

OHA Regular Meeting of the Board of
Commissioners
Thursday, June 5, 2025 8:30 AM
First Floor Boardroom
1823 Harney Street
Omaha, NE 68102

1. ANNOUNCEMENT OF OPEN MEETINGS ACT

2. ROLL CALL

3. PUBLIC COMMENTS

4. REPORT OF CHIEF EXECUTIVE OFFICER

5. ACTION ITEMS

5.1. CONSENT AGENDA ITEMS FOR CONSIDERATION

5.1.1. Minutes of Previous Regular Board Meeting (May 1, 2025)

OMAHA HOUSING AUTHORITY
BOARD OF COMMISSIONERS REGULAR MEETING MINUTES
Omaha Housing Authority Central Office | 1823 Harney Street | Omaha, NE 68102
May 1, 2025 | 8:30 a.m.

STAFF PRESENT: Joanie Balk, Ashley Hatheway, Susan Gilroy, Brian Hansen, Philisa Smith, Latina Jackson, Sal Issaka, Charles Karl, Shannon Mahnke, Sarah Nothhorn, Michelle Therkildsen, Lindsey Anderson, Ron Urich

The meeting was called to order at 8:35 a.m.

1. ANNOUNCEMENT OF OPEN MEETINGS ACT:

The meeting falls under the Open Meetings Act and copies of the law are available.

2. ROLL CALL: Commissioners Present:

Joel Dougherty, Vice Chair
Jennifer Taylor
Christine Johnson
Alexis Bromley
Abdi Hussein
Keenya Barnes-Heyward

Commissioner Absent:

David Levy, Chair
Tony Veland
Danielle Goodwin

3. PUBLIC COMMENTS:

Vice Chair Dougherty questioned if there were any public comments. No public comments were offered.

4. REPORT OF THE CHIEF EXECUTIVE OFFICER

Ms. Balk presented the complaint report and the pest control report, noting that pest infestation numbers have decreased significantly. Ms. Balk offered praise to Mr. Issaka for his department's ability to connect tenants with community resources.

5. ACTION ITEMS

5.1. CONSENT AGENDA ITEMS FOR CONSIDERATION

(All items listed under the Consent Agenda will be enacted by one motion unless a commissioner requires otherwise, in which event the item may be removed from the Consent Agenda and considered separately.)

5.1.1. Minutes of Previous Regular Board Meeting (April 3, 2025)

5.1.2. Finance/Procurement/Operations Committee Resolutions

- 5.1.2.1. Resolution 2025-29 OHA Past Due Write Offs
- 5.1.2.2. Resolution 2025-30 Electrical Services Pool, Renewal
- 5.1.2.3. Resolution 2025-31 Plumbing Services Pool, Renewal
- 5.1.2.4. Resolution 2025-32 Flooring Services Pool, Renewal
- 5.1.2.5. Resolution 2025-33 Residential Real Estate Services, Renewal
- 5.1.2.6. Resolution 2025-34 UPCS/NSPIRE Inspection Services, Renewal

5.1.3. Development/External Affairs/Public Relations Committee Resolutions

5.1.3.1. Resolution 2025-35 Bond Counsel Services, Renewal

5.1.3.2. Resolution 2025-36 Renewal of Designated Housing Plan

Vice Chair Dougherty questioned if any items needed to be pulled from the Consent Agenda. No items were pulled from the Consent Agenda.

MOTION by Commissioner Johnson, seconded by Commissioner Taylor, to approve the Consent Agenda.

Motion passed. Aye-6, Nay-0

Commissioner Dougherty – Aye

Commissioner Bromley – Aye

Commissioner Taylor – Aye

Commissioner Johnson – Aye

Commissioner Hussein – Aye

Commissioner Barnes-Heyward – Aye

5.2. ADDITIONAL ITEMS FOR CONSIDERATION

5.2.1. Resolution 2025-37 Confirm Appointment of K. Barnes-Heyward to HIO Board of Directors

MOTION by Commissioner Taylor, seconded by Commissioner Bromley, to approve Resolution 2025-37 Confirm Appointment of K. Barnes-Heyward to HIO Board of Directors.

Motion passed. Aye-6, Nay-0

Commissioner Dougherty – Aye

Commissioner Bromley – Aye

Commissioner Taylor – Aye

Commissioner Johnson – Aye

Commissioner Hussein – Aye

Commissioner Barnes-Heyward – Aye

6. DEPARTMENT REPORTS AND DISCUSSION ITEMS (as necessary):

- **Housing Choice Voucher Program**
- **Asset Management (Public Housing)**
- **Housing in Omaha, Inc.**
- **River City Housing Connections**
- **Compliance**
- **Financials**
- **Development**
- **Procurement/Contracting/Capital Budget**
- **Human Resources**
- **Family and Community Services**
- **Legal**
- **Quality Improvement**

7. NEW BUSINESS:

There was no new business.

Vice Chair Dougherty questioned if there was a need for an Executive Session.

8. EXECUTIVE SESSION:

There was no need for executive session.

9. ADJOURNMENT:

MOTION by Commissioner Taylor seconded by Commissioner Johnson to adjourn the meeting at 8:44 a.m.

Motion passed. Aye-6, Nay-0

Commissioner Dougherty – Aye

Commissioner Bromley – Aye

Commissioner Taylor – Aye

Commissioner Johnson – Aye

Commissioner Hussein – Aye

Commissioner Barnes-Heyward – Aye

5.1.2. Development/External Affairs/Public Relations Committee Resolutions

5.1.2.1. Resolution 2025-45 MDA to RAD Towers

MASTER DEVELOPMENT AGREEMENT

RAD CONVERSION OF OHA PORTFOLIO

OMAHA, NEBRASKA

IN WITNESS WHEREOF, the Parties have duly executed this Agreement by their duly authorized signatories on or as of the date first written herein.

BRINSHORE DEVELOPMENT, L.L.C.,
an Illinois limited liability company

By: RJS Real Estate Services, Inc.,
an Illinois corporation, a member

By: _____
Richard J. Sciortino
President

HOUSING AUTHORITY OF THE CITY OF OMAHA,
a Nebraska a public body politic and corporate

By: _____
Name: Joanie Balk
Title: Chief Executive Officer

IN WITNESS WHEREOF, the Parties have duly executed this Agreement by their duly authorized signatories on or as of the date first written herein.

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a Nebraska a public body politic and corporate

By: _____
Name: Joanie Balk
Title: Chief Executive Officer

MASTER DEVELOPMENT AGREEMENT

RAD CONVERSION OF OHA PORTFOLIO

OMAHA, NEBRASKA

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MASTER DEVELOPMENT AGREEMENT
RAD CONVERSION OF OHA PORTFOLIO

Omaha, Nebraska

This Master Development Agreement (this “**Agreement**”) is entered into as of [____], 2025 (the “**Effective Date**”), the **Housing Authority of the City of Omaha**, a public body politic and corporate (“**OHA**”), and **Brinshore Development, L.L.C.**, an Illinois limited liability company (the “**Developer**”). OHA and the Developer are sometimes referred to herein as the “**Parties**”.

BACKGROUND

A. OHA issued a public and competitive Request for Qualifications (“**RFQ**”) for a co-developer to assist OHA in repositioning its public housing portfolio on March 3, 2021.

B. OHA determined that the Developer’s proposal best met the needs of OHA and, on July 8, 2021, the OHA Board of Commissioners authorized OHA staff to negotiate with the Developer for development services under the RFQ.

C. In accordance with this Agreement, OHA wishes to engage the Developer for the redevelopment of eleven (11) high-rise buildings, which will be converted to Section 8 Project Based Voucher (“**PBV**”) assistance through the U.S. Department of Housing and Urban Development (“**HUD**”) Rental Assistance Demonstration (“**RAD**”) program or other HUD repositioning tools (collectively, the “**Redevelopment**” or “**Project**”).

D. The Parties agree that the Redevelopment will consist of approximately 1,418 units of the following “**Properties**” in multiple Phases (each a “**Phase**”):

1. Kay Jay Tower, 4500 South 25th Street
2. Evans Tower, 3600 North 24th Street
3. PARK NORTH, 1501 Park Avenue
4. PARK SOUTH, 1601 Park Avenue
5. BENSON TOWER, 5900 NW Radial Hwy
6. PINE TOWER, 1500 Pine Street
7. FLORENCE TOWER, 5100 Florence Boulevard
8. HIGHLAND TOWER, 2500 B Street
9. JACKSON TOWER, 600 South 27th Street

10. UNDERWOOD TOWER, 4850 Underwood Avenue

11. CROWN TOWER, 5904 Henninger Drive

E. The Parties intend for this Agreement, as supplemented and amended by subsequent loan and evidentiary documents and plans to be developed pursuant to this Agreement, to govern their relationship with respect to the Phases. To the degree that later agreements or documents between the Parties conflict with this Agreement, the later agreements or documents shall prevail. The first Phase of the Redevelopment (“**Phase One**”) shall be the redevelopment of Pine Tower comprised of approximately 144 units, all of which will be PBV units converted through the RAD program.

In consideration of the foregoing recitals and underlying promises, which the Parties agree to be good and valuable consideration, the Parties agree as follows:

ARTICLE 1.

1.1. Agreement Term. This term of this Agreement shall begin upon the Effective Date and shall expire (except for obligations identified as continuing beyond the term of the Agreement) upon the Financial Closing (as defined herein) of last Phase of the Redevelopment, unless sooner terminated or extended by mutual agreement, in accordance with the terms provided herein. As to any Phase of the Redevelopment, except for any provisions expressly surviving termination under the terms of this Agreement, this Agreement shall terminate upon the Financial Closing of that Phase and Project Financing Documents (as defined herein) for such Phase will govern the relationship between the Parties. To the extent Project Financing Documents conflict with this Agreement, the Project Financing Documents shall prevail. Notwithstanding the foregoing, this Agreement shall survive and form a part of any Project Financing Documents to the extent any provisions of this Agreement are referenced or incorporated by the express terms of any Project Financing Document.

1.2. Recitals and Exhibits. The foregoing recitals are true and correct and are incorporated herein by reference as the agreements of the Parties. All exhibits listed in this Section and attached to this Agreement are incorporated herein as the agreements of the Parties.

Exhibit A	Intentionally Omitted
Exhibit B	Contractor/Subcontractor Certifications and Assurances
Exhibit C	Redevelopment Plan
Exhibit D	Redevelopment Budget
Exhibit E	Redevelopment Schedule
Exhibit F	Developer Milestones
Exhibit G	OHA Milestones
Exhibit H	Business Terms
Exhibit I	Predevelopment Budget – Phase One
Exhibit J	RAD and Section 18 Requirements
Exhibit K	MBE/WBE and Section 3 Requirements
Exhibit L	Pre-approved Third Party Contractors

1.3. Cooperation. The Parties shall cooperate with one another in good faith to consummate successfully the Redevelopment. Such cooperation shall include reasonable efforts to respond to one another as expeditiously as possible with regard to requests for information or approvals required hereby. With regard to materials or documents requiring the approval of one or more Parties, if such materials or documents are not approved as initially submitted, then the Parties shall engage in such communication as is necessary under the circumstances to resolve the issues resulting in such disapproval. A spirit of good faith and a mutual desire for the success of the Redevelopment shall govern the Parties' relationship under this Agreement.

1.4. Joint Decision Making.

OHA and Developer will regularly consult each other and work cooperatively to diligently advance the development of the Project and each Phase. As may be more specifically described in documents at each Financial Closing, OHA and Developer agree to work in good faith with the other and to use best efforts to reach a consensus on decisions affecting the development and operations of the Project, including but not limited to the areas listed below, provided however, that notwithstanding the approvals described herein, OHA acknowledges and agrees that, to the extent the parties cannot reach agreement after good faith discussions, Developer shall have the ultimate decision-making authority with respect to any issue which may reasonably have an adverse impact on Developer's guaranty or indemnity obligations, including the risk associated with such guaranties and indemnities, or reasonably cause a payment on Developer's guaranties or indemnities and provided further, the Parties agree that all such decisions made prior to the date hereof are deemed in compliance with this Section (each a "**Joint Decision**"):

- (a) Planning the overall design, structure, and strategy of the Project and each Phase.
- (b) Coordinating all matters required to secure necessary governmental approvals for the Project and each Phase.
- (c) Consenting to the terms and execution of the Operating Agreement (as defined herein) and any other financing for each Phase.
- (d) All development, predevelopment, and operating budgets, schedules, designs, plans, specifications, and relocation or lease-up plans for the Project and each Phase.
- (e) Any changes to the approved development, predevelopment, and operating budgets in excess of \$50,000 for the Project and each Phase.
- (f) Any change orders in excess of \$50,000.
- (g) Identifying necessary public improvements and identifying funding for the same in connection with the Project and each Phase.
- (h) Agreeing upon any necessary environmental remediation and build cost into the development budget, or alternatively finding substitute parcels for development, for the Project and each Phase.

- (i) Amending, dissolving, or terminating an Owner Entity (as defined herein).
- (j) Selling or refinancing each Phase or membership interests in each Owner Entity (including designation of an equity investor (an “**Investor**”), provided that OHA shall not need Developer’s consent or approval to exercise the OHA PO/ROFR (as defined herein).
- (k) Soliciting and negotiating letters of intent for the initial debt and equity financing for each Phase (“**Construction Financing**”).
- (l) Materially modifying Construction Financing for each Phase so as to have an impact on the Parties’ economic returns, and/or obtaining any additional financing for each Phase.
- (m) Admitting members to an Owner Entity or transferring member interests in an Owner Entity (including any controlling interest in the managing member of the Owner Entity), other than for estate planning purposes to be further described in the organizational documents at the Financial Closing.
- (n) Engaging, replacing, or terminating any third-party contractors, consultants, engineers and/or subcontractors (“**Third Party Contractors**”) in excess of \$25,000, excluding any Third Party Contractors listed in Exhibit L.
- (o) Approval of any fees payable to the Parties or any member of an Owner Entity or its affiliates, including marketing fees for the initial residential lease-up only, fees for commercial brokerage. All fees will be at arms-length, commercial reasonable rates approved by the lenders and Investors.

