list of portability contacts at neighboring PHAs

RHE will also provide:

- (1) An explanation that the family share of rent may not exceed 40% of the family's monthly adjusted income if the gross rent exceeds the applicable Payment Standard
- (2) A brief overview of the housing voucher Family Self Sufficiency Program.

6.2.a.ii. Briefing Packet. Applicants at each briefing will be provided a briefing packet that includes the following subjects and other material:

- (1) The term of the Housing Choice Voucher including RHE's policies on extensions, reasonable accommodations, suspensions (tolling) and procedures for requesting an extension.
- (2) Information on how RHE calculates HAP and TTP including:
 - (a) RHE's Payment Standards and Utility Allowance Schedule;
 - (b) How RHE determines the maximum rent for an assisted unit.
- (3) Information on what the family should consider when leasing a unit, including reasonable rent, unit condition, utility costs and efficiency, and location of the unit to services, plus:
 - (a) The HUD brochure "A Good Place to Live." (HUD-H-593) on how to select a unit; and
 - (b) HUD's lead-based paint brochure, "Protect Your Family from Lead in Your Home."
- (4) RHE subsidy standards and any exceptions to the standards.
- (5) Where the family may lease a unit and an explanation of the portability feature, if applicable, and
 - (a) A list of the names and contact information for portability staff at housing authorities in neighboring jurisdictions.
 - (b) A list of landlords with available units to lease under the housing voucher program.
 - (c) A listing of any accessible units known to RHE.
 - (d) A map of the City of Rockville.
- (6) An explanation of the HUD-required tenancy addendum.
- (7) The Request For Tenancy Approval (RFTA) form and the approval process.
- (8) RHE's policy on providing information to prospective landlords about a prospective family.
- (9) Information on federal, state, and local equal opportunity laws and a copy of the housing discrimination complaint form (HUD-903).
- (10) The RHE grounds for terminating assistance for a participant family.
- (11) The family obligations under the Voucher program.
- (12) RHE's informal review and informal hearing procedures.

6.2.b. Income Limits for Voucher Issuance

For new families entering the program, the income limit shall be the very low-income limit or the extremely low-income limit, as published by HUD and in effect as of the date the family is selected for participation, except for low-income applicants eligible under Continuously Assisted (see Glossary). Once a family is admitted (leased), they are no longer subject to initial income limits in order to retain eligibility.

6.2.c. Voucher Term

Once the applicant family has attended a briefing, RHE will issue a Housing Choice Voucher.

6.2.c.i. The Initial Term of the voucher is 60 days.

6.2.c.ii. Extensions. Two 30-day extensions may be granted for a family making a request in writing prior to the expiration date. The family must provide a statement of their efforts to find a unit, and that additional time can reasonably be expected to result in success in leasing a unit. No voucher will have a term longer than 120 days without an extraordinary reason.

If the family's voucher expires (with or without an extension), the family must wait until RHE begins accepting Housing Voucher applications to reapply.

Reasonable Accommodations. Upon request, RHE may approve an extension beyond 120 days if RHE determines that additional search time is warranted as a reasonable accommodation to a household that includes a person with disabilities.

6.2.c.iii. Suspensions (Tolling). When a Request for Tenancy Approval (RFTA) is received, no time is counted against the term of the family's voucher during the period required to process the request. If the unit is not approved, the family can resume its search for housing with the same amount of time remaining on its voucher as was there on the date the RFTA was submitted.

CHAPTER 7. LEASING AND PORTABILITY

7.1. LEASING

7.1.a. In-Place Leasing. Program experience indicates that it is easier for many participants to negotiate a voucher lease in their present unit than with a new landlord. It is RHE's intent through landlord outreach to encourage mobility and portability as well as leasing in place. As part of that landlord outreach, RHE staff will provide landlord information and training programs regarding regulations and requirements for participation in the voucher program.

7.1.b. Request for Tenancy Approval (RFTA) Process. When a voucher holder finds a suitable unit, the family submits a completed RFTA (form HUD 53517). A family may not submit more than one RFTA for approval at a time. The time on the voucher will be suspended until the HQS inspection and RFTA processing has been completed.

Upon receipt of the RFTA, RHE will contact the prospective landlord to confirm the unit information on the RFTA, to provide the landlord with program information, and to encourage the landlord to screen the applicant for rent, credit, and criminal histories.

7.1.c. Policy on Providing Information to a Prospective Landlord
24 CFR 982.307

RHE staff will provide the landlord with the family's current address (as shown in RHE's records), and the names and addresses of the landlords at the family's current and prior addresses, if known. Any public information including newspaper articles or public court records may also be disclosed by RHE to the prospective landlord. RHE will give the same types of information to all owners.

7.1.d. Approval to Lease a Unit. RHE will approve a lease if all of the following conditions are met:

- (1) The unit is eligible;
- (2) The unit is inspected by RHE and passes HQS;
- (3) The lease is approvable and includes the following:
 - (i.) The names of the owner and tenant;

- (ii.) The address of the unit rented;
 - (iii.) The term of the lease (initial term and any provisions for renewal);
 - (iv.) The amount of the monthly rent to the owner;
 - (v.) A specification of what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied by the family; and
 - (vi.) The required HUD tenancy addendum.
- (4) The rent to owner is reasonable;
 - (5) The family's share of rent does not exceed 40% of their monthly adjusted income if the gross rent exceeds the applicable payment standard;
 - (6) The owner has not been debarred, suspended, or made subject to a limited denial of participation by HUD or RHE; and
 - (7) The family continues to meet all eligibility and screening criteria.

If tenancy is denied, RHE will advise the owner and the family in writing of any actions they could take that would enable RHE to approve the tenancy.

7.1.e. Assistance to Families who Claim Discrimination

RHE complies fully with all federal, state and local nondiscrimination laws; the Americans with Disabilities Act; and the U.S. Department of Housing and Urban Development regulations governing Fair Housing and Equal Opportunity.

No person shall, because of race, color, sex, religion, national or ethnic origin, familial status, age or disability, be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination under RHE's housing programs.

Families receive HUD's discrimination complaint form (HUD-903.1) in their briefing packets and RHE staff provide information and assistance on how to file a housing discrimination complaint.

7.2. HOUSING QUALITY STANDARDS (HQS) INSPECTIONS 24 CFR 982.401

7.2.a. HQS Overview

RHE cannot make assistance payments on a unit that is not in compliance with HUD's Housing Quality Standards (HQS). To that end, RHE must inspect a unit before it can be leased under the HCV program and at least annually thereafter.