With respect to Joint Decisions that do not impact Developer’s guaranties or indemnities, if Developer and the OHA are unable to agree on such Joint Decision as required herein, the two sides can agree to appoint a mutually agreed upon mediator to propose a solution, the cost of which shall be split equally by the parties. If an agreement cannot be reached after mediation on the disputed Joint Decision, and such decision prevents a Phase from moving forward, each of the Developer and OHA has the right to terminate this Agreement entirely or just with respect to a particular Phase of the Redevelopment. Upon the termination of this Agreement or termination of a Phase by OHA, as applicable, after reimbursement to Developer for all predevelopment funds expended (which shall be a requirement of termination), OHA will have the rights in all work product it has prepared for that Phase (or Phases, as applicable) of the Project and OHA shall have the right to engage another developer to develop any such Phase (or Phases, as applicable) terminated under this Agreement. The right of termination only extends up until the construction closing for a Phase of the Project, at which point the relationship will be governed by the closing documents, including the Operating Agreement, superseding this Agreement.

1.5. Communications. In connection with the redevelopment process, the Parties will keep each other informed of all material events, information, and communications relating to the Redevelopment. In furtherance of the foregoing, the Parties will notify the others in advance of any meetings with HUD, NIFA, City of Omaha (the “**City**”), or any other governmental entity, and allow the others to attend such meetings, provided that such meetings are with respect to a subject matter that is likely to have a material effect on the Redevelopment. OHA shall take the lead in all communications with HUD and local government officials, but shall include the

Developer in communications with HUD and local governmental officials whenever reasonably practicable, advise the Developer of substantive HUD, NIFA or local governmental discussions, and shall give the Developer the opportunity to participate in any substantive negotiations with HUD and local governmental officials on matters directly affecting the Developer or the Redevelopment.

1.6. Representatives. The Parties initially appoint the following as their respective representatives responsible for the administration of their obligations under this Agreement: (a) Joanie Poore and Brian Hansen for OHA, and (b) Peter Levavi, Brad Peters, Todd Lieberman and Richard J. Sciortino for Developer.

1.7. Developer Services.

1.7.1. The Developer shall provide development services for the Redevelopment in accordance with the terms and provisions of this Agreement. The Developer shall perform the duties and undertake the responsibilities herein set forth in a competent and professional manner using good faith reasonable efforts. The Developer is not an agent of OHA. Therefore, except as expressly set forth herein, the Developer shall have no authority pursuant to the terms of this Agreement to bind OHA. Developer will lead on the day-to-day development work, provided that OHA shall be a co-developer and assist Developer with day-to-day development work, providing timely input, review and assistance as needed for each Phase's success. Furthermore, Developer shall ensure each Owner Entity's compliance with Nebraska Investment Finance Authority ("NIFA") and federal tax requirements, corresponding with each Investor and accountants, reviewing and coordinating the submission of each Owner Entity's annual audit, tax return, and other items in a timely and accurate fashion. Except as expressly set forth in this Agreement, the Developer, either directly or through its agents, contractors and subcontractors, will provide all services, equipment, and materials for the Redevelopment and will be primarily responsible to furnish, directly or through subcontractors, professional expertise, management, labor, materials, supplies, fixtures, equipment, tools and machinery, testing, supervision, facilities, and other services required for the completion of the Redevelopment.

1.7.2. Each Phase will be a Turnkey Phase (as defined herein) unless otherwise agreed to by the Parties. Notwithstanding the foregoing, prior to the submission of a tax credit application of a Phase, OHA shall have the right to object to a Phase (or Phases) being a Turnkey Phase and if the Parties cannot agree on the structure of such Phase or Phases after sixty (60) days, then OHA shall have the right to terminate this Agreement with respect to such Phase or Phases. The parties agree that any non-turnkey Phase would be on substantially same terms as a Turnkey Phase except that the Development Fee and Cash Flow would be split sixty percent (60%) to Developer and forty percent (40%) to OHA, or their respective affiliated members of the Owner Entities, as applicable. If OHA terminates this Agreement under this Section 1.7.2, OHA shall reimburse Developer for all predevelopment funds expended (which shall be a requirement of termination), Developer shall assign to OHA all rights in all work product it has prepared for that Phase (or Phases, as applicable) of the Project, and OHA shall have the right to engage another developer to develop any such Phase (or Phases, as applicable) terminated under this Agreement.

1.7.3. For each "Turnkey Phase", the Developer will be responsible for developing the Phase and shall have a 51% controlling interest in the managing member of the Phase.

Developer will be responsible for executing all guaranties (subject to OHA's limited guaranty liability as set forth herein), provided that, subject to Section 5.9.1, upon the final equity installment, the Developer will be released from any and all guaranties and liabilities as of such date and withdraw as a member for no consideration.

1.7.4. For any Phase, if there is a financial reason for the majority interest of a managing member of the Owner Entity to be held by OHA, for instance, to maximize scoring on a tax credit application or to obtain a real estate tax exemption, PILOT, or abatement, OHA will own the minimum majority interest required in the managing member, and any such ownership percentage will not impact the rights or decision-making authority of the Parties pursuant to this Agreement.

1.8. Time of Performance. Both the Developer and OHA shall diligently adhere to and proceed with all work necessary to meet the Redevelopment Schedule, and to meet all the Developer Milestones and Milestone Deadlines (as identified on Exhibit F) and OHA Milestones and Milestone Deadlines (as identified on Exhibit G) as the same shall be updated, modified, amended or extended as contemplated in this Agreement (and, without limitation, subject to Sections 7.2, 9.2, and 9.3 of this Agreement). The Developer and OHA shall diligently proceed with all work necessary to meet all deadlines described herein.

1.9. Quality of Work Under This Agreement. All the activities performed under this Agreement shall be provided in accordance with (a) standards for comparable, reasonable, market, non-federally assisted rental residential developments in the Omaha Nebraska Metropolitan Area; (b) standards, criteria, and other requirements imposed by OHA's funding agreements with HUD, to the extent applicable to the Redevelopment and to the extent a copy of such funding agreements are provided to Developer; and (c) standards, criteria and other requirements imposed by applicable statutes, regulations, ordinances, and orders of all other funding sources and governmental authorities having jurisdiction over the Redevelopment, including without limitation NIFA as applicable. The Developer shall furnish the skill and judgment necessary to perform its required services in compliance with the Redevelopment Schedule (hereinafter defined in Section 2.3 hereof) and the Redevelopment Budget (hereinafter defined in Section 2.3 hereof) in an expeditious and economical manner consistent with the interests of OHA and HUD. OHA shall furnish the skill and judgment necessary to perform its required services in compliance with the Redevelopment Schedule and the Redevelopment Budget in an expeditious and economical manner consistent with the interests of the Developer and HUD.

1.10. Regulatory and Financing Approvals. The Parties hereto acknowledge that each Financial Closing and the consummation of the transactions contemplated by this Agreement are subject to approval by HUD, NIFA, funding sources, and other regulatory approvals (collectively, "**Third Party Approvals**"). The Parties agree to cooperate in good faith to obtain all necessary Third-Party Approvals, and acknowledge that Third-Party Approvals must be obtained as a condition precedent to any obligations contained herein. OHA shall be in charge of making any submission to HUD, while the Developer shall be in charge of making any submission to NIFA and other funding sources, provided that any documents pertaining to the Redevelopment for such submissions in draft or final form shall first be approved by the Developer and OHA prior to submission, provided further that Developer shall be permitted to make submissions directly to HUD with the prior written consent of OHA. If OHA or the Developer fail to timely respond to

any request for approval, any resulting delay shall (i) extend the applicable Phase's schedule for any work that could not be performed pending such approval and (ii) extend the Redevelopment Schedule as impacted by such delay. The Parties shall each receive at least an electronic copy of final submissions to HUD, NIFA or the City concurrent with such submission. The Developer and OHA shall respond promptly, but in any event within five (5) business days to any request by other for the approval of any submission, provided, however, if the matter to be approved requires the approval of the OHA's Board of Commissioners (the "**OHA Board**"), Developer must submit the request for approval in accordance with OHA's Board meeting procedures and schedules; provided, however, if such schedule will not permit action by the time required then OHA shall, to the extent feasible under OHA's organizational procedures, call a special meeting of the OHA Board or seek a waiver of such procedures.

1.11. Role of OHA. OHA shall provide the services for the Redevelopment specified in this Agreement and shall perform such duties and undertake the responsibilities herein set forth in a competent and professional manner using good faith reasonable efforts. The Parties hereto further acknowledge that certain activities contemplated herein require the approval of the OHA Board, including but not limited to ground leasing land owned by OHA to the project owners for each Phase, lending funds to each Phase, if any, and contributing remaining capital and reserves for each property, if any, being redeveloped to the applicable Phase of the Redevelopment. OHA shall diligently pursue obtaining any such OHA Board approvals prior to when required, including, without limitation, making diligent efforts to call special meetings from time to time as necessary.

1.12. Administrative and Regulatory Requirements. In connection with the performance of their respective obligations under this Agreement the Parties shall each comply (to the extent applicable) with (i) the terms and conditions of this Agreement; (ii) the Subgrantee/Contractor/Subcontractor Certification & Assurances set forth at Exhibit B; (iii) the RAD and Section 18 Requirements (as defined herein); and (iv) the requirements of the other funding sources for the Redevelopment. In connection with the performance of their respective obligations under this Agreement, the Parties shall each fully comply with all applicable laws and regulations with respect to workers' compensation, social security, unemployment insurance, hours of labor, Davis-Bacon requirements, working conditions, licensing and other employer-employee related matters, including, without limitation, all laws, rules and regulations with respect to non-discrimination based on race, sex or otherwise, and MBE/WBE and the HUD Section 3 Goals (as defined below).

1.13. Authority to Execute Agreement. OHA represents that it is a Nebraska public body politic and corporate, with full power and authority to execute, deliver and perform this Agreement, subject to the limitations expressly set forth herein, and that the person signing for OHA below is duly authorized to execute this Agreement on behalf of OHA. The Developer represents that the Developer is a limited liability company duly formed under the laws of the State of Illinois, with full power and authority to execute, deliver and perform this Agreement, and that the person signing for each below is duly authorized to execute this Agreement on each entity's behalf. The Developer shall register to be qualified to do business in the State of Nebraska if and when required by State law to do so in connection with its activities arising from this Agreement.

1.14. Written Materials and Public Statements. The Parties agree to cooperate and consult with each other regarding any public statements or publication made regarding the

Redevelopment, and no written public statement or publication regarding the Redevelopment shall be made without the Developer's and OHA's prior approval.

ARTICLE 2. REDEVELOPMENT RESPONSIBILITIES OF THE DEVELOPER

2.1. Redevelopment Activities. As more specifically set forth herein, the Developer shall be primarily responsible for the completion of the Redevelopment in accordance with the Redevelopment Plan attached hereto as Exhibit C, as well as carrying out all other work for which the Developer is responsible as described herein. The Developer is primarily responsible for all development services required for the planning, design, development, construction and marketing of the Redevelopment, including all related demolition (unless undertaken by OHA by mutual agreement of the Parties), infrastructure, site improvements and construction activities as described herein. Such development shall be undertaken in a manner that shall be consistent with the overall physical scope and financial structure, schedule and budget as approved by OHA and as set forth herein. It is anticipated that the rental units of the Redevelopment will be a mix of unit types, which may include RAD units, PBV units, LIHTC units, and unrestricted market rate units. The final unit mix of each Phase will be subject to OHA approval, marketability and financial feasibility, and any applicable NIFA, RAD and Section 18 Requirements.

2.2. Financing. It is mutually agreed that all necessary financing is to be obtained or procured jointly by the Developer and OHA on behalf of the Owner Entities and secured for each Phase. The Parties shall consult with each other and agree upon a financing plan prior to seeking any such financing. The Developer shall take the lead on preparing any applications for the agreed upon financing of a Phase, provided that the Developer shall keep OHA regularly updated on any financing negotiations and provide OHA with the opportunity to comment on drafts of all financing solicitations, commitments, and letters of intent prior to execution. All financing solicitations, commitments, and letters of intent shall be subject to OHA's prior written approval. OHA shall cooperate fully with the Developer on all applications for financing.

The Developer shall not have an obligation to proceed with a Phase if such Phase is not financially viable in the determination the Developer; provided, however, if OHA determines such Phase is financially viable and OHA desires to continue which such Phase, then OHA may elect to terminate this Agreement solely with respect to such Phase if (x) the Developer elects to not proceed with such Phase and OHA reimburses Developer for all expenses incurred prior to such partial termination of this Agreement (and Developer assigns all work product in connection with such Phase to OHA), and (y) to the extent required by applicable HUD requirements, HUD approves OHA proceeding with such Phase without Developer.

For each Phase, the Parties shall provide required financial guaranties in accordance with the terms in Exhibit H attached hereto.

The Developer, or its affiliate member of the managing member as applicable, shall not be required to withdraw from any Phase until the Developer is released from all such guaranties and indemnities. Moreover, the Parties will endeavor to include provisions in the transaction documents with the debt and tax credit equity providers that permit the Developer to be released from all such guaranties and indemnities upon the final equity installment for each Phase and for such guaranties and indemnities to be assumed by the OHA.

The Parties intend to submit applications to NIFA for 9% and 4% LIHTC and other financing as necessary to develop each Phase. The Parties may also apply for other funding from non-NIFA sources, such as HOME funds and any other applicable funding that may be available. The timely development and submission of any LIHTC or other funding applications will be the responsibility of the Developer, subject to OHA approval.

The Parties shall make timely best efforts to secure all financing listed in the Redevelopment Budget. Should any of the financing become unavailable, the Developer shall use timely best efforts to obtain equivalent funds from other sources for the housing component of the Redevelopment in a timely manner and to prevent delay in the schedule (as the same may be modified or extended pursuant to this Agreement) or increase in cost of administration to OHA. OHA will timely cooperate with and assist the Developer in its efforts to replace funding commitments. OHA acknowledges that sources of financing listed in the Redevelopment Budget require the approval of governmental agencies based on periodic application cycles. The failure by a governmental agency to approve an application shall not constitute a default by the Developer in its obligations hereunder provided the Developer made timely best efforts or commercially reasonable efforts and pursued such application with diligence and good faith, nor shall it relieve the Developer of its obligations to use best efforts to seek adequate alternative funding for the housing component of the Redevelopment.

Financing for the Redevelopment is expected to include low income housing tax credits (“LIHTC”) (either 4% credits combined with tax exempt bonds or 9% credits), conventional financing and such other sources of funds and/or local government contributions as necessary to fund the Redevelopment. Such additional sources may include HOME, the Affordable Housing Program (AHP) through the Federal Home Loan Bank, philanthropic funds, HUD conventional loans secured by a mortgage (based on rent structures or mortgage payments that can be supported), OHA sources (as further discussed below), local sources, and other federal, state, and local governmental and non-governmental sources, whether available now or that may become available over time. Operating subsidy may come from the RAD program, or PBVs (including from PBVs awarded through Section 18 of the U.S. Housing Act of 1937, as amended (“**Section 18**”) or PBVs as available and if awarded in accordance with program requirements.

2.3. Redevelopment Budget and Schedule. The development plan for each Phase will include a development budget and development schedule. The development budget will encompass all sources and uses of funds for the Phase, shall identify aggregate “**Development Costs**” as defined by HUD and NIFA, and shall include an expected operating budget. The development schedule will include a critical path schedule of time and order for completion of the specific Phase based on third party funding availability, funding source timing requirements, reasonable times for review, approval, and return of documents to ensure the prompt completion of the Phase, subject to force majeure and the availability of tax credits and other subsidy resources. Such development schedules will be updated from time to time as agreed upon by the Parties.

A preliminary budget for the Redevelopment (the “**Redevelopment Budget**”) is attached hereto as Exhibit D as approved by the Parties. A preliminary development schedule (the “**Redevelopment Schedule**”) is attached hereto as Exhibit E, as approved by the Parties. The Parties hereby acknowledge and agree that each potential source of public funds imposes a unique set of requirements, including what constitutes an eligible project cost. As public funds are

committed to the Redevelopment or a particular Phase of the Redevelopment, the Parties agree to work together in good faith to adjust the Redevelopment Schedule and Redevelopment Budget to address the requirements of the particular funding source. The Parties agree that the Redevelopment Budget and the Redevelopment Schedule may be updated periodically by the Developer and, upon review and approval by OHA, which shall not be unreasonably withheld, shall be fully incorporated as if set forth herein. OHA (and HUD, if applicable) must affirmatively approve any material changes to the Redevelopment Budget or Redevelopment Schedule to be effective. OHA shall act promptly in reviewing periodic updates to the Redevelopment Budget and the Redevelopment Schedule, but in any event within ten (10) business days from the receipt thereof, provided, however, if the matter to be approved requires the approval of the OHA Board, Developer must submit the request for approval in accordance with the applicable OHA Board meeting procedures and schedules and, to the extent necessary and reasonably feasible, OHA shall call a special meeting of the OHA Board.

The ability of the Developer to alter the Redevelopment Budget should not be interpreted to permit Developer to require an increase in the amount of money OHA has committed to the Redevelopment pursuant to this Agreement.

2.4. Status Reports and Information. No later than thirty (30) days after each calendar quarter (or such other time period as may be required by HUD) during which this Agreement is in effect (or more frequently as required by applicable funding requirements), the Developer shall provide OHA with written progress reports of the previous quarter on a Phase by Phase basis in such form as may reasonably be required by OHA, HUD, and/or the other funding sources for the Redevelopment on the status of: (1) work performed by Developer's contractors, (2) the percentage of completion of the Developer Milestones; (3) HUD Section 3 Goals and MBE/WBE reports; (4) an update of the Redevelopment Schedule; (5) quarterly expenses against the Redevelopment Budget (in a manner that allows OHA to (a) perform cost certifications to the extent required, (b) to produce budget reports, and (c) prepare for required federal, state, and local audits without interruption); and (6) when necessary, proposed revisions to the Redevelopment Budget. Other reports shall be provided if requested by OHA. In addition, the Developer shall, upon reasonable request by OHA, furnish OHA with copies of any work product prepared by the Developer or its consultants (not including internal documents, drafts submitted by consultants and sub consultants but not yet approved by the Developer or the Developer's attorney's work product that is or may be privileged in a dispute between OHA and the Developer) in connection with development activities pursuant to this Agreement. Once construction is commenced for any Phase of the Redevelopment, Developer shall hold progress meetings at least once a month with OHA's designee(s) throughout the course and duration of such construction (provided that such meetings may be coordinated or combined with job-site or requisition meetings when appropriate). OHA's designee(s) shall be provided with copies of construction progress reports at all such meetings. A pending change order log shall be kept for each Phase of the Redevelopment and shall be made available for review by OHA's designee(s) at the construction progress meetings. During the period of construction of each Phase, the Developer or the General Contractor shall provide OHA with monthly construction reports.

2.5. Reports. Upon timely request by OHA, the Developer shall provide OHA with information for OHA to prepare reports no later than fifteen (15) days before OHA must submit such reports to HUD and the other funding sources for the Redevelopment or the OHA Board.

However, the Developer shall be responsible for providing only such information for such reports which relates to facts, information, or activities for which the Developer is responsible.

2.6. Development Services Agreement. The Parties acknowledge that they may be required to enter into a Development Services Agreement for each Phase of the Redevelopment (and additionally, a subdevelopment agreement as described in Exhibit H attached hereto). The Parties agree that such Development Services Agreement will detail the specific responsibilities for completing such Phase under the requirements of the various financing sources; provided that the final terms of such Development Services Agreement are subject to Developer and OHA approval (or their respective affiliates which shall serve as part of the Owner Entity of such Phase) and will be consistent with this Agreement.

2.7. Assignment to OHA. In the event OHA makes a loan to an Owner Entity, all of the Owner Entity's interest in drawings, tracings, specifications and other documents prepared by or for the benefit of the Owner Entity for use in the implementation of any Phase of the Redevelopment (the "**Development Documents**") shall be collaterally assigned to OHA, subject to any similar assignment to a senior lender.

2.8. Coordination with Social Service Program. The Developer shall cooperate with any social service that has been retained by OHA to provide technical assistance, and any OHA department responsible for the planning and implementation of any social service activities in connection with the Redevelopment. Unless otherwise agreed to by the Parties, any social service costs shall be included in the Redevelopment Budget as a project expense.

2.9. Resident Participation in the Redevelopment Process. The Parties agree to involve residents (including, without limitation, any current public housing residents) and resident organizations in the planning and development process for the Redevelopment and, additionally, shall comply with all resident notice and meeting requirements as required by the RAD Program. OHA shall be the primary contact for residents in connection with the Redevelopment and the Developer shall not have any communications with residents regarding the Redevelopment without the prior approval of OHA. The Developer shall, upon OHA request, provide updates on the development process and present at or attend meetings with residents on the planning, development and construction process of the Redevelopment, giving careful consideration to tenants' suggestions.

ARTICLE 3. PREDEVELOPMENT ACTIVITIES

3.1. Relocation Planning Activities. For each Phase, OHA and its relocation consultant (the selection of which shall be approved by OHA and Developer on a Phase by Phase basis) shall develop a relocation and re-occupancy plan for Developer's review and approval (each a "**Relocation and Re-Occupancy Plan**"), such approval not to be unreasonably withheld. OHA, with the assistance of the Developer and OHA's relocation consultant, shall be responsible for carrying out the relocation and re-occupancy of residents in accordance with such Relocation and Re-Occupancy Plan. The Relocation and Re-Occupancy Plan shall be developed and implemented in accordance with all applicable regulatory requirements, including but not limited to any current residents' right to return under the RAD Requirements. The costs of developing and implementing the Relocation and Re-Occupancy Plan shall be a project expense included in the Redevelopment

Budget.

3.2. Developer Predevelopment Obligations and Activities. The Developer acknowledges that those predevelopment activities described at Exhibit F are the primary responsibility of the Developer. The Developer shall perform, or cause to be performed, those activities, and the costs of the third-party work set forth in the Predevelopment Budget shall be paid by the Parties as provided in Section 8.2 below pursuant to a Predevelopment Budget approved by the Parties in accordance with Section 8.2 below. Any costs that are not included in the Predevelopment Budget or not otherwise approved will not be reimbursed at Financial Closing or otherwise. The Predevelopment Budget shall also include a schedule of the predevelopment costs that have been incurred and approved by the Parties as of the date of this Agreement.

ARTICLE 4. OVERALL DESIGN AND CONSTRUCTION RESPONSIBILITIES

The Developer shall have the authority and obligation to:

4.1. Oversee Design and Manage the Design Process. The Developer shall procure an architect to design each Phase of the Redevelopment, subject to OHA's prior written consent, which shall be given on a Phase by Phase basis. OHA's approval of an architect for a specific Phase shall not be deemed approval for any other Phase. The approved architect for each Phase shall be referred to as an "**Architect**". The Developer will ensure that the Architect shall design each Phase in accordance with this Agreement, the Redevelopment Schedule and the Developer Milestones in Exhibit F herein. The Developer shall provide, or cause the Architect to provide, all written documents and drawings prepared by the Architect relating to any phase of design (including, without limitation, schematic design, design development and construction drawings) to OHA upon receipt, and OHA will have the opportunity to comment on and approve or disapprove all written documents and drawings (including, but not necessarily limited to 40%, 90% and all construction bid documents), including to confirm compliance with the requirements of this Agreement. After such approval, OHA shall have the opportunity to comment on and approve or disapprove any proposed material changes to the approved drawings, including changes arising from value engineering, contractor's substitutions, or other changes to the design mutually agreed upon by the Parties. The Developer shall further require that the Architect and all subcontractors for mechanical, electrical, plumbing, engineering, and structural engineering be appropriately licensed and insured for professional liability. The Architect's agreement shall provide that the Developer shall be the owner's representative and shall have the authority to direct the consulting engineers and other consultants to the project, whether reporting to the Architect, or directly to the Developer, provided that the Architect shall be required to keep OHA informed on an ongoing basis and any material changes to the Architect's agreement or plans for a Phase shall be subject to OHA's prior approval.

4.2. Obtain Permits and Other Approvals. The Developer shall diligently and in good faith and in accordance with the Redevelopment Schedule pursue such actions as may be necessary or appropriate to obtain all zoning, building and construction permits, licenses, easements and approvals necessary to obtain, establish, or construct the Redevelopment, including on-site and off-site utilities necessary for the Redevelopment, and roads, transportation, and other facilities or physical improvements contemplated by the Construction Documents (as defined herein), each to the extent applicable. OHA shall cooperate and assist the Developer in obtaining all such permits,

licenses, easements and approvals, including, without limitation, joining any application, plats of sub-division, plats of vacation, dedications, and dedication or vacation requests, if necessary. Developer shall, on an ongoing and timely basis, advise OHA as to the status of the processing of all applications necessary to obtain all governmental approvals required in accordance with this Agreement, applicable HUD approvals and requirements, and the Construction Documents. Developer shall advise OHA of any hearings regarding matters described in this section with sufficient advance notice to enable OHA to elect to attend such hearings.

4.3. Compliance with Laws and Permits; Monitoring of Third Party Contractors. The Developer shall cause the Redevelopment to be designed and constructed in compliance with all applicable Federal, state and local laws, codes, ordinances, rules and regulations and with all permits. The Developer shall ensure that all Third Party Contractors possess the requisite licenses and qualifications necessary for work contracted to them. The Developer shall comply, and shall ensure the compliance of all Third Party Contractors, with laws prohibiting discrimination on the basis of disability, including but not limited to, Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) and regulations issued pursuant thereto (24 C.F.R. part 8); the Americans with Disabilities Act (42 U.S.C. § 12101 *et seq.* and its implementing regulation at 28 C.F.R. part 36), the Architectural Barriers Act of 1968, as amended (42 U.S.C. § 4151) and regulations issued pursuant thereto (24 C.F.R. part 40).

4.4. Documents, Drawings and Materials. The Developer or its consultants or contractors shall furnish OHA with electronic versions of final drawings of record, final specifications and data sheets; results of subsurface investigations and environmental testing; results of civil, structural and hydraulic design calculations; structural calculations; equipment manufacturers' drawings and data, including installation, operating and maintenance instructions, data and parts lists, shop drawings, submittals and warranties from manufacturers, suppliers, and/or installers. After the Construction Completion Milestone has been achieved for any Phase of the Redevelopment, the Developer shall furnish OHA with final electronic versions of the as-built drawings including the as-built survey for that Phase of the Redevelopment.