RHE conducts the following types of HQS inspections:

- (1) Initial inspections
- (2) Annual inspections
- (3) Complaint inspections
- (4) Quality control inspections

7.2.b. Initial Inspections.

RHE will conduct an HQS inspection within 15 calendar days after receipt of the RFTA. All utilities must be in service when the unit is inspected.

Immediately following the initial inspection, the owner will be notified in writing of any conditions that violate HQS requirements. The owner must make repairs as required to eliminate the violations cited. Thereafter, RHE's inspector must reinspect the unit and issue a passing inspection report before the lease and HAP contract are executed.

7.2.c. Annual Inspections

RHE will conduct an annual HQS inspection on each assisted unit every 12 months.

RHE must be allowed to inspect the dwelling unit at reasonable times with reasonable notice. The family and the owner will be notified of the date and time for the annual inspection.

The family may reschedule the annual inspection by calling RHE prior to the day of the scheduled appointment. The rescheduled inspection must take place within seven calendar days of the initially scheduled appointment.

If the inspector is unable to gain access to a unit at the time of a scheduled inspection, RHE will schedule a second inspection, notifying the family and the owner by first class mail.

If the family misses two inspections, RHE will terminate the family's assistance for violating its Family Obligations.

7.2.d. Complaint Inspections

HQS inspections may be requested by participants, owners or RHE. Except when emergency conditions are anticipated, participants have the right to reasonable notice prior to a complaint inspection. Participants are required to permit RHE access and are subject to the same procedures and requirements described above under Annual Inspections.

7.2.e. Quality Control Inspections

RHE conducts quality control inspections on a sample of HCV units to insure the quality and effectiveness of its inspections system. Requirements to provide RHE access are the same for a quality control inspection as for an annual inspection. As with annual and complaint inspections, families and owners are provided notice by first class mail of a scheduled quality control inspection and may call prior to the day of the inspection appointment to reschedule the inspection. If a family misses two inspections, RHE will terminate the family's assistance for violating its Family Obligations.

7.2.f. Repair of HQS Violations

RHE will inform the owner and the resident in writing following every inspection of the inspector's findings. Any HQS violations cited by the inspector must be corrected and reinspected within the required schedule.

7.2.f.i. Emergency HQS Violations. HQS violations that are life threatening must be corrected or abated within 24 hours of RHE's inspection.

Emergency violations may include no working toilet within the unit, no heat or other serious conditions deemed by RHE's Executive Director to be life threatening.

RHE will inform the owner immediately when an emergency violation has been cited.

7.2.f.ii. Routine HQS Violations. HQS violations that are not emergency violations are considered routine violations. Owners must correct routine HQS violations within 30 days of the citation or before the expiration of any extension provided by RHE.

7.2.f.iii. Abatement of HAP or Contract Termination. If violations have not been corrected within the time specified by RHE (24 hours for emergency violations or 30 days for routine violations), RHE will abate the housing assistance payments for the unit effective no later than the first day of the following month.

RHE will continue to encourage the owner to make the repairs requested.

If a subsequent inspection determines that requested repairs have been completed, RHE will reinstate HAP payments effective the day the unit passes the HQS inspections. However, no payment will be made for the days during the abatement period while the unit was out of compliance.

RHE will issue a 30-day notice of Contract Termination at the outset of the abatement period. If the unit remains out of compliance at the end of the 30-day notice period, the HAP contract will terminate and RHE will issue the family a voucher to locate a new unit.

7.2.f.iv. Family-Caused HQS Violations. The family is responsible for any breach of HQS standards including:

- (1) The family's failure to supply and pay for any utilities which are the family's responsibility under the lease and HAP contract;
- (2) The family's failure to provide and maintain any appliance that is the family's responsibility to supply under the lease and HAP contract;
- (3) Damage beyond normal wear and tear to the unit or common areas cause by any member of the household or guest.

The family is required to correct any life-threatening breach of HQS it has caused within 24 hours and any routine HQS violation within 30 days.

RHE will take prompt and vigorous action to enforce the family's HQS obligations and will terminate the family's assistance if the family fails to comply with HQS requirements.

7.3. ELIGIBLE/INELIGIBLE HOUSING

7.3.a. Eligible Housing. Units in the following types of properties are eligible for housing voucher assistance:

- (1) Single family dwellings;
- (2) Town houses;
- (3) Apartments;
- (4) Cooperative housing;
- (5) Manufactured housing; and
- (6) Manufactured home space rentals.

7.3.b. Ineligible Housing. The following types of housing cannot be assisted under the housing voucher program:

- (1) A public housing unit;
- (2) A unit receiving project-based assistance under a Section 8 program;
- (3) Nursing homes, board and care homes, or facilities providing continual psychiatric, medical or nursing services;
- (4) College or other school dormitories;
- (5) Units on the ground of penal, reformatory, medical, mental, and similar public or private institutions;
- (6) A unit occupied by its owner. This restriction does not apply to a cooperative or to assistance on behalf of a manufactured home owner leasing a manufactured home space; and
- (7) A unit receiving any duplicative federal, state, or local housing subsidy. This does not prohibit renting a unit that has a reduced rent because of a tax credit.

7.3.c. Ineligible Special Housing. RHE will not approve a housing voucher lease for any of the following special housing types, except as a reasonable accommodation for a family with disabilities:

- (1) Congregate housing;
- (2) Group homes;
- (3) Shared housing; and
- (4) Single Room Occupancy housing.

7.4. DISAPPROVAL OF OWNERS 24 CFR 982.306.

RHE will not approve a unit:

- (1) If the owner is debarred, suspended or subject to a limited denial of participation by HUD;
- (2) If directed by HUD because the federal government has instituted an administrative or judicial action against the owner for violation of the Fair

- Housing Act or other federal equal opportunity requirements, and such action is pending;
- (3) If directed by HUD because a court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements; or
 - (4) If the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless RHE determines that approving the unit would provide reasonable accommodation for a family member who is a person with disabilities.
 - (5) The owner has violated obligations under a Housing Assistance Payments Contract;
 - (6) The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
 - (7) The owner has engaged in drug-related criminal activity, or any violent criminal activity;
 - (8) The owner has a history or practice of non-compliance with HQS for units leased under the housing voucher program, or with applicable housing standards for units leased with project-based voucher assistance or leased under any other federal housing program;
 - (9) The owner has a history or practice of renting units that fail to meet state or local housing codes;
 - (10) The owner has not paid state or local real estate taxes, fines or assessments;
 - (11) The owner refuses (or has a history or refusing) to evict families for drug-related or violent criminal activity, or for activity that
 - a. Threatens the health, safety or right to peaceful enjoyment of the premises by tenants;
 - b. Threatens the health or safety of RHE employees, or owner employees;
 - c. Threatens the health, safety or right to peaceful enjoyment of their residences by people residing in the immediate vicinity of the premises.
 - (12) The owner's participation would create other conflicts of interest under federal, state, or local law.