4.5. Selection of Third Party Contractors. OHA has approved the Third Party Contractors listed on Exhibit L attached to this Agreement as contractors qualified to work on the Redevelopment, provided, however, that, notwithstanding anything to the contrary, each Third Party Contractor (including those listed in Exhibit L) engaged for a specific Phase shall be subject to OHA's prior approval. For the avoidance of doubt, the Third Party Contractors listed in Exhibit L have not been approved by OHA to work on every Phase of the Redevelopment and OHA must approve the involvement of any Third Party Contractor on an individual Phase. The Developer shall be alert to organizational conflicts of interest as well as noncompetitive practices that may restrict or eliminate competition or otherwise restrain trade. Awards shall be made to the bidder or offeror whose bid or offer is most advantageous to the applicable Phase of the Redevelopment, taking into consideration price, quality and other relevant factors, including (but not necessarily limited to) the bidder's or offeror's compliance with minority contracting requirements and Section 3 of the Housing and Urban Development Act of 1968 and the implementing regulations at 24 C.F.R. Part 75, as amended, provided that, to promote community involvement and support in the Redevelopment, preference shall be given to local bidders in the Omaha area. OHA may require the Developer to engage a local bidder over a non-local competitor if OHA reasonably determines that the local contractor is not prohibitively more expensive, the local contractor's bid fits within

the Project budget, and that such local bidder can provide the same quality of work and expertise as the non-local competitor. OHA and its authorized representatives shall have access to and the right to examine, copy, or reproduce all records pertaining to such selection and the Developer shall respond in ten days to any questions raised by OHA related to the procurement or contracting process. OHA shall have the power to require Developer to reject any bid from a Third Party Contractor or terminate any Third Party Contractor if OHA reasonably determines that such procurement violates any applicable procurement requirements, policies, or regulations. Termination fees or expenses incurred as a result of any Third Party Contractor engaged in violation of applicable procurement policies and requirements shall be allocated among the parties for each Phase in the same percentage allocation as predevelopment costs and expenses as set forth in Section 8.2 herein. OHA shall also have the power to require the Developer to reject or terminate any Third Party Contractor if OHA reasonably determines that such procurement would cause significant harm to OHA's or the Redevelopment's reputation or support in the local community, provided that OHA shall be responsible for the payment of any termination fees or expenses related to such termination or rejection.

The Developer's agreements with Third Party Contractors for the Redevelopment shall (1) permit, as collateral for its loans to the Project, assignment of the agreement to OHA on terms and conditions reasonably satisfactory to OHA, the Developer, the applicable Owner Entity, the contractor and any lenders for the particular Phase of the Redevelopment, and (2) include an executed Subgrantee/Contractor/Subcontractor Certifications & Assurances, attached hereto as Exhibit B. The procurement of any Third Party Contractors shall be in accordance with applicable HUD, OHA, and state and local requirements.

The Developer shall employ due diligence to ensure that all consultants, design professionals, construction professionals, and other professionals or contractors engaged to provide services or supplies for the Redevelopment shall supply the skill and judgment necessary to perform the required services in compliance with the Redevelopment Schedule and the Redevelopment Budget and in accord with all requirements of their respective contracts.

OHA shall participate in value engineering and bid review to ensure that all consultants, design professionals, construction professionals, and other professionals or contractors engaged to provide services or supplies for the Redevelopment shall supply the skill and judgment necessary to perform the required services in compliance with the Redevelopment Schedule and the Redevelopment Budget and in accordance with all requirements of their respective contracts. In the event OHA does not respond to a request for approval or consent related to value engineering decisions or bid reviews within five (5) calendar days then OHA shall be deemed to have approved the matter as presented to OHA. No entities affiliated with the Developer shall work on the Redevelopment, except those disclosed at Exhibit L, unless otherwise approved in writing by OHA. OHA intends to procure a third-party financial or development consultant to assist OHA in the development of the Project (the "**OHA Consultant**") and the cost of the OHA Consultant shall, to the extent feasible, be included as a capitalized expense in each Phase's development budget, provided, however, that OHA shall be solely responsible for the costs of such consultant if the budget cannot support the costs as a capitalized expense.

4.6. Section 3. At a minimum, the Developer shall comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968 (the "**HUD Section 3 Goals**").

Minimum HUD Section 3 Goals applicable to this Agreement are contained at 24 C.F.R. Part 75, as amended. The Developer agrees to comply with any Section 3 utilization plan to which the Parties agree.

4.7. Intentionally Omitted.

4.8. Davis-Bacon Reporting. The Developer shall cause the Owner and the General Contractor to ensure that labor standards applicable to the Redevelopment (the most stringent of which currently is the Davis-Bacon Act, 40 U.S.C. § 276a *et seq.*). The Developer shall provide any required reports any applicable governmental entity to whom such reports are legally required to be delivered (including OHA).

4.9. Sworn Statement and Trailing Lien Waiver Pre-Disbursement Requirements. Prior to any disbursement of funds under any construction loan (including third party loans and requests for equity installments), the Developer shall provide OHA a copy of the draw request package provided to such lenders and/or equity providers, including trailing lien waivers with each draw.

4.10. Construction. The Owner Entity shall be responsible for the construction and completion of the applicable Phase of the Redevelopment in accordance with the Loan Agreements, the Ground Lease, and the Construction Documents. The Developer shall provide, or procure an entity to provide, the Guaranty of Completion referenced in Section 4.12 below, and such other guaranties and indemnities, and to the extent reasonably required by a funder approved by OHA for a Phase, OHA will review and also execute such agreements to document its limited liability set forth herein (i.e. paying its portion of paid Development Fee) and, to the extent applicable, other eligible funds towards Developer's guaranty and indemnity obligations, subject to its reasonable discretion. The Owner Entity shall provide for, among other things, the following services and considerations which the Owner Entity shall include in the applicable project documents at the Financial Closing.

4.10.1. GC Contract. The Developer shall procure a general contractor for each Phase, subject to OHA's prior written consent, which shall be given on a Phase by Phase basis. OHA's approval of a general contractor for a specific Phase shall not be deemed approval for any other Phase. The approved general contractor for each Phase shall be referred to as a "**General Contractor**". The Developer shall cause the applicable Owner Entity to enter into a general contract with a General Contractor for each Phase and such contract shall set either a fixed price, stipulated sum, guaranteed maximum price, or another pricing mechanism acceptable to OHA (each, a "**GC Contract**" and together with any plans and specifications and any amendments or clarifications thereto for each Phase, the "**Construction Documents**"), and shall contain terms and conditions and provide for general contractor fees and overhead as required by the Investor, lenders, NIFA, HUD and any other applicable regulatory agency. Each Owner Entity shall submit each GC Contract to OHA for review. OHA must approve the selection of each general contractor and each GC Contract prior to execution which approval, so long as such contract complies with the terms of this Agreement and the applicable loan documents, will not be unreasonably withheld or delayed. In the event OHA makes a loan to an Owner Entity, the GC Contract shall provide for a collateral assignment to OHA in the event of termination of, or default under, the applicable loan documents between OHA and such Owner Entity, provided that such collateral assignment shall

be subject to the rights of the senior lenders, if any. To the extent the General Contractor is an affiliate of the Developer, all terms and conditions shall not be in excess of terms and conditions which could be obtained in an arms-length transaction and shall be subject to acceptance by OHA, each Phase's lenders and Investor, and applicable regulatory agencies, and subject to requisite HUD waivers and/or approvals, in accordance with Section 4.6. Developer has selected BCM, LLC, an Illinois limited liability company ("BCM") as the General Contractor for each Phase of the Redevelopment, and OHA hereby approves the selection of BCM as the General Contractor for each Phase of the Redevelopment, provided, however prior to the closing of a particular Phase, OHA reserves the right to object for cause to BCM's selection for such Phase, and if the Parties cannot agree on the selection of BCM for such Phase, the Parties will proceed to mediation as set forth in Section 1.4. For purposes of this section, "for cause" shall mean BCM failed to meet OHA's commercially reasonable expectations for a particular Phase or OHA reasonably believes selecting BCM would have a materially adverse effect on a future Phase.

4.10.2. Insurance, Bonds, and Warranties Required of the General Contractor. Each GC Contract submitted to OHA for approval shall require the General Contractor to provide, at a minimum: (a) insurance required by the project lenders; (b) if required by HUD, NIFA, lenders or Investors, 100% payment and performance bonds or a letter of credit (to the extent permitted by applicable requirements) in lieu of payment and performance bonds satisfactory to all lenders; (c) a warranty of good title to materials, equipment and supplies incorporated in the work; and (d) a warranty that the work performed under the GC Contract conforms with the Construction Documents and is free of any defect in equipment, material or workmanship performed by the General Contractor or any subcontractor or supplier in any tier. The warranties shall continue for a period of not less than one year from the date of final acceptance of the work. All rights under the GC Contract shall be for the benefit of the Owner Entity and its successors and assigns. Once OHA has approved the GC Contract, it will not request or require additional changes unless required by HUD or another applicable governmental agency.

4.10.3. Monitoring Performance of Contractors. The Owner Entity shall require the General Contractor and Architect or other consultant(s) to monitor the performance of all persons and entities who are to provide materials, equipment or services to the Redevelopment and shall require the Architect or such other consultant(s) to take such actions as are necessary to maintain adherence to quality standards, safety standards, production schedules, shipping dates, and job-site requirements contemplated herein and minimize the disturbance of residents in the immediate area (i.e., controlling dust, noise, etc.)

4.10.4. Monitoring Project Scheduling. The Owner Entity shall ensure that the Redevelopment progresses in accordance with the deadlines established in the Redevelopment Schedule, this Agreement and the Construction Documents (subject to Force Majeure and Development Contingencies as outlined in this Agreement). During the course of construction, the Owner Entity shall (a) identify potential variances between the actual and contractually-mandated completion dates; (b) identify work not started or incomplete and recommend adjustments in the Redevelopment Schedule to meet contractually-mandated completion dates; (c) provide OHA with monthly summary reports of its coordination and monitoring activities and document all changes in the Redevelopment Schedule (generally such reports shall be submitted to OHA in conjunction with all monthly requisition materials on industry-standard forms such as AIA G-702); and (d) take appropriate action when the requirements of any contract are not being

satisfied, provided that conditions (a) through (c) may be satisfied by providing a copy of the monthly draw request as part of the monthly construction requisition package.

4.10.5. Monitoring Construction Budget. Developer shall develop a construction budget for the Redevelopment and each Phase for OHA's review and approval (each a "**Construction Budget**"). Construction costs for each Phase will be subject to independent plan and cost review by OHA, applicable government agencies, and each Phase's lenders and Investor. During the course of construction of each Phase of the Redevelopment, the Owner Entity shall monitor the Construction Budget for each Phase. OHA shall be notified of, and shall approve, all material change orders under the Construction Documents greater than \$50,000, regardless of whether there is a pending request to OHA for funding. During the construction period of each Phase, the Owner Entity shall provide a monthly change order report with "proposed," "pending" or "accepted" change order indicated on such report. To the extent applicable, funding for change order/change directive work will not be released unless the material change order/change directive is approved by OHA. The Owner Entity shall revise and refine the Construction Budget during the course of construction, provided that any such material change order under this Section 4.10.5 shall be subject to OHA's approval and any such change shall not increase the commitment of funding, if any, provided by OHA pursuant to Section 2.2 of this Agreement. Developer's disclosure obligations in this Section 4.10.5 may be satisfied by providing a copy of the monthly draw request as part of the monthly construction requisition package.

4.10.6. Materials, Storage of Purchased Items, and Security. All equipment, material, and articles furnished shall be in accordance with the Construction Documents. The Owner Entity shall require the General Contractor to (i) inspect all equipment, materials, and articles obtained under the Construction Documents, (ii) monitor the delivery of, and, if necessary, arrange storage, protection and security for all materials, systems and equipment which are to be used in the construction of, or incorporated into, the various components of the Redevelopment, (iii) in the event of off-site storage (which is subject to OHA's prior written approval to the extent funded in whole or in part with OHA funds), provide proof of insurance and a bill of lading or a shipping ticket, and (iv) provide adequate security for the sites, including, without limitation, prevention of vandalism, theft, trespassing and dumping, and providing the maintenance of secure fencing around the site of the Redevelopment (the "**Redevelopment Site**") and appropriate measures thereof.

4.10.7. Inspection by the Developer. The Owner Entity shall require the Architect to guard against defects and deficiencies in design and construction and, based on the Architect's recommendations, order the General Contractor to stop work, or any portion thereof, and direct special inspection or testing of such work, which in the Owner Entity's best judgment, may not be in accordance with the provisions of the Construction Documents, whether or not such work is fabricated, installed or completed. The Owner Entity shall cause the Architect to conduct periodic inspections of the work of the General Contractor and shall verify, using AIA G-702 or other form approved by OHA, that the work is being performed in accordance with the Construction Documents. The Architect shall inspect all work on a periodic basis.

4.10.8. Construction Progress Reports. The Owner Entity shall record the progress of each Phase of Redevelopment construction and submit in the reports required by Section 2.4 to OHA information on the status of the activities of the General Contractor, the

percentage of work the General Contractor has completed, and the purpose and dollar value of all proposed and/or approved change orders and the status of each (generally such reports shall consist of supplying to OHA all monthly requisition materials on industry-standard forms such as AIA G-702/703). In addition, the Owner Entity shall consult with OHA on a periodic basis to be determined jointly as circumstances may warrant to keep OHA fully informed at all times of the status of construction. If the Owner Entity becomes aware of any material fault or defect in any of the Redevelopment efforts or nonconformance with the Construction Documents, then the Owner Entity shall give prompt notice thereof to OHA.

4.10.9. Document Records. The Owner Entity shall (i) retain a record of the Construction Documents for the respective component of Redevelopment, (ii) maintain, or shall cause the General Contractor to maintain, all construction records, including all plans, contracts, shop drawings, samples, purchase orders, applicable handbooks, technical standards and specifications and manuals related to the Redevelopment, and (iii) cause the Owner Entity or the General Contractor, as applicable, make all such materials available for inspection by OHA upon reasonable notice.