RHE will provide written notification to the owner and the voucher holder if an owner is disapproved; and the owner will be given an opportunity to rectify any deficiencies.

7.5. PAYMENT STANDARD

7.5.a. Setting the Payment Standard

RHE establishes a payment standard schedule that is between 90 and 110% of the HUD-published Fair Market Rent (FMR). Each year, after publication of the FMRs, RHE reviews the payment standards in effect to determine if increases or decreases are required. In making this determination, RHE considers vacancy rates and rents in the market area, size, and quality of units leased under the program, rents for units leased under the program, success rates and search times of voucher holders looking for housing, and the percentage of annual income families are paying for rent under the voucher program.

Payment standards for each bedroom size are evaluated separately so that the payment standard for one bedroom size may increase or decrease while another remains unchanged. When circumstances warrant, RHE may consider adjusting payment standards at times other than the annual review.

RHE may establish a higher payment standard up to 110% of the FMR as a reasonable accommodation for a family that includes a person with disabilities or request approval from the HUD field office for a payment standard up to 120% of the FMR.

7.5.b. Area Exception Rents

RHE may request that HUD approve an exception payment standard for higher cost areas within its jurisdiction. Exception payment standard rent authority may be requested for all or some unit sizes, or for all or some unit types.

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

7.5.c. Selecting the Correct Payment Standard 24 CFR 982.505

7.5.c.i. Use of the Payment Standard. The payment standard is used to calculate the monthly housing assistance payment for a family. The payment standard is the maximum monthly assistance payment permitted under the program.

The actual monthly assistance RHE will pay is equal to the lower of:

- (1) The payment standard for the family size less the family's total tenant payment; or
- (2) The gross rent minus the family's total tenant payment.

7.5.c.ii. Determining the Payment Standard for a Family. Payment standards are established by unit size.

A family's payment standard is the lower of:

- (1) The payment standard for the family unit size; or
- (2) The payment standard for the unit size rented by the family.

If the unit rented by the family is located in an exception rent area, RHE will use the appropriate payment standard for the exception rent area.

7.5.c.iii. Increase in the Payment Standard. If the payment standard increases during the term of the HAP contract, the new payment standard will be implemented at the family's next annual recertification or upon any move to a new unit, whichever is earlier.

7.5.c.iv. Decrease in the Payment Standard. If the payment standard decreases during the term of the HAP contract, the lower payment standard will be applied at the family's second annual reexamination following the decrease.

At the family's first annual reexamination following the decrease, the payment standard will be the higher of:

- (1) The payment standard used at the most recent reexamination; or
- (2) The payment standard that is determined using the *decreased* payment standard schedule and selecting the lower of the payment standard amount for the family size or the payment standard for the unit size rented by the family.

7.5.c.v. Change in Family Size. If a family's unit size changes during the HAP contract term, the payment standard for the new family size which is in effect at the time of the family's next regular reexamination must be used regardless of any decrease in the payment standard amount.

7.6. RENT REASONABLENESS 24 CFR 982.507

RHE will not approve an initial rent or a rent increase without determining that the rent is reasonable. Rent reasonableness is determined prior to the initial lease and at the following times:

- (1) Before any increase in rent to owner is approved;
- (2) If, 60 days before contract anniversary date, there is a 5% decrease in the published FMR, as compared to the previous FMR; and
- (3) If RHE or HUD directs that rent reasonableness be determined.

7.6.a. Comparability.

Rent is reasonable if it is not greater than rent charged for comparable unassisted units in the neighborhood. In determining rent reasonableness, RHE will consider the location, quality, size, number of bedrooms, age, amenities, housing services, maintenance and utilities of the unit and comparable units. RHE will document rent reasonableness determinations in each tenant file with information on three comparable units or with documentation from the rent reasonableness database of the service provider conducting the rent reasonableness determination.

Owners may review the rent determination made on their unit and may submit additional information.

By accepting the housing assistance payment each month, the owner certifies that the rent to owner is not more than the rent charged by the owner for comparable unassisted units in the premises.

7.7. ASSISTANCE AND RENT FORMULAS

The Total Tenant Payment (TTP) is the minimum amount a family will pay toward rent and utilities. If a family selects a unit that rents for more than the payment standard, the family will pay the TTP plus the amount by which the gross rent exceeds the payment standard.

The family share is the full amount the family is required to pay for rent and utilities.

7.7.a. Total Tenant Payment. The Total Tenant Payment (TTP) is the minimum amount a voucher family will pay for rent and utilities. The TTP is equal to the highest of:

- (1) 10% of the family's monthly income; or

- (2) 30% of the family's adjusted monthly income; or
- (3) The minimum rent, if applicable;

7.7.b. Minimum Rent.

All program participants must pay a TTP of at least \$50.

A family may request an exemption from the minimum rent if the \$50 payment will create a financial hardship. If a family requests a hardship exception, RHE will suspend the minimum rent charge temporarily while staff reviews documentation provided by the family of its hardship claim.

RHE will grant the hardship exception if it finds that:

- (1) The family will be evicted if the minimum rent is imposed;
- (2) The family has lost eligibility for an income assistance program or is awaiting an eligibility determination for assistance;
- (3) The family has no income due to a loss of employment or a death in the family.

If RHE finds there is a hardship that is expected to be of long-term duration, the family will be exempted from the minimum rent until the hardship no longer exists.

If RHE determines there to be a temporary hardship, the minimum rent will be reinstated 90 days from the date of the family's request retroactively to the date of the suspension. The family will be offered a reasonable repayment agreement to cover the minimum rent charges that accumulated during the suspension.

If RHE determines that no hardship exists, the minimum rent will immediately be imposed retroactively to the date of its suspension and the family will be responsible for immediate repayment of accumulated rent charges.