4.10.10. Right of Entry by OHA. OHA reserves for itself and its authorized agents or authorized contractor, official representatives from OHA, the City, and HUD, other funders, and their respective authorized agents the right to enter the Redevelopment Site during normal business hours to inspect the Redevelopment Site and any work in progress, with reasonable notice, for the purpose of protecting or furthering OHA's interests under this Agreement (including during the Architect's inspection as described in Section 4.10.8, above). The person conducting such inspection shall comply with reasonable safety precautions and shall not interfere with construction or development activities. OHA shall not direct the work of the General Contractor or any subcontractor or other person performing work on the job site. OHA shall have no obligation to make any such inspection of the Redevelopment. Such inspections are for OHA's information only and the Owner Entity shall not be relieved of its obligation to complete the Redevelopment (or applicable Phase) in accordance with this Agreement. In no event shall OHA's inspection of the work be deemed acceptance of all or any of the work, equipment, or materials or to waive any right OHA have under this Agreement and/or subsequent loan documents for the Redevelopment.

4.10.11. Substantial Completion Inspection. Upon substantial completion of any Phase, the Owner Entity and the Architect shall inspect the work to determine and record the condition of the units (i.e., develop a "punch list"), which shall be subject to OHA's review. The Owner Entity shall notify OHA of such inspection, and shall allow OHA's representatives to accompany it on any such inspection. The Owner Entity shall require the General Contractor to replace or correct work that does not conform to the Contract Documents or to applicable safety or code standards, statutes or regulations.

4.10.12. Cost Certification. Upon substantial completion and the subsequent inspection of the applicable Phases, the Owner Entity, or its accountants shall perform a cost certification that complies with the standards of the NIFA and other applicable funders if required. The Owner Entity will submit such certification to OHA within a reasonable time period, but in any event, if applicable, no later than submission to NIFA.

4.11. Intentionally Omitted.

4.12. Project Completion Guaranties and Warranties. As part of the documentation of any loan made from OHA to an Owner Entity at the Financial Closing for any Phase, the Developer shall guaranty, or procure an entity to guaranty, the completion of construction of that Phase pursuant to a performance and completion Guaranty in form and substance acceptable to the Parties. Additionally, the Owner Entity shall secure from the General Contractor for each Phase in the GC Contract a warranty that such Phase when completed will be free of all defects in workmanship and materials for a period of not less than one (1) year from substantial completion of that Phase.

4.13. Environmental Conditions and Site Investigation.

4.13.1. Site Investigation. OHA is responsible to submit all required documents to HUD or the City Environmental Officer, as required by applicable law and regulation, for review of the environmental impact of the Redevelopment in accordance with 24 C.F.R. Part 58 or Part 50. OHA shall provide to the Developer all testing performed to date, and the Developer shall cause its environmental and engineering consultants to perform environmental, hazardous materials and geo-environmental investigations and to prepare remediation estimates (all of which shall be included as a project expense). Except as set forth herein, OHA makes no representations, warranties or other covenants in regard to whether any Prohibited Substances (as defined herein) are located in, on, or about the property for the Redevelopment, or whether any environmental laws as applicable to the same may be violated. Except with respect to the covenants and representations set forth herein, including in Section 4.13.2 and 4.13.3, which shall be incorporated into Ground Leases, Developer acknowledges and agrees that any OHA property conveyed to an Owner Entity will be delivered by OHA in its “AS IS, WHERE IS, AND WITH ALL FAULTS” condition, and that such language shall be incorporated into each Ground Lease.

4.13.2. OHA hereby makes the following representations and warranties:

4.13.2.1. OHA has not knowingly permitted the Redevelopment Site or any portion thereof to be used as a site for the use, generation, treatment, manufacture, storage, disposal or transportation of Prohibited Substance (as defined herein) except in such amounts as are ordinarily used, stored or generated in similar projects, or has otherwise knowingly permitted the presence of Prohibited Substances in, on or under the Redevelopment Site in material violation of any Hazardous Materials Laws (as defined herein).

4.13.2.2. From and after the date hereof, OHA shall comply with all Hazardous Materials Laws applicable to the Redevelopment Site and any improvements thereon.

4.13.2.3. OHA shall promptly provide Developer with copies of all forms, notices and other information received by or on behalf of OHA concerning any releases, spills or other incidents relating to Prohibited Substances or any violations of Hazardous Materials Laws at or relating to the Redevelopment Site. As of the date hereof, OHA has not received any such information and has disclosed to Developer all environmental reports, notices and other information that is has obtained relating to the Redevelopment Site.

4.13.2.4. OHA has not knowingly permitted the Redevelopment Site or any portion thereof to be used as a site for the use, generation, treatment, manufacture, storage, disposal or transportation of Prohibited Substances except in such amounts as are ordinarily used, stored or generated in similar projects, or has otherwise knowingly permitted the presence of Prohibited Substances in, on or under the Redevelopment Site in material violation of any Hazardous Substances Laws.

For purposes of this section:

Hazardous Materials Laws means all statutes, laws, acts, ordinances, rules, regulations, orders, decrees and rulings of any federal, Nebraska and/or local governmental or quasi-governmental body, agency, board, commission and/or court relating to the protection of health and/or the environment or otherwise regulating and/or restricting the use, storage, disposal, treatment, handling, release and/or transportation of Hazardous Materials, including, without limitation: The Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. (“**CERCLA**”); the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (“**RCRA**”); the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq. (“**TOSCA**”); the Clean Air Act, 42 U.S.C. Section 7401 et seq. and the Clean Water Act, 33 U.S.C. Section 1251 et seq. and any so-called “Superfund” or “Superlien” law; and the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq. (“**OSHA**”), as each is from time to time amended and hereafter in effect.

Prohibited Substances means (i) asbestos or asbestos-containing material or polychlorinated biphenyl material, or (ii) hazardous substances or hazardous waste as defined under any Hazardous Materials Law (other than quantities of such substances, including gasoline, diesel fuel and the like as are customary and necessary to prosecute construction of the Redevelopment), or (iii) soil containing volatile organic compounds.

4.13.3. Discovery of Prohibited Substances Prior to Closings.

4.13.3.1. Prior to a Financial Closing, in the event that any Party knowingly encounters any Prohibited Substances on the Redevelopment Site not previously identified through testing, such Party shall promptly notify the other Party in writing and shall comply with all laws, ordinances, regulations and orders of all governmental, regulatory and other public and quasi-public agencies, authorities and entities having jurisdiction over the same with respect to notification of the discovery of the Prohibited Substances. The Owner Entity shall be responsible for performing all necessary due diligence to determine the environmental feasibility of each Phase and any environmental remediation needed for a particular Phase shall be covered as a project expense in the applicable development budget. The Owner Entity for each Phase shall fully indemnify and hold OHA and Developer harmless for any environmental conditions that occur after a Financial Closing and are attributable to the use of the property by that Owner Entity.

4.13.3.2. Notwithstanding the foregoing: (i) OHA shall hold Developer harmless and shall be liable for any existing environmental conditions on the Redevelopment Site first occurring prior to a Financial Closing of the applicable Phase unless Developer failed to perform commercially reasonable environmental due diligence for the applicable Phase prior to closing that would have reasonably disclosed such environmental conditions; (ii) OHA shall be

solely liable for any existing environmental conditions on the Redevelopment Site that occur either before or after a Financial Closing if OHA had actual knowledge of such environmental conditions and failed to disclose same; and (iii) OHA shall be solely liable for environmental conditions with respect to any occupied units controlled by OHA during construction and post-construction if OHA is the property manager for such units at the time of the occurrence of such environmental condition and such conditions would not have been discovered by Developer through commercially reasonable environmental due diligence. Developer shall be liable for any environmental conditions resulting from construction controlled by Developer. For avoidance of doubt, the performance of a Phase I Environmental Site Assessment and, if recommended by such Phase I, a Phase II Environmental Site Assessment, both in accordance with current ASTM International standards are considered "commercially reasonable environmental due diligence". To the extent there are unknown environmental conditions on the Redevelopment Site first occurring after a Financial Closing, remediation for such conditions shall be attempted to be addressed in the development budget for that particular Phase. For the purpose of this Agreement, the term "OHA's actual knowledge" and similar terms ("**Actual Knowledge**"), shall be limited to the actual knowledge of Brian Hansen (the "**OHA Knowledge Party**"), without any duty of inquiry whatsoever (provided that OHA hereby confirms that the OHA Knowledge Party has read the representations and warranties of OHA set forth in in this Agreement). The knowledge of others shall not be imputed to OHA Knowledge Party. No investigation review or inquiry of any persons, or other action shall be required of OHA Knowledge Party and, in no event, shall OHA Knowledge Party have any personal liability for any claim, cause of action or other liability arising out of or relating to this Agreement or the Property, whether based on contract, common law, statute, equity or otherwise.

4.13.4. The provisions of this Section 4.13 shall survive the Financial Closing of a Phase and the termination of this Agreement, and shall be incorporated into the Ground Lease for each Phase.

4.13.5. Covenant Regarding Prohibited Substances. No Party shall bring onto or maintain on the Redevelopment Site, or permit its agents, Third Party Contractors or employees to bring onto or maintain on the Redevelopment Site, any Prohibited Substances. The Developer shall be liable for the consequences of, and responsible for proper removal and lawful disposal, at its sole expense, of any Prohibited Substances brought onto the site resulting from the Developer's violation of this Section 4.13.5. The Developer further covenants and agrees to indemnify, defend and hold OHA free and harmless from and against any and all losses, liabilities, penalties, claims, fines, litigation, demands, costs, judgments, suits, proceedings, damages, disbursements or expenses, including reasonable attorneys' fees which may at any time be imposed upon, reasonably incurred by or asserted or awarded against OHA or its affiliates in connection with or arising from a violation by the Developer of this Section 4.13.5. OHA shall be liable for the consequences of, and responsible for proper removal and lawful disposal, at its sole expense, of any Prohibited Substances brought onto the site resulting from OHA's violation of this Section 4.13.5. OHA further covenants and agrees to indemnify, defend and hold the Developer free and harmless from and against any and all losses, liabilities, penalties, claims, fines, litigation, demands, costs, judgments, suits, proceedings, damages, disbursements or expenses, including reasonable attorneys' fees which may at any time be imposed upon, reasonably incurred by or asserted or awarded against the Developer in connection with or arising from a violation by OHA of this Section 4.13.5. The Parties acknowledge that OHA's liability is restricted to non-federally

restricted assets in accordance with HUD requirements. The provisions of this Section 4.13.5 shall survive the Financial Closing of a Phase and the termination of this Agreement with respect only to any claims that arise from an event that occurs prior to the Financial Closing regardless of when the claim is presented.

4.13.6. Protection of Residents and the Neighboring Community. The Parties understand and acknowledge that the Redevelopment is occurring on multiple sites in residential neighborhoods. Some sites chosen for redevelopment may have existing occupants. Notwithstanding anything to the contrary in this Agreement, the Parties agree to design and plan the development and construction activities hereunder with the highest degree of care so as to (a) communicate and consult with the neighborhood associations on plans and zoning changes, and (b) ensure the safety of persons and property thereon and adjacent thereto, and (c) OHA agrees to provide notifications and relocations for existing tenants of such sites in compliance with the RAD and Section 18 Requirements and Uniform Relocation Act (the “URA”), if applicable, and to provide the Developer copies of such notifications. The Parties shall take all measures necessary to ensure that the improvements adjacent to the sites shall not be damaged or disturbed. The Parties will use reasonable efforts to avoid any disruption to any utility services to the existing residents or neighbors of the Redevelopment Site, as applicable, from the performance of its activities hereunder.

4.13.7. Post Closing Responsibilities.

4.13.7.1. After the Financial Closing for a given Phase, no Party shall, except as expressly provided herein, be liable for any environmental conditions on the site of such Phase unless (i) such Party or its agents, contractors or employees caused such environmental conditions after the Financial Closing, (ii) either Party had actual knowledge of such environmental conditions and failed to disclose the same to the other Party in writing before the Financial Closing, or (iii) such Prohibited Substances are brought onto the Redevelopment Site by a Party or any of its agents, contractors or employees after the Financial Closing. For avoidance of doubt, Third Party Contractors hereunder shall be considered contractors of the applicable Owner Entity and not contractors or agents of either Party.

4.13.7.2. After the Financial Closing for a given Phase, the Parties will work in good faith to identify third-party funding sources to pay for any unforeseen remediation costs (without limiting the responsibilities of OHA, the Developer or the Owner Entity under otherwise applicable provisions of this Section 4.13).

4.13.8. Owner Entity Responsibilities After Closings. At the Financial Closing for a given Phase, each Owner Entity will covenant and agree to indemnify, defend and hold the Parties free and harmless from and against any and all losses, liabilities, penalties, claims, fines, litigation, demands, costs, judgments, suits, proceedings, damages, disbursements or expenses, including reasonable attorneys’ fees which may at any time be imposed upon, reasonably incurred by or asserted or awarded against either Party (excluding those matters for which a Party is responsible in accordance with the applicable provisions of this Agreement) in connection with or arising from the existence of any Prohibited Substance first placed on, in, or under all or any portion of the site of such Phase on or after the Financial Closing.

4.14. Management.

4.14.1. The Parties shall jointly select either OHA or a Third Party Contractor to manage each Phase in accordance with the requirements and consent of each Phase's Investor and lenders and all applicable regulatory requirements. Each approved management agent is referred to herein as a "**Management Agent.**" Each Management Agent shall be engaged pursuant to a management agreement approved by the Parties and executed by the Management Agent and the Owner Entity (each a "**Management Agreement**"). Each Management Agreement shall contain terms and conditions and provide for a management fee acceptable to HUD, NIFA, each Phase's lenders and Investor, and any other applicable agencies.

4.14.2. Developer shall provide OHA staff members with up to three hours per year of asset management training on an as requested basis at no cost to OHA.

4.14.3. In the event that OHA is the Management Agent for a Phase, if required by Investors and/or lenders or reasonably requested by Developer, OHA shall engage a third party compliance consultant approved by Developer to review tenant files, with such cost to be included in the Phase's operating budget. If OHA is selected as the Management Agent, Developer shall retain the right to terminate OHA as Management Agent for cause and the right to select the replacement property manager. "For cause" termination events shall include but not be limited to issues arising that result in payment under operating deficit or tax credit compliance guaranties.

4.14.4. Developer will provide asset management services for each Phase of the Project while it is a guarantor for the applicable Phase, and will receive an annual Asset Management Fee for this service of \$100 per unit per year increasing at three percent (3%) annually from the Phase's cash flow waterfall after the repayment of any deferred Development Fee.

4.14.5. Following the termination of the Section 42 Credit Period for each Phase (or earlier if agreed to by the Developer, OHA, and funders), OHA shall have the right to replace the Management Agent as management agent, subject to any required approvals by that Phase's Investor, lenders, and regulators and subject to the reasonable consent of Developer. The Operating Agreement for each Phase shall not include provisions prohibiting OHA's option pursuant to the terms of this Section.

4.15. Indemnifications.

4.15.1. The Developer shall indemnify and hold harmless OHA and its subsidiaries, and affiliates and their respective officers, employees, agents, contractors, and directors from all claims, actions, demands, costs, expenses and attorneys' fees arising out of, attributable to or otherwise occasioned, in whole or in part, by any willful act or omission of the Developer, its agents, contractors, servants, employees, or invitees which constitutes a breach of the Developer's obligations under this Agreement. If any party performing work for the Developer on the Redevelopment shall assert any claim against OHA or its subsidiaries or affiliates on account of any damage alleged to have been caused by reason of the grossly negligent acts or intentional misconduct of the Developer, its agents, servants, employees or contractors (including, without limitation, its construction contractor), the Developer shall defend at its own expense any suit based upon such claim; and if any judgment or claim against OHA or its subsidiaries or affiliates

shall be allowed, the Developer shall pay or satisfy such judgment or claim and pay all reasonable costs and expenses in connection therewith. The obligations, indemnities, and liabilities of the Developer under this Section 4.15.1 shall not extend to any liability caused by the gross negligence or intentional misconduct of HUD, OHA, its subsidiaries or affiliates, or their employees, contractors or agents, or any actions taken without Developer's consent if such consent is required. OHA agrees to first seek recovery under any applicable insurance policy prior to pursuing the indemnification provided in this Section 4.15.1. The Developer's obligations under this section shall expire as to claims relating to any Phase upon the Financial Closing therefore, except as to any claims arising from provisions in this Agreement which explicitly survive termination and as to any claim that arises from an event that occurs prior to the Financial Closing regardless of when the claim is presented.

4.15.2. To the maximum extent permitted by applicable law, including, without limitation, all restrictions on utilizing federal funds for the foregoing purposes, OHA shall indemnify and hold harmless the Developer and its subsidiaries and affiliates and their respective officers, employees, agents, contractors, and directors from all claims, actions, demands, costs, expenses and attorneys' fees arising out of, attributable to or otherwise occasioned, in whole or in part, by any willful act or omission of OHA, its agents, contractors, servants, employees, or invitees which constitutes a breach of OHA's obligations under this Agreement. If any party performing work for OHA on the Redevelopment shall assert any claim against the Developer or its subsidiaries or affiliates on account of any damage alleged to have been caused by reason of the grossly negligent acts or intentional misconduct of OHA, its agents, servants, employees or contractors (including, without limitation, its construction contractor), OHA shall defend at its own expense any suit based upon such claim; and if any judgment or claim against the Developer or its subsidiaries or affiliates shall be allowed, OHA shall pay or satisfy such judgment or claim and pay all reasonable costs and expenses in connection therewith. The obligations, indemnities, and liabilities of OHA under this Section 4.15.2 shall not extend to any liability caused by the gross negligence or intentional misconduct of the Developer or its employees, contractors or agents or any actions taken without OHA's consent if such consent is required. The Developer agrees to first seek recovery under any applicable insurance policy prior to pursuing the indemnification provided in this Section 4.15.2. OHA's obligations under this section shall expire as to claims relating to any Phase upon the Financial Closing therefore, except as to any claims arising from provisions in this Agreement which explicitly survive termination and any claim that arises from an event that occurs prior to the Financial Closing regardless of when the claim is presented. Further, the Developer acknowledges that OHA's liability shall be restricted to non-federally restricted assets in accordance with applicable HUD requirements.

4.16. Additional Services. The Developer, or one of its affiliates, may also provide Additional Services directly to OHA to the extent such services are requested by OHA and the Developer agrees to provide the same. To the extent that such services are requested and the Developer agrees to provide them (and Developer provides a proposal acceptable to OHA, in its sole discretion), the scope of such services and the agreement of the Parties regarding compensation for such services shall be set forth in written task orders executed on behalf of both OHA and the Developer or the Developer's affiliate. Notwithstanding anything in this Agreement to the contrary, all of such additional services shall be bid out by the Developer in accordance with procedures approved by OHA, and compensation for such services shall be in accordance with the RAD and Section 18 Requirements to the extent applicable.

ARTICLE 5. RENTAL PROJECT FINANCING DOCUMENTS

If applicable to a particular Phase of the Redevelopment, the Developer will cause each Owner Entity to enter into certain agreements with OHA described in this Article 5 in form and substance mutually acceptable to the Developer and OHA. These documents are individually referred to herein as a “**Project Financing Document**” and collectively as “**Project Financing Documents**.”

5.1. Entity Formation.

The Parties contemplate that the rental units and the site improvements for each Phase will be owned by one or more special purpose entities (“**Owner Entity**” or “**Owner Entities**”) with the managing member of the Owner Entity jointly owned by Developer and OHA, such that Developer or its affiliate shall serve as the 51% managing member of the managing member of the Owner Entities (“**Managing Member**”) during the period of Developer’s ownership of the Owner Entity, and OHA or its affiliate shall serve as the 49% non-managing member of the Managing Member. The investor members of the Owner Entities will be the 99.99% Investor member. The Developer will form the Owner Entities, and the Developer, or one of its affiliates, as the controlling member of the Managing Member, will have control over the development process, budget process, work plans, construction management, and/or general contracting of the particular Phase, subject to OHA’s approval rights pursuant to this Agreement. The ownership structure will be further outlined in the operating agreement of each Owner Entity (each an “**Operating Agreement**”) and other organizational documents, all of which shall be subject to OHA and Developer approval.

5.1.1. Intentionally Omitted.

5.1.2. Ground Leases for Phases. OHA will enter into a long-term ground lease (“**Ground Lease**”) with each Owner Entity, pursuant to which the Owner Entity will construct and/or rehabilitate the improvements and have the right to occupy and operate that Phase of the Redevelopment site for a term of seventy-five (75) years (or such longer period as may be reasonably required by the Investor for such Phase), subject to a RAD Use Agreement in favor of HUD for Phases with RAD units. OHA shall be compensated for the Ground Lease for each Phase with a secured seller note in an amount equal to the fair market value of the leasehold interest in the property, based on its restricted value. Such fair market value shall be paid through a seller note at a rate approved by the investor of such Phase, with such deferred payment paid from cash flow or structured as a balloon loan.

5.2. Intentionally Omitted.

5.3. Intentionally Omitted.

5.4. Other Loan Documents. To secure additional financing, the Owner Entities for the Redevelopment, or Phases thereof, may enter into other loans, including but not limited to affordable housing funds, private bank financing, city funds, County and State HOME funds, and funds from the Federal Home Loan Bank, subject to the approval of the Developer and OHA, which may be secured by mortgages and other security interests (collectively, the “**Other Loan Documents**”). During the predevelopment planning of each Phase, Developer will work with

OHA's capital funds manager to assist OHA in determining the amount of capital funds, if any, that may be available to such Phase. The capital funds manager will meet with Developer upon request to discuss the availability of capital funds for each Phase. Notwithstanding the foregoing, the contribution of any capital funds to a Phase shall be at OHA's sole discretion.

5.5. Ownership Documents. The Owner Entities for the Phases shall be organized in accordance with those criteria described in Section 5.1 herein. All documents evidencing the formation of the Owner Entities (the "**Owner Entity Documents**") shall be subject to the approval of OHA and the Developer prior to submission to HUD, as applicable.

5.6. HUD Restrictive Covenants. The Developer and OHA shall cause each Owner Entity of a Phase to record a declaration of restrictive covenants or use agreement as required by HUD and cause such Phase to be operated and maintained in accordance with such use restriction and the applicable laws and requirements contained therein. All loans, security interests, and the Ground Lease entered into shall be subject to such use restriction in accordance with applicable HUD requirements.

5.7. Management Documents.

Developer shall prepare or cause the Management Agent to prepare initial drafts of all management documents for the Redevelopment needed for each Financial Closing including a management agreement, management plan, tenant selection policy, grievance procedures, and lease forms. Such documents shall comply with all applicable HUD laws and regulations and must be reviewed and approved by OHA (and HUD, to the extent required) prior to implementation. The Management Documents shall provide that OHA can require the Owner Entity to terminate the management agreement for failure to comply with applicable requirements.

5.8. Closing. The Owner Entity, Developer, and OHA will participate in a financing closing (or closings) (the "**Financial Closing**") for each Phase. All of the Project Financing Documents described in this Article 5, and such other documents as may be reasonably required by the Developer, OHA, HUD or other lenders and Investor for the construction and eventual occupancy of a Phase (other than tenant leases) for a Phase, will be executed at the Financial Closing for that Phase.

5.9. OHA Purchase Option and Right of First Refusal and Turnkey Transfer

5.9.1. Turnkey Transfers.

5.9.1.1. Upon the final capital installment for a given Phase, Developer shall transfer all its direct and indirect equity interests in the applicable Owner Entity to OHA or its affiliate (each a "**Turnkey Transfer**"), at which time (i) Developer and its affiliates shall be released from any and all guaranty and indemnity obligations and liabilities for that Phase and such obligations and liabilities shall be assumed by OHA (or its affiliate), and (iii) OHA shall indemnify Developer and its affiliates against future claims related to that Phase provided that Developer shall remain liable for any claims or liabilities occurring prior to the transfer arising from any willful misconduct or gross negligence by the Developer or its agents or affiliates. The parties shall obtain the consent of all Investors and lenders to the terms of the Turnkey Transfer contained herein prior to the Financial Closing of each Phase. Notwithstanding anything contained

herein to the contrary, if a permanent lender for a Phase requires that the Developer be underwritten for a permanent loan, then Developer will transfer its interests in the applicable Owner Entity to OHA or its affiliate at the Phase's stabilization or permanent loan conversion but remain as a guarantor with substantially similar control rights until the final capital installment for such Phase. The parties acknowledge that the exception in the foregoing sentence is intended to avoid additional underwriting costs and delays to the Project and does not alter any of the other conditions of the Turnkey Transfer.

5.9.1.2. The price OHA shall pay for the Turnkey Transfer shall be equal to the sum of (i) actual third-party transfer costs, including reasonable legal fees, incurred by Developer in an amount not to exceed Twenty-Five Thousand Five Hundred Dollars (\$25,000.00); (ii) any outstanding portion of Development Fee owed to Developer and any other fee then outstanding to Developer; (iii) any advances or loans made by Developer or its affiliate to an Owner Entity with respect to development deficits or operating deficits, and (iv) and transfer and exit taxes due related to the sale of such interest, if any. The Parties will work together and use their best efforts to obtain the requisite approvals in the Owner Entity documents and other loan documents, which pre-approvals from Lenders and Investors shall be a condition of Financial Closing of the applicable Phase. The operating agreement for each Managing Member and Owner Entity shall include and require the Turnkey Transfer upon the final capital installment pursuant to the terms of this Section. Following the Turnkey Transfer to OHA (or its affiliate), OHA (or its affiliate) shall obtain all of the rights to any cash flow payable to Developer from such Phase, subject to Section 5.9.1.3 below.

5.9.1.3. If OHA does not have sufficient funds to pay such amounts in connection with the Turnkey Transfer, then Developer may elect to either (i) delay the Turnkey Transfer and remain in ownership until it receives its remaining share of Development Fee, and other amounts owed pursuant to Section 5.9.1.2, through cash flow as a priority payment before any cash flow payments are made to OHA, or (ii) proceed with the Turnkey Transfer, provided the remaining amounts owed to Developer pursuant to section 5.9.1.2 will be repaid to Developer as a priority cash flow loan, accruing interest at the Applicable Federal Rate.

5.9.2. OHA Purchase Option and Right of First Refusal of Phases and Investor's Interest.

5.9.2.1. Following the end of the Section 42 Compliance Period of a given Phase, OHA, or its qualified designee, shall have a purchase option and a right of first refusal to purchase each Phase or, at OHA's election, the Investor's interest in each Owner Entity, each at a price agreed to by the Investor and OHA (an "**OHA PO/ROFR**"), which for the right of first refusal may exceed the minimum allowed by Section 42(i)(7)(B) of the Internal Revenue Service Code, and will include the repayment of any loans, fees or other amounts owed to Developer and its Affiliates, if any.

5.9.2.2. The terms of the OHA PO/ROFR shall be included in a purchase option and right of first refusal agreement, which shall, subject to Investor approval, be recorded as a separate encumbrance on the property for each Phase. Provisions for an OHA PO/ROFR in accordance with the requirements of this Section, including the desire for such right of first refusal

and option to be recorded as a separate encumbrance, shall be included in the equity solicitations for each Phase.

5.9.3. Developer agrees to include the terms of the Turnkey Transfer and OHA PO/ROFR in the solicitations for the tax credit Investor of each Phase.

ARTICLE 6. DEVELOPER MILESTONES AND REDEVELOPMENT MILESTONE DEADLINE.

The Parties recognize that the Developer Milestones described in Exhibit F may have different deadlines for the different Phases and that such different deadlines are indicated in the Redevelopment Schedule as amended from time to time. Subject to the conditions and limitations contained in this Agreement, the Developer covenants to use best efforts to achieve each of the Developer Milestones and meet each targeted Milestone Deadline in accordance with its terms as described in Exhibit F, as the same shall be updated, modified or amended as contemplated in this Agreement.