No participant when receiving tenant-based assistance initially on a unit shall pay more than 40% of their monthly-adjusted income for rent and utilities if the gross rent exceeds the applicable payment standard.

7.8. UTILITY ALLOWANCE

7.8.a. Utility Allowance Schedule.

RHE maintains a utility allowance schedule for all tenant-paid utilities (except telephone, internet and cable television), trash collection service and tenant-supplied appliances.

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

RHE reviews the utility allowance schedule once each year to determine if it continues to be in line with local utility rates. A revised schedule is adopted whenever there has been a change of ten percent or more in the utility rate since the last time the schedule was revised. A revised schedule is applied at the family's next annual recertification or when a family moves to a new unit.

The allowance for tenant-supplied appliances is a depreciation allowance, not an allowance related to the cost of operating the appliance. The cost to the tenant for operating appliances, whether tenant-owned or belonging to the owner, is covered by allowances for electricity and gas.

7.8.b. Applying the Utility Allowance.

RHE calculates an appropriate utility allowance for the size of the dwelling unit leased by the family (rather than the family unit size as determined under RHE's subsidy standards) and the specific utilities for which the tenant is responsible.

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

The utility allowance will be subtracted from the family's share to determine the amount of the Tenant Rent. **Tenant Rent** is the amount the family owes each month to the owner. The amount of the utility allowance is available to the family to pay the cost of their utilities. Any utility cost above the allowance is the responsibility of the tenant. Any savings resulting from utility costs below the amount of the allowance belongs to the tenant.

7.8.c. Utility Reimbursement Payment (URP) 24 CFR 982.4.

When the allowance calculated for tenant-paid utilities exceeds the Total Tenant Payment, RHE will make a utility reimbursement payment to the tenant each month.

7.9. LEASE APPROVAL 24 CFR 982.308-309

The assisted lease between the tenant and owner (including any new lease or lease revision) must be approved in advance by RHE. The HUD Tenancy Addendum must be attached to the HAP Contract and the owner's lease. The following requirements must be met:

- 7.9.a. Tenant's legal capacity.** The tenant must have legal capacity to enter into a lease under state and local law, which in the State of Maryland includes a requirement that the head of the household be at least 18 years of age.
- 7.9.b. Tenancy Addendum (HUD 52641-A).** If there is any conflict between the HUD Tenancy Addendum and any other provisions of the lease, the provisions of the HUD Tenancy Addendum shall prevail.
- 7.9.c. State and Local Law.** The owner's lease must comply with state and local law.
- 7.9.d. Utilities.** The lease must specify what utilities and appliances are owner-supplied and what utilities and appliances are to be supplied by the family.
- 7.9.e. Lease Term.** The initial lease term must be for at least one year, unless RHE determines that a shorter term of not less than six months would improve housing opportunities for the family. The lease terms that apply must be consistent with those generally applied to unassisted tenants in the same property.
- 7.9.f. Changes in the Lease.**

A new HAP contract establishing a new tenancy is required if the owner requests a change to the lease term or to the agreement on which utilities and appliances are supplied by the owner or the tenant.

A new tenancy with a new lease and new HAP contract are required if the tenant moves to a new unit even if the unit is in the same building or complex.

Other changes to the lease agreed to by the owner and the tenant must be in writing and must comply with housing voucher program requirements but do not require execution of a new HAP contract. The owner must provide RHE immediately with a copy of any revised lease agreement.

The owner must request RHE approval of any proposed rent increase in writing at least 60 days before any increase can become effective as described in Chapter 8, paragraph 8.2.

7.10. SECURITY DEPOSITS 24 CFR 982.313

Owners are encouraged to collect a security deposit. The security deposit may not be in excess of private market practice, cannot exceed amounts charged by the owner to unassisted tenants, and cannot exceed amounts permitted by state or local law. Local law states that the security deposit may not exceed two months rent.

**7.11. HOUSING ASSISTANCE PAYMENTS CONTRACT EXECUTION
24 CFR 982.451****7.11.a. The HAP Contract.**

The housing assistance payments contract (HAP contract) is the contract between RHE and the owner wherein the owner agrees to lease a specified dwelling unit to a specified eligible family, and RHE agrees to make monthly housing assistance payments to the owner on behalf of the family.

The term of the HAP contract must be the same as the term of the lease. Neither the lease nor the HAP contract may be effective until the unit passes the HQS inspection. The HAP contract may not be executed more than 60 days after commencement of the lease term and no payments will be made until the contract is executed.

All owners must provide to RHE an IRS Form W-9 with a tax identification number or Social Security Number and direct deposit bank account authorization before any HAP payments can be made.

The total rent paid by the tenant plus RHE's housing assistance payment to the owner may not be more than the rent to owner shown on the lease and HAP contract or RHE rent change documents. The owner must return immediately any excess HAP payment to RHE.

7.11.b. Payment to owners.

7.11.b.i. The amount of monthly housing assistance payment is the lower of:

- (1) The payment standard minus the total tenant payment; or
- (2) The gross rent minus the total tenant payment.

7.11.b.ii. All owners must agree to direct deposit of the housing assistance payment.

7.11.b.iii. If payments are not made when due, the owner may charge RHE a late payment, as specified in the HAP Contract and in accordance with generally accepted practices in the city of Rockville, if the following conditions apply:

- (1) It is the owner's practice to charge such penalties for assisted and unassisted tenants; and
- (2) The owner also charges such penalties against the tenant for late payment of family rent to the owner.

Late charges will not be paid when the reason for lateness is attributable to factors beyond the control of RHE.

7.11.c. Change of ownership.

Before making HAP payments to a new owner after the sale of a property, RHE must receive a written request from the owner who executed the HAP contract and a copy of the Deed of Trust showing the transfer of title. RHE must also receive a request from the new owner providing account information for direct deposit of HAP payments and an IRS Form W-9 for the new owner.

7.12. PORTABILITY 24 CFR 982.353, 982.354 AND 982.355

Portability is the process of leasing a dwelling unit with voucher assistance outside the jurisdiction of the PHA that initially issued the family its voucher. Housing voucher regulations permit a voucher participant to use his or her voucher assistance anywhere in the United States where there is a PHA administering the voucher program.

RHE will use the required HUD Family Portability Information form HUD-52665 for both outgoing and incoming families. (See Appendix)

7.12.a. Moving Out of Rockville Using Portability

7.12.a.i. Eligibility for Portability

A family using portability for its first lease under the voucher program must select a unit in a jurisdiction where the family is within the very low-income limit.

7.12.a.ii. Portability Procedures

If a family notifies RHE that they want to move using portability, RHE will contact the receiving PHA and confirm that the family is eligible to move, that their Housing Choice Voucher has been issued, and that the family wishes to relocate to the receiving jurisdiction. Form HUD-52665 Part I, the most recent form HUD-

50058, copies of income verification and declarations of citizenship or eligible immigration status, and a copy of the Housing Choice Voucher issued by RHE will be sent by mail or fax within one week to the receiving PHA. RHE will also advise the family how to contact and request assistance from the receiving PHA.

7.12.b. Moving into Rockville Using Portability

RHE will accept a family with a valid Housing Choice Voucher from another jurisdiction and administer or absorb the subsidy. In order to prevent an adverse effect on the Section 8 waiting list, in most cases RHE will choose to administer the subsidy on behalf of the initial PHA. Staff may choose to absorb families on a one-for-one basis where the initial PHA is administering an equal number of RHE's subsidies and is willing to absorb an equal number of RHE's subsidies. This will reduce the billing process for non-absorbed subsidies without changing the number of families served from the Section 8 waiting list. RHE will notify the initial PHA through Part II of the form HUD-52665 that their family is moving to RHE's jurisdiction. Attached to the 52665 will be the current form HUD-50058. For monthly billing purposes, RHE will use the 52665 form to show the schedule changes and any fees owed to RHE.

RHE will determine the family's unit size in accordance with RHE subsidy standards and will approve voucher extensions in accordance with RHE policy.

CHAPTER 8: ONGOING OCCUPANCY FUNCTIONS

8.1. RECERTIFICATION OF PARTICIPATING HOUSEHOLDS

24 CFR 982.516

RHE will recertify family income, composition, and allowances and redetermine rent and the housing assistance payment on behalf of the family at least annually. The family must supply any information requested by RHE or HUD.

8.1.a. Annual Recertifications.

8.1.a.i. Recertification Appointments. All participating voucher families will be notified in writing 90-120 days in advance of their scheduled effective recertification date and given appointments for a reexamination interview.

A family may ask to have the date and time of the reexamination appointment changed by calling RHE in advance of the scheduled appointment.

If the family fails to attend a rescheduled examination, RHE will send written notice of termination of assistance effective on the recertification effective date. The family may avoid losing assistance by complying with reexamination requirements before the recertification effective date.

Thirty days after it becomes effective, the termination of assistance will become permanent. Before that, if the family complies with all recertification requirements, assistance can be reinstated.

Persons with disabilities may request that a reexamination be conducted by mail, by staff home visit, or by a family representative as a reasonable accommodation.

RHE staff must complete the reexamination in a timely manner, so that the 30-day written notice will be sent to the owner and family 30 days prior to the anniversary date of any rent change.

8.1.a.ii. Effective Date of Rent Changes. The new family share will generally be effective on the family's anniversary date after 30 days written notice to the family of the rent change.

However, if the family has caused a delay in RHE's completion of the recertification the family will not be entitled to the 30-day rent change notice. When the family has delayed a recertification:

- (1) A rent increase will be effective on the family's anniversary date and may be implemented retroactively if required procedures have not been completed by the anniversary date.
- (2) A rent decrease will be implemented on the first of the month after the date on which required procedures are completed.

Notice of any change in rent and its effective date will be sent by mail to the owner and the family.

8.1.b. Interim Recertifications

An interim recertification is one that is performed between annual recertifications to reflect changes in family circumstances.

8.1.b.i. Interim Reporting Requirements. Between annual recertifications families are required to report the following information:

- (1) Any change in household composition;
- (2) Any increase in income for a family that has reported zero income.

These changes must be reported within 30 days of the date when the change occurs. Failure to report such changes within the time required is grounds for termination of assistance.

8.1.b.ii. Reporting Other Changes. A family may report a decrease in income or an increase in expenses related to allowable deductions. RHE will conduct an interim recertification to reduce a family's rent for any change that will last more than 30 days.

RHE will not process an increase in income when the family is not required to report the increased income unless specifically requested to do so by the family.

8.1.b.iii. Other Required Interim Recertifications. An interim recertification is required every 90 days for any family reporting zero income or any family whose income is too unstable to project for 12 months.

8.1.b.iv. Verification at Interim Recertifications. At an interim recertification, only that family information that has changed is verified.

8.1.b.v. Effective Date of Rent Changes. Generally, following an interim recertification:

- (1) A rent increase will be effective the first day of the month following a 30-day written notice to the family of the new rent amount;

- (2) A rent decrease will be effective the first day of the month after the month in which the change was reported to RHE.

However, if the family has failed to report a required change that would result in a rent increase, the change will be effective retroactively to the date it would have been effective had the family reported the information on time.

Notice of any change in rent and its effective date will be sent by mail to the owner and the family.

8.2. OWNER RENT INCREASES 24 CFR 982.519

An owner may implement a rent increase by giving the tenant advance notice as required under the lease and state and local law. The City of Rockville requires that owners provide 90 days notice of any rent increase.

In addition, the owner must provide RHE 60 days notice in writing prior to the effective date of the proposed increase. RHE will conduct a rent reasonableness evaluation and will not approve the proposed rent unless it is determined to be reasonable.

A rent increase approved by RHE will be effective on the later of:

- (1) The first day of the month that is or follows the anniversary date of the HAP contract; or
- (2) The first day of the month that is at least 60 days after RHE received a rent increase request from the owner.

8.3. FAMILY MOVES 24 CFR 982.314

A participating family wishing to move to a new unit must give RHE notice of its intent to move and request a new voucher. A family planning to move to another jurisdiction must include this information in its notice to RHE.

The family must be in compliance with its family obligations to be issued a new voucher.

The family must give the owner proper notice of its intention to vacate as required by the family's lease. A family may move during the term of a lease if the tenant and owner have a mutual agreement to end a current lease and provide RHE a written statement of the agreement signed by both parties.

The family may not move more than once in any 12-month period.

A family that has obtained a voucher and located a new unit must complete a full recertification before the effective date of the lease in the new unit. The date of the new lease and HAP contract will establish the family's new anniversary date for the annual recertification process.

The lease and HAP contract for the family's new unit may begin during the month in which the family moves; RHE will pay a pro-rated HAP for the new unit and the owner of the family's previous unit may keep the payment for the month in which the family moves out.