ARTICLE 7. DUTIES/RESPONSIBILITIES OF OHA.

7.1. In General. OHA shall promptly review any matter submitted to it and advise the Developer of approval or why approval is being withheld. Except as otherwise provided for herein, OHA's approval of any matter required under this Agreement shall not be unreasonably withheld, conditioned or delayed.

7.2. OHA Milestones. OHA shall use Best Efforts to achieve all OHA Milestones and meet all OHA Deadlines described in Exhibit G as the same shall be updated, modified, extended or amended as contemplated by this Agreement. Notwithstanding anything in this Agreement, OHA's failure to timely complete the OHA Milestones shall not be considered a default by OHA under this Agreement, but the Parties acknowledge that OHA's failure to achieve OHA Milestones may impede the ability of the Developer to proceed with the Redevelopment in accordance with the Redevelopment Schedule and agree that any Developer Milestone so affected by the inability to achieve an OHA Milestone shall automatically be extended and the Developer shall accordingly not be in default due to the failure to meet any such Developer Milestone.

7.3. Submission of RAD, PBV, and Section 18 Applications for the Redevelopment. Upon the Developer's completion of the RAD financing plan ("**RAD Financing Plan**") and PBV application, for each Phase, each to the extent applicable, OHA or Developer shall submit the required RAD and PBV approval documents to HUD. The Developer shall not submit any RAD Financing Plan or PBV application to HUD without OHA's prior review and approval. OHA shall assist and work cooperatively with the Developer in preparing and reviewing drafts of the submittals and in making such modifications to such documents as may reasonably be required for any Phase by other funders or by HUD. OHA shall be responsible for preparing any demolition or disposition application to HUD pursuant to Section 18, to the extent applicable, for each Phase.

7.4. Contribute Funds to the Development. Subject to OHA Board approval, available resources, and all regulatory requirements, OHA may provide financing in the form of a loan or capital contribution to each Phase of the Redevelopment in its sole and absolute discretion. Any OHA financing to a Phase shall be on commercially reasonable terms agreed to by the Parties, in

accordance with applicable regulatory requirements, and subject to the approval of the Phase's lenders and Investor. To the extent OHA elects to contribute funds to a particular Phase, OHA reserves the right to renegotiate the economic terms for that Phase, including the Parties' split of Development Fee.

7.5. Execution of Documents. OHA shall maintain sole authority for the execution of documents required of OHA as the recipient of funds from HUD or as required by applicable law or regulation. Whenever statute or regulation or the successful implementation of the Agreement requires OHA to take actions or execute documents to accomplish the Redevelopment, OHA will do so promptly, so as not to impede the orderly progress of the work.

7.6. Wage Rates. OHA will work in consultation with the Developer to obtain from the City a schedule of the applicable Davis-Bacon wage rates approved by the U.S. Secretary of Labor for inclusion in solicitations for bids and proposals for the Redevelopment.

7.7. Redevelopment Support. OHA shall provide assistance with the Redevelopment in regards to local agencies, HUD, NIFA, lenders, equity investors, and other applicable parties and will agree to reasonable requirements imposed on the Redevelopment by local authorities, NIFA, any lenders and/or equity investors investing in the Redevelopment. OHA shall provide, to the extent appropriate, assistance requested by Developer in obtaining licenses, approvals, clearances, or other cooperation from local, state, and federal agencies, NIFA, the mayor's office, the city council, and other local governing bodies and shall execute applications and site control letters if reasonably required by such agencies or entities.

7.8. Provide Operating Subsidy to Eligible Units. To the extent included in the development or operating budget approved by OHA for each Phase, OHA will provide rental subsidies to the Redevelopment pursuant to a RAD or non-RAD PBV HAP contract.

7.9. Provide Information. OHA shall provide all available information relating to the Redevelopment, as expeditiously as necessary, for the orderly progress of the Redevelopment, including but not limited to information relating to the properties and tenants, such as current operating budgets and historical cost data, rent rolls, income levels, family composition, handicap accommodation requirements, real estate property tax or PILOT information, and utility usage, and shall coordinate the preparation of site visits with tenants and property management teams. In addition, OHA shall take the lead in all communications with HUD and local governmental officials, except as mutually agreed to by the Parties, and coordinate closely with Developer regarding all communications with HUD, forward to the Developer all relevant correspondence, directives, and other written materials either to or from HUD with respect to this Agreement. OHA will respond as promptly as possible, within its management structure, to questions that may arise during Redevelopment administration.

7.10. Relocation. OHA and its relocation consultant shall take the lead, with assistance from the Developer as needed, in planning and implementing the Relocation and Re-Occupancy Plan for the Redevelopment in accordance with Section 3.1 hereof.

7.11. Issue Bonds. Subject to OHA Board approval, available resources, and all regulatory requirements including LIHTC regulations, OHA, at its discretion, shall have the option to serve

as bond issuer for any Phase financed with tax-exempt bonds. OHA shall be entitled to receive commercially reasonable fees for its role as bond issuer, in addition to any other fees OHA is entitled to receive under this Agreement. OHA shall also be entitled to engage separate bond counsel for any Phase for which it issues bonds and the cost of such bond counsel shall be included as a project expense in the applicable Phase's redevelopment budget.

ARTICLE 8. FEE AND PAYMENT ARRANGEMENTS

8.1. Development Fee. Subject to applicable caps imposed by NIFA, HUD, or other state or federal agencies or investors, the Developer and OHA shall receive development fees ("**Development Fees**") for the Phases pursuant to the calculations and procedures provided in the business term sheet at Exhibit H. The Development Fees for each Phase shall initially be established based on the budget submitted to and approved by OHA for submission to HUD with the RAD Financing Plan or PBV application, as applicable, as appropriate for each Phase of the Redevelopment. Further, such Development Fees shall include payment for all overhead costs of Developer. Such Development Fees, however, shall not preclude payment to Developer affiliates for additional services provided and approved by OHA. Any such fees shall be approved by OHA in writing and shall not exceed applicable HUD and NIFA requirements.

8.2. Predevelopment Costs. Developer shall prepare for OHA's review and approval a predevelopment budget for each Phase detailing the predevelopment costs for such Phase (a "**Predevelopment Budget**"). Developer shall not make any changes to the Predevelopment Budget without OHA's prior written consent. All predevelopment costs shall be in accordance with applicable HUD and NIFA requirements and shall also meet the criteria of being approvable as project costs by each Phase's Investor and lenders to the extent required.

For each Phase, OHA shall be responsible for 100% of the first Two Hundred Thousand Dollars (\$200,000) of predevelopment costs incurred pursuant to the Predevelopment Budget, and Developer and OHA shall each be responsible for advancing *pari passu* fifty percent (50%) of the predevelopment costs in excess of Two Hundred Thousand Dollars (\$200,000). The Parties will be reimbursed for their share of predevelopment costs on a *pro rata*, *pari-passu* basis at each Financial Closing with project sources. The Predevelopment Budget for Phase One is attached hereto as Exhibit I.

It is anticipated that OHA will fund its share of predevelopment costs through a predevelopment loan, pursuant to which the Developer will make a monthly draw requests to be approved by OHA. For avoidance of doubt, if a Phase of the Project does not close, either because of the mutual agreement of the Parties, or upon the termination for convenience by OHA in accordance with Section 9.5 hereof, the predevelopment cost funds contributed by OHA shall not be an obligation for repayment by Developer and any such work product shall be assigned to OHA provided that OHA reimburses Developer for the actual costs of all such third-party work product requested (except if a Phase does not close due to an Event of Default by a party, pursuant to which the non-defaulting party may seek reimbursement for the non-defaulting party's share of predevelopment costs and the defaulting party shall assign third-party work product to the non-defaulting party without reimbursement).

8.3. Cost Savings. Any cost savings shall be divided as provided in the business term sheet attached as Exhibit H hereto.

8.4. No Other Fees. The Developer hereby certifies to OHA that neither it nor any Owner Entity will receive additional fees for their Redevelopment work within the scope of this Agreement other than the fees set forth in Exhibit H without receiving OHA's approval of such additional fees, and HUD's approval, if required.

ARTICLE 9. TERMINATION AND DEFAULT

9.1. Events of Default by Developer. Upon written notice from OHA, and the expiration of all cure rights set forth in this Agreement (including, without limitation, in Section 10.2 below), any of the following shall constitute an "**Event of Default**" by the Developer under this Agreement (subject to, in any event, (1) a Force Majeure Event (as defined below) or (2) the determination that performance is impossible due to the occurrence of events contemplated in Section 9.3):

9.1.1. The Developer materially breaches any obligation herein (including, but not limited to, the failure to make best efforts where required in this Agreement); or

9.1.2. The Developer becomes insolvent, is adjudged as bankrupt, makes a general assignment for the benefit of creditors, or becomes a subject of any proceeding commenced under any statute or law for the relief of debtors; provided that the Developer shall have 90 days to effect the dismissal of any such involuntary proceeding; or

9.1.3. A receiver, trustee or liquidator of any of the property or income of the Developer shall be appointed; or

9.1.4. The Developer unilaterally withdraws from the Redevelopment project except as expressly allowed by the terms of the Agreement; or

9.1.5. The Developer fails (or fails to cause the applicable Owner Entity) to enforce any material terms, provisions, conditions, covenants or agreements in the Construction Documents or the Project Financing Documents to be observed and/or performed on the part of the General Contractor or other contractors, if such failure materially and adversely affects OHA's interests hereunder; or

9.1.6. The Developer fails to make payment to a Third Party Contractor when due and funds for such payment have been received from OHA (to the extent the Third Party Contractor is to be paid by funds provided to Developer by OHA); or

9.1.7. The Developer fails to obtain and maintain the insurance coverage required herein; or

9.1.8. The Developer fails to enforce the insurance obligations described hereunder on Third Party Contractors; or

9.1.9. The Developer fails to take appropriate efforts or use due diligence to ensure that Third Party Contractors possess the requisite licenses and qualifications necessary for work

contracted to them, and to ensure that the Third Party Contractors comply with the HUD Section 3 Goals; or

9.1.10. The Developer (or the applicable Owner Entity) materially breaches any representation, warranties, covenants, or certifications made in this Agreement; or

9.1.11. The Developer materially defaults on any of the Project Financing Documents, and such default is not cured within applicable time periods; or

9.1.12. There is a change in the control in the ownership of the Developer not permitted by the terms of the Project Financing Documents.

Any default within the Owner Entity's control caused by the Developer or the Owner Entity (excluding those caused by OHA) in the closing documents will also be a default in this Section 9.1 for Phases that have not closed.

9.2. Force Majeure. If the Developer is delayed in achieving the Developer Milestones due to unforeseeable causes beyond the reasonable control or without fault or negligence of the Developer (collectively referred to as a "**Force Majeure Event**"), then the Developer's time for performance under this Agreement shall be extended for a period of time corresponding to the period by which the Developer's performance is delayed due to such Force Majeure Event. Examples of such causes include (a) acts of God or public enemy, (b) war, (c) fires, (d) floods, (e) epidemics, (f) quarantine restrictions, and (g) freight embargoes.

9.3. Change in Circumstances Not Due to Default of Developer.

9.3.1. Development Contingencies. OHA acknowledges that the Developer's ability to perform some responsibilities under this Agreement is substantially contingent upon actions by third parties over which the Developer has limited control, or factual circumstances which could not reasonably have been determined as of the date of this Agreement ("**Development Contingencies**"). Such Development Contingencies include, but may not be limited to the following items as to which the Redevelopment Plan reflects certain expectations of the Parties.

9.3.1.1. The successful elimination of adverse environmental conditions pursuant to the terms and conditions of Section 4.13 of this Agreement;

9.3.1.2. The timely fee title conveyance or ground lease of the Redevelopment sites free and clear of any title defect that interferes with the Redevelopment or its financing (the "**OHA Conveyance**");

9.3.1.3. The approval and provision of all projected assistance from OHA and HUD, including HUD approval of the RAD conversion and PBV assistance, applicable to a particular Phase;

9.3.1.4. The award of tax credits or tax-exempt bond financing allocations in substantially the amount projected in the approved Redevelopment Plan and Redevelopment Budget;

9.3.1.5. The availability of construction and permanent financing and other grants and loans required by any Phase of the Redevelopment;

9.3.1.6. The absence of litigation related to the Redevelopment other than between OHA and Developer (including suits filed by third parties concerning or arising from the Agreement); and

9.3.1.7. The receipt of all required approvals by local authorities in accordance with the Redevelopment Schedule, including, without limitation, zoning and subdivision approval and issuance of building permits by the City and other required permits.

9.3.2. Changes in Circumstances. If a Development Contingency necessary for completion of the Redevelopment fails to occur after best efforts by the Developer to cause it to occur in a matter generally consistent with this Agreement, the Parties shall jointly revise the Redevelopment Plan, the Redevelopment Budget, and the Redevelopment Schedule by extending deadlines, revising goals or Phases, or as otherwise agreed.

9.3.3. Withdrawal Rights of All Parties. If a Development Contingency necessary for the completion of the Redevelopment fails to occur due to causes beyond the reasonable control of the Developer (and the Developer is not otherwise subject to an Event of Default after consideration of applicable cure periods) and the Parties cannot within ninety (90) days agree to amend the Redevelopment Plan, the Redevelopment Budget, and the Redevelopment Schedule despite good faith efforts to do so, or cannot secure HUD approval of said amendments within 60 days of its submission to HUD (to the extent HUD approval is required), then the Developer or OHA may opt to withdraw from this Agreement with respect to the affected Phase, except that such withdrawal rights shall not extend to those Phases that have achieved Financial Closing. If the Developer or OHA withdraws pursuant to this Section, the Parties shall have no further obligations to each other under this Agreement with respect to the affected Phase, except that Developer shall assign and deliver to OHA any third-party work product requested by OHA, provided that OHA reimburses Developer for the actual costs of all such third-party work product requested.