RHE may require a family to move if the HAP contract is terminated due to the owner's failure to comply with HQS or other breach of the contract or if changes in the family size have created overcrowding that violates HQS. In such a case, RHE will issue a voucher for the family to search for a new unit.

8.4. FAMILY BREAKUPS 24 CFR 982.315

If a family splits apart, RHE shall determine on a case-by-case basis which family members if any will continue to receive housing assistance. In making this determination, RHE will consider:

- (1) Whether the assistance will remain with the family members who continue to reside in the assisted unit;
- (2) The needs of minor children or family members who are ill, elderly or persons with disabilities;
- (3) Whether family members were forced to leave the unit as a result of actual or threatened physical violence by a member of the household;
- (4) Whether the head or co-head is determined to have a greater financial need for voucher assistance.

If a court issues a decision specifying which family members should receive continued voucher assistance, RHE must abide by the court's ruling.

8.5. TERMINATIONS

8.5.a. Owner Termination of Tenancy 24 CFR 982.310

An owner may terminate a lease:

- (1) At the end of the lease term;

- (2) For criminal activity or alcohol abuse by any household member or guest;
- (3) For serious or repeated violation of the lease;
- (4) For other good cause including refusal to accept a new lease or the owner's need of the unit for personal or for business or economic reasons.

During the first year of the lease, the owner may terminate the lease only for the family's failure to abide by its obligations under the lease.

The owner must comply with state and local law through the eviction process. The owner must give the family and RHE written notice of his/her intention to terminate the lease, stating the grounds for the termination. The family is also required to give RHE a copy of any eviction notice from the owner.

8.5.b. HAP Contract Termination 24 CFR 982.453, 454, 455.

8.5.b.i. Automatic HAP Contract Terminations. The HAP contract terminates automatically if:

- (1) The family moves out of the unit;
- (2) The lease terminates; or
- (3) The owner evicts the family.

If the owner is pursuing eviction of the family, RHE will continue to make HAP payments until the owner receives a court judgment for eviction. In some cases, RHE may at its discretion continue to make assistance payments until the family moves or is evicted from the unit.

The HAP contract also terminates automatically 180 days after the last housing assistance payment to the owner when increases in family income have permitted the family to begin paying the full rent.

8.5.b.ii. HAP Contract Terminations by RHE. RHE will provide 30 days notice to the owner and the family prior to terminating a HAP contract for any of the following reasons:

- (1) RHE's termination of housing assistance to the family;
- (2) RHE has required a family to move due to overcrowding in violation of HQS;
- (3) An owner's breach of the contract including:

- (i.) HQS violations;
- (ii.) Other contract violations;
- (iii.) Violations under HAP contracts for other units;
- (iv.) Drug trafficking or violent criminal activity; or
- (v.) Fraud, bribery or other corrupt or criminal act in connection with a federal housing program.

RHE may terminate the HAP contract if it determines it lacks adequate funding under its contract with HUD.

The owner may terminate the HAP contract by giving notice to RHE and the tenant as required under terms of the lease between the owner and the tenant.

HAP contract terminations by owners of moderate rehabilitation units require a one-year notice to RHE.

8.5.c. Termination of Assistance

RHE may terminate the assistance of a family that has violated any of the voucher program Family Obligations (Chapter 2) including any serious or repeated violation of the family's lease with the landlord.

In addition, RHE may terminate assistance for any of the grounds for denial or termination of assistance set forth in Chapter 5 Paragraph 6, Reasons for Denial or Termination of Assistance.

When there are grounds to terminate assistance, RHE will consider the seriousness of the issue, the level of involvement and the effect termination may have on uninvolved family members. Where appropriate, RHE may permit some family members to remain in the assisted unit on condition of their agreement that specified family members will not reside in the unit.

RHE will provide the family and the owner 30 days notice of its intention to terminate assistance, stating the reason for the termination. The family will have the opportunity to request an informal hearing.

8.6. VIOLENCE AGAINST WOMEN

Incidents of actual or threatened domestic violence, dating violence or stalking may not be considered as serious or repeated violation of a lease or as cause for terminating a tenant's assistance if the tenant is the victim of these acts. The HAP contract and HUD's addendum to the lease include requirements of the Violence Against Women Act of 2005.

Under provisions of this Act, an owner may not terminate tenancy and RHE may not terminate assistance for criminal activity that:

- (1) Is directly related to domestic violence, dating violence or stalking; and
- (2) Is engaged in by a member of the household or guest under the tenant's control; and
- (3) The tenant or a member of the tenant's immediate family is the victim or threatened victim of this criminal activity.

Provisions of the Act do not apply if RHE or the owner demonstrates that an actual and imminent threat to other tenants or employees or service providers at the owner's property will exist unless assistance is terminated or the tenant is evicted.

The Act does not prohibit eviction or termination of assistance of a victim of domestic violence, dating violence or stalking because of lease or program violations that are not related to the specified violence. However, owners and RHE are prohibited from holding such victims to a higher standard than other tenants in determining whether to evict or terminate assistance.

RHE may require a tenant to submit one of the following as verification of domestic violence, dating violence or stalking:

- (1) HUD's certification form (HUD-50066) completed to certify that the tenant is a victim of domestic violence, dating violence or stalking and the name of the perpetrator; and/or,
- (2) A federal, state, or local police or court record; and/or
- (3) Documentation signed and attested by a victim service provider organization, an attorney or a medical professional from whom the victim has sought assistance in addressing the reported incident or its effects. In such documentation, the professional must attest under penalty of perjury to his or her belief that the incident or incidents in question are bona fide incidents of abuse.

The victim must provide the documentation requested by RHE within 14 business days of RHE's request. If the individual fails to submit the requested information within 14 days (or any extension provided by RHE) none of the protections afforded to the victim by this section shall apply.

RHE will not send its request or copies of the HUD certification form by mail; program participants who are victims must come to RHE's office to obtain the request and the certification form.

Any information or documentation including the fact that the program participant is a victim of domestic violence, dating violence or stalking will be held in complete confidence. The information will not be entered into any shared database nor provided to any outside entity except to the extent that such disclosure is:

- (1) Requested or consented to by the individual in writing;
- (2) Required for use in an eviction proceeding of termination or assistance;
or
- (3) Otherwise required by law.

In making determinations where it has determined incidents of such violence have taken place, RHE may terminate assistance to any individual household member who engages in criminal acts of physical violence without terminating assistance to a household member who is the victim. The owner also may remove the violent household member from the lease without evicting the household member who is the victim. Such termination or eviction is permitted in support of the household member who is a victim regardless of whether the victim is a signatory to the lease.

Victims of domestic violence may be issued a voucher to move:

- (1) Within Rockville or to another jurisdiction using portability;
 - (2) During the term of an existing lease or within less than 12 months of a previous move;
- If
- (3) RHE approves the request; and
 - (4) The family has complied with all other obligations of the voucher program; and
 - (5) The family has moved out of the assisted dwelling unit to protect the health or safety of one or more household members when there was an imminent threat of further violence if the household members remained in the unit.

Regardless of these provisions, RHE must honor any court orders addressing the distribution or possession of property among household members in cases where a family breaks up.

8.7. PROGRAM INTEGRITY

RHE is committed to insuring the most effective use of housing assistance funds to help the greatest number of low-income Rockville families possible. To that end, RHE seeks to identify and eliminate program abuse in any place it may arise using internal file reviews, verification of submitted information and follow up on referrals or allegations of program violations.

Any owner determined to have participated in fraudulent activity or other program abuse will be required to repay RHE as appropriate and may be barred from further participation in the voucher program.

A family that has failed to report household information accurately as required or who has participated in any type of fraud or program abuse will be required to repay any assistance inappropriately paid on its behalf. The family may be offered a repayment agreement or RHE may terminate the family's assistance. If the family signs but does not comply with a repayment agreement, RHE may terminate assistance.

8.8. INFORMAL REVIEWS AND HEARINGS 24 CFR 982.554-555

An informal review is offered to applicants who have been denied assistance for reasons other than ineligible immigration status. An informal hearing is offered to participants to review certain RHE decisions relating to a family's assistance and to applicants denied assistance due to ineligible immigration status.

RHE's Housing Voucher Hearing Officer for informal reviews and informal hearings will be the Director of Housing Choice Voucher Programs or another designated person other than the person who made or approved the decision under review or a subordinate of that person.

8.8.a. Informal Reviews for Applicants

8.8.a.i. When an Informal Review is Required. The opportunity to request an informal review must be given to any applicant denied assistance or denied waiting list placement based on a preference claimed by the applicant.

8.8.a.ii. When an Informal Review is Not Required. An informal review is not required for:

- (1) RHE discretionary administrative determinations;
- (2) General policy issues or class grievances;
- (3) Assignment of the family's unit size under RHE's subsidy standards;
- (4) RHE's refusal to grant approval to lease a unit under the program or to approve a proposed lease;
- (5) RHE's determination that a unit selected by the applicant is not in compliance with HQS;

- (6) RHE's determination that the unit is not in accordance with HQS because of the family size or composition.

8.8.a.iii. Process. An applicant who is determined ineligible for assistance will receive a written notice providing:

- (1) The reason for the ineligibility determination;
- (2) A statement that the applicant has 10 days from the date of the notice to request an informal review; and
- (3) An explanation of informal review procedures.

RHE will hold the informal review within a reasonable period of time following receipt of the request.

The applicant will be given an opportunity to present written or oral objections to RHE's decision. After the informal review, the applicant will be notified in writing of the Hearing Officer's decision and the reasons. The determination of RHE's Hearing Officer is final.

8.8.b. Informal Hearings for Program Participants.

8.8.b.i. When Informal Hearings are required:

RHE must inform program participants of their right to an informal hearing to review whether RHE determinations on the following were in compliance with the law, HUD rules, and RHE policies:

- (1) Annual or adjusted income, and the use of such income to compute the housing assistance payment;
- (2) Appropriate utility allowance for a participant family;
- (3) Family unit size;
- (4) Termination of assistance for a participant family because of the family's action or failure to act;
- (5) Termination of assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under RHE policy and HUD rules (or no more than 180 days); or
- (6) An RHE decision to deny assistance to an *applicant family* on the basis of ineligible immigration status.

8.8.b.ii. Informal hearings are not required for:

- (1) Discretionary administrative determinations by RHE.
- (2) General policy issues or class grievances.
- (3) Establishment of RHE's schedule of utility allowances for participant families.
- (4) An RHE determination not to approve an extension or suspension of a Housing Choice Voucher term.
- (5) An RHE determination not to approve a unit or a lease.
- (6) An RHE determination that an assisted unit is not in compliance with HQS. However, breach of HQS due to tenant-caused action, if resulting in termination of assistance, would require an informal hearing.
- (7) An RHE determination that the unit is not in accordance with HQS because of the family size.
- (8) A determination by RHE to exercise or not to exercise any right or remedy against the owner under a HAP contract.

8.8.c. Informal Hearing Notice Requirements.

Upon making any decision for which a participant has a right to an informal hearing, RHE will provide the participant written notice of the decision stating that the participant has the right to request an informal hearing in writing. The participant will have 10 days from the date of the notice to request the informal hearing.

Notice of a determination of annual, or adjusted income, utility allowances, and the family's unit size, states that the family may ask for an explanation of the basis of RHE's determination, and that if the family does not agree with the determination, the family may request an informal hearing on the decision.

In all other cases where an informal hearing is required, RHE must give the family prompt written notice that the family may request a hearing.

The informal hearing notice must contain:

- (1) A brief statement of reasons for the decision;

- (2) A statement that if the family does not agree with the decision, the family may request an informal hearing on the decision in writing;
- (3) A statement of the deadline for the family to request an informal hearing (within 10 business days of the notification); and
- (4) A description of informal hearing procedures.

8.8.d. Informal Hearing procedure.

RHE must proceed with an informal hearing in a reasonably expeditious manner upon the family's request.

The Voucher Program Hearing Officer conducts the informal hearings. The Occupancy Specialist presents a summary of the case and any pertinent information (records and regulations) to the family and Hearing Officer who will determine whether to uphold or reverse the recommendation of the Occupancy Specialist.

8.8.d.i. Discovery. Prior to the hearing, the family will be given the opportunity to examine any RHE documents that are directly relevant to the hearing. The family must be allowed to copy any such document(s) at the family's expense. If RHE does not make the document(s) available for examination upon the family's request, RHE may not rely on the document at the hearing.

RHE must be given the opportunity to examine, at the RHE office before the RHE hearing, any family documents directly relevant to the hearing. RHE must be allowed to copy any such document at RHE's expense. If the family does not make the document(s) available for examination upon RHE's request, the family may not rely on the document at the hearing. The term "document" includes records and regulations.

8.8.d.ii. Family Representation. At its own expense, the family may be represented by a lawyer or other representative.

8.8.d.iii. Evidence. RHE and the family must be given the opportunity to present evidence and may question any witnesses. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

8.8.d.iv. Rendering a decision. The Hearing Officer must issue a written decision, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family shall be based on a preponderance of the evidence presented at the hearing. *Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing

than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. A written copy of the hearing decision shall be furnished promptly to the family.

8.8.d.v. Effect of decision. RHE is not bound by a hearing decision when it:

- (1) Concerns a matter for which RHE is not required to provide an opportunity for an informal hearing, or that otherwise exceeds the authority of the person conducting the hearing under RHE's hearing procedures; or
- (2) Is contrary to HUD regulations or requirements, or otherwise contrary to Federal, State, or local law.

If RHE determines that it is not bound by a hearing decision, RHE must promptly notify the family of the determination and of the reasons for the determination.

CHAPTER 9: SPECIAL PROGRAMS

9.1. MODERATE REHABILITATION SINGLE ROOM OCCUPANCY (SRO): THE JEFFERSON

The Jefferson is a Section 8 Moderate Rehabilitation Single Room Occupancy (SRO) program for homeless individuals recovering from substance abuse and receiving case management services from the Community Ministries of Rockville, Inc. Community Ministries owns the building, which was built in the 1800's and converted to five units for residents.

Residents of the Jefferson receive services to strengthen their ability to transition from homelessness to stable residency. The program provides opportunities for men to practice personal care, community chores, meal planning and cooking and other independent living skills. Other program goals include improving client employment and/or employability through school and paid or volunteer work experience.

RHE maintains a separate waiting list for the Jefferson. Applications must come as direct referrals from Community Ministries and are placed on the waiting list by date of application (as date-stamped upon receipt by RHE).

Jefferson residents must execute and abide by a service agreement with Community Ministries. Non-compliance will result in termination of residency at the Jefferson.

All policies and regulations previously described in this Administrative Plan apply except as indicated below.

With the exception of application and waiting list procedures, moves and portability, policies described in the Administrative Plan are applicable to occupancy at the Jefferson.

Like landlords in the housing voucher program, Community Ministries may submit an annual rent increase request to RHE. Rent increases for moderate rehabilitation units are determined by a HUD formula and must be determined reasonable in comparison to rents for similar unassisted properties in the neighborhood. The rent increase formula applies HUD's Annual Adjustment Factor to the Base Rent, then adds an amount for Debt Service specified in the HAP Contract for the development.

9.2. HOUSING CHOICE VOUCHERS FOR MAINSTREAM DISABLED

RHE administers 50 vouchers through HUD's Mainstream Disabled Program to provide housing assistance to individuals and families whose head of household, spouse or sole member is a person with disabilities.

Mainstream vouchers are bound by the policies of this Administrative Plan except for the order of selection which is described in the following paragraph.

9.2.a. Applications for Mainstream Vouchers.

Applications for mainstream vouchers are placed on the housing voucher waiting list based on preference and date and time of application. When a mainstream voucher becomes available, RHE will select the next applicant on the waiting list whose head, spouse or sole member is a person with disabilities. In doing so, RHE may skip waiting list applicants who have a higher waiting list placement but are not qualified for the mainstream voucher.

Conversely, an applicant eligible for a mainstream voucher may be selected for routine housing choice vouchers if the applicant is at the top of the waiting list and the next available voucher is a routine voucher.

If the housing voucher waiting list has an inadequate number of applicants eligible for the mainstream program, RHE may open the waiting list only for mainstream applications.

9.2.b. Eligibility: Definition of Person with Disabilities

A person with disabilities is a person who:

- (1) Has a disability as defined in Section 223 of the Social Security Act:
 - (i.) "Inability to engage in any substantial, gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months, or
 - (ii.) In the case of an individual who attained the age of 55 and is blind and unable by reason of blindness to engage in substantial, gainful activity requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time."

- (2) Is determined, pursuant to regulations issued by the Secretary, to have a physical, mental or emotional impairment that:
 - (i.) Is expected to be of long-continued and indefinite duration;
 - (ii.) Substantially impedes his or her ability to live independently, and
 - (iii.) Is of such a nature that such ability could be improved by more suitable housing conditions; or
- (3) Has a developmental disability defined in Section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act as a severe chronic disability that:
 - (i.) Is attributable to a mental or physical impairment or combination of mental and physical impairments;
 - (ii.) Is manifested before the person attains age 22;
 - (iii.) Is likely to continue indefinitely;
 - (iv.) Results in substantial functional limitation in three or more of the following areas of major life activity: (a) self care; (b) receptive and responsive language; (c) learning, (d) mobility; (e) self-direction; (f) capacity for independent living; and (g) economic self-sufficiency; and
 - (v.) Reflects the person's need for a combination and sequence of special, interdisciplinary or generic care, treatment or other services that are of lifelong or extended duration and are individually planned and coordinated."
- (4) The definition of a person with disabilities does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome.
- (5) No individual shall be considered to be a person with disabilities for purposes of eligibility solely based on any drug or alcohol dependence.

9.3. THE FAMILY SELF-SUFFICIENCY PROGRAM (FSS) 24 CFR 984

Family Self-Sufficiency (FSS) promotes the development of local strategies to coordinate use of rental vouchers with public and private resources to help low-

income residents become self-sufficient through education, job training, counseling, case management, and other supportive services.

Families wishing to participate in the FSS program apply to the Voucher FSS Coordinator and may be enrolled immediately or placed on an FSS waiting list. Before a household is enrolled, the FSS Coordinator conducts a needs assessment and works with the family to agree on appropriate goals for the family.

FSS families sign a five-year contract with RHE through which each commits to take specific step to move the family toward financial independence. As a family's earned income grows, RHE makes deposits in an escrow account which the family can claim upon successful completion of the FSS contract.

Successful completion of the contract requires finishing the interim and final goals agreed to in the contract. In addition, the FSS household must not receive any welfare assistance for the 12 month period prior to contract completion. The escrow account is forfeited if the family fails to fulfill its requirements within the five-year contract term or any extension of the term.

Extensions of the FSS contract are permitted only when situations beyond a family's control prevent it from completing its contract within five years. One extension of two years or less is permitted.

RHE's FSS policies are found in its FSS Action Plan.