9.3.4. Effect of Withdrawal on Predevelopment Costs and Related Matters.

9.3.4.1. OHA Reimbursement for 100% Predevelopment Costs. If there is a failure to correct or eliminate environmental conditions on land previously owned by OHA or a failure of OHA to complete the OHA Conveyance and the Developer or OHA withdraws pursuant to this Section 9.3, OHA shall reimburse the Developer for one hundred percent (100%) of the third party predevelopment costs incurred pursuant to this Agreement in connection with the Redevelopment (provided that the costs are in accordance with the approved Redevelopment Budget and work product is delivered to OHA consistent with the costs incurred) provided that the Developer is not in material breach of this Agreement after the expiration of all notice and cure provisions. In the event of withdrawal pursuant to this Section 9.3, the Developer shall assign and deliver to OHA all third-party work products provided OHA reimburses the Developer for the costs incurred to obtain such work products.

9.4. Events of Default by OHA. Upon written notice from the Developer, and the expiration of all cure rights set forth in this Agreement (including, without limitation, in Section 10.3 below), any of the following shall constitute an “**OHA Event of Default**” by OHA under this Agreement (subject to, in any event, (1) a Force Majeure Event (as defined below) or (2) the determination that performance is impossible due to the occurrence of events contemplated in Section 9.3):

9.4.1. OHA materially breaches any obligation herein (including, but not limited to, the failure to make “best efforts” where required in this Agreement); or

9.4.2. OHA becomes insolvent, is adjudged as bankrupt, makes a general assignment for the benefit of creditors, or becomes a subject of any proceeding commenced under any statute or law for the relief of debtors; provided that OHA shall have 90 days to effect the dismissal of any such involuntary proceeding; or

9.4.3. A receiver, trustee or liquidator of any of the property or income of OHA shall be appointed; or

9.4.4. OHA unilaterally withdraws from the Redevelopment project except as expressly allowed by the terms of the Agreement; or

9.4.5. OHA materially breaches any representation, warranties, covenants, or certifications made in this Agreement.

9.5. Termination for Convenience.

9.5.1. OHA may terminate this Agreement in whole, or from time to time in part, for the convenience of OHA whenever OHA determines in good faith that it is infeasible or contrary to its interests and the interests of OHA to proceed with the Redevelopment. Any such termination shall be affected by delivery to Developer of a written notice of termination specifying the extent to which the performance of the work under this Agreement is terminated, and the date upon which such termination becomes effective, which shall not be less than twenty (20) days following delivery of all such notices. No termination of this Agreement shall affect any Phase for which a Financial Closing has occurred.

9.5.2. In the event of a termination for convenience under this Article (other than those events contemplated by Section 9.1 hereof), OHA shall be liable to the Developer for reasonable and proper costs resulting from such termination which costs shall be paid to the Developer within thirty (30) days of receipt by OHA of a properly presented claim setting out in detail: (i) the total cost of all approved third-party costs incurred to date of termination; (ii) the cost (including reasonable profit) of settling and paying claims under subcontracts and material orders for work performed and materials and supplies delivered to the site, or for settling other liabilities of Developer incurred in performance of its obligations hereunder; (iii) the cost of preserving and protecting the work already performed until OHA or its assignee takes possession thereof or assumes responsibility therefor; (iv) the actual or estimated cost of legal and accounting services reasonably necessary to prepare and present the termination claim to OHA; and (v) fair compensation to the Developer for all tasks performed up to the date of termination. Unless otherwise agreed by the Parties, “fair compensation” as such term is used in the preceding

subsection 9.5.2(v) shall be an amount equal to a reasonable compensation and profit for work performed on elements or Phases of the Redevelopment that have not had a Financial Closing, taking into consideration the projected amount of the Development Fee, the accomplishment of specific milestones (including, without limitation, submitting applications for tax credits, tax-exempt bond authority or other assistance, obtain award(s) or commitment(s) for such assistance, selecting a tax credit investor, preparing plans, submitting plans for construction bids, selecting contractors, securing zoning relief, preparing and submitting RAD Financing Plans to HUD).

ARTICLE 10. REMEDIES

10.1. Assignment of Work Product Following Termination for Default or Convenience of OHA. Upon termination of this Agreement, due to an Event of Default, Development Contingencies described in Section 9.3, or convenience of OHA as described in Section 9.4, all plans, studies, reports, drawings, permits, approvals (including the award of tax credits to the extent assignable), and other work product produced or obtained by Developer in connection with the Redevelopment and all of the Developer's interests in agreements relating to such work product shall be properly assigned to OHA to the extent not previously assigned provided, except in the case of Event of Default, OHA reimburses the Developer for the costs incurred related to such materials and services.

10.2. Developer Default; Notice and Cure; Remedies. In the event of any Event of Default, OHA shall provide written notice to the Developer ("**Notice of Default**"). No remedies shall be enforced against the Developer unless the Developer fails to cure such default within thirty (30) days after receiving the Notice of Default and if the Event of Default cannot be cured within thirty (30) days, the Developer shall have such additional time as is reasonably necessary to cure such default so long as the Developer has diligently commenced curing such default within such thirty (30) day period and diligently and continuously pursued such cure, provided that the Event of Default is capable of being cured in a timeframe that will not materially adversely impact OHA. Upon the occurrence of an Event of Default and expiration of all applicable cure periods, OHA may terminate this Agreement and seek to recover any direct damages (but not consequential or speculative damages) incurred by OHA due to such Event of Default. No Event of Default shall affect those Phases for which a Financial Closing has occurred. OHA's exercising of its right to enforce other remedies contained in this Agreement shall not constitute a waiver of its rights to enforce other remedies available to it. In addition to the other remedies herein provided, OHA may restrain (after applicable notice and grace period) by injunction the violation or threatened violation of the Developer's obligations under this Agreement and may obtain specific performance by the Developer of its obligations under this Agreement.

10.3. OHA Default; Notice and Cure; Remedies. In the event of any OHA Event of Default, the Developer shall provide written notice to OHA ("**OHA Notice of Default**"). No remedies shall be enforced against OHA unless OHA fails to cure such default within thirty (30) days after receiving the OHA Notice of Default and if the OHA Event of Default cannot be cured within thirty (30) days, OHA shall have such additional time as is reasonably necessary to cure such default so long as OHA has diligently commenced curing such default within such thirty (30) day period and diligently and continuously pursued such cure, provided that the OHA Event of Default is capable of being cured in a timeframe that will not materially adversely impact the Developer. Upon the occurrence of a OHA Event of Default and expiration of all applicable cure

periods, the Developer may terminate this Agreement and seek to recover any direct damages (but not consequential or speculative damages) incurred by the Developer due to such OHA Event of Default against OHA. No OHA Event of Default shall affect those Phases for which a Financial Closing has occurred. The Developer's exercising of its right to enforce other remedies contained in this Agreement shall not constitute a waiver of its rights to enforce other remedies available to it. In addition to the other remedies herein provided, the Developer may restrain (after applicable notice and grace period) by injunction the violation or threatened violation of OHA's obligations under this Agreement.

ARTICLE 11. DEVELOPER REPRESENTATIONS AND WARRANTIES.

11.1. Organization and Powers. The Developer is a limited liability company organized, validly existing, and in good standing under the laws of the State of Illinois, and qualified to do business in the State of Nebraska. The Developer has the power and authority to own its assets and properties, to carry on its activities as now conducted by it, and to execute, deliver and perform this Agreement.

11.2. Authorization, Binding Agreement. The execution, delivery and performance by the Developer of this Agreement have been duly authorized by all requisite action of the Developer.

11.3. Litigation, Limited Denial of Participation, or Debarment. There is no action, suit or proceeding pending or threatened before any court or government or administrative body or agency which may reasonably be expected to (i) result in a material adverse change in the activities, operations, assets or properties or in the condition, financial or otherwise, of Developer or (ii) impair the ability of the Developer to perform its obligations under this Agreement. The Developer is not in material default with respect to any judgment, writ, injunction, decree, rule or regulation of any court or any governmental or administrative body or agency. Neither Developer, nor its members or affiliates, are the subject of a limited denial of participation or debarment by HUD or any similar prohibition on conducting business with public agencies in the State of Nebraska or other jurisdictions.

11.4. Non-Discrimination. The Developer shall comply fully with all federal, state and local non-discrimination laws, regulations and rules in regard to the employment of persons. Without limiting the generality of the foregoing, the Developer agrees that, in connection with the performance of work under this Agreement, it will not discriminate against applicants with respect to the following activities: (i) employment, promotion, demotion, transfer, recruitment, or recruitment advertising; (ii) lay-off or termination; (iii) rates of pay or other forms of compensation; and (iv) selection for training, including apprenticeship.

ARTICLE 12. OHA REPRESENTATIONS AND WARRANTIES.

12.1. Organization and Powers of OHA. OHA is a Nebraska public body politic and corporate, duly organized and existing under the Nebraska General Statutes.

12.2. Authorization, Binding Agreement of OHA. The execution, delivery and performance by OHA of this Agreement have been duly authorized by all requisite action.

12.3. Litigation, Limited Denial of Participation, or Debarment. There is no action, suit or proceeding pending or threatened before any court or government or administrative body or agency that may reasonably be expected to (i) result in a material adverse change in the activities, operations, assets or properties or in the condition, financial or otherwise, of OHA, or (ii) impair the ability of OHA to perform its respective obligations under this Agreement. OHA is not in default with respect to any judgment, writ, injunction, decree, rule or regulation of any court or any governmental or administrative body or agency, which would impair its ability to perform its obligations under this Agreement.

ARTICLE 13. MISCELLANEOUS.

13.1. Notices. All notices, requests, approvals, demands and other communications given hereunder or in connection with this Agreement shall be in writing and shall be deemed given when delivered by hand or sent by registered or certified mail, return receipt requested, addressed as follows (provided, that any time period for responding to any such communication shall not begin to run until such communication is actually received or delivery is refused):

If to OHA: Omaha Housing Authority
1823 Harney Street
Omaha, NE 68102
Attn: Executive Director and General Counsel

With a copy to: Reno & Cavanaugh, PLLC
455 Massachusetts Ave., NW
Suite 400
Washington, DC 20001
Attn: Stephen I. Holmquist, Esq.

If to Developer:

Brinshore Development, L.L.C.
1603 Orrington Ave., Suite 450
Evanston, Illinois 60201
Attn: Richard J. Sciortino

Applegate & Thorne-Thomsen, P.C.
440 S. LaSalle Street, Suite 1900
Chicago, Illinois 60605
Attn: Daniel Kraft

13.2. Further Assurances. Each Party shall execute such other and further documents as may be reasonably necessary or proper for the consummation of the transaction contemplated by this Agreement as mutually agreed by the Parties hereto.

13.3. Assignment. This Agreement shall not be assignable by any Party, except by the Developer to Owner Entities as contemplated herein or upon written consent of the other Parties.

13.4. Affiliates. Except for the affiliates described in Section 4.5 or 5.1, it is currently envisioned that there will be no sub-contractors and/or affiliated entities of the Developer working on the Redevelopment other than those specified in the Developer Proposals and those consultants that OHA has expressly approved. If the Developer seeks to include additional sub-contractors and/or affiliated entities, OHA shall be notified in advance in writing, and will have the right to approve the selection and to request comparable cost, qualification, and service information. OHA anticipates the use of one or more of its own affiliates as part of the Owner Entities.

13.5. Disclaimer of Third Party Beneficiaries. The Developer hereby acknowledges that any loan or transfer of public housing funds by OHA to the Developer shall not be or be deemed to be an assignment of such funds, and the Developer shall not succeed to any rights or benefits of OHA under the Annual Contributions Contract (“ACC”) Agreement with HUD, or attain any privileges, authorities, interests, or rights in or under the ACC Agreement. Nothing contained in this Agreement, nor any act of HUD or OHA shall be deemed or construed to create any relationship of third party beneficiary, principal and agent, limited or general partnership, joint venture, or any association or relationship involving HUD, except between HUD and OHA as provided by the terms of the ACC Agreement. In addition, except with respect to OHA’s enumerated rights set forth herein, there are otherwise no third party beneficiaries of this Agreement and no third party shall have any rights under this Agreement.

13.6. Counterparts. This Agreement may be executed electronically and/or in counterparts, each of which shall be deemed original, but all of which, together, shall constitute one instrument.

13.7. Interpretation and Governing Law. This Agreement shall not be construed against the party who prepared it but shall be construed as though prepared by all Parties. This Agreement shall be construed, interpreted, and governed by the laws of the State of Nebraska.

13.8. Severability. If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable such portion shall be deemed severed from this Agreement and the remaining parts shall continue in full force as though such invalid or unenforceable provision had not been part of this Agreement.

13.9. Parties Bound. No officer, director, shareholder, employee, agent, or other person authorized to act for and on behalf of any party hereto shall be personally liable for any obligation, express or implied, hereunder.

13.10. Final Agreement. Unless otherwise provided herein, this Agreement constitutes the final understanding and agreement between the Parties with respect to the subject matter hereof and supersedes all prior negotiations, understandings and agreements between the Parties, and except for those agreements contemplated herein. This Agreement may be amended, supplemented or changed only by a writing signed or authorized by or on behalf of the Party to be bound thereby.

13.11. Modification of Agreement. This Agreement may not be altered, modified, rescinded, or extended orally. This Agreement may only be amended by mutual written agreement of the Parties.

13.12. Conflict of Interest. The Developer covenants that neither it nor any of its directors, officers, partners or employees has any interest, nor shall acquire any interest, directly or indirectly, which would conflict in any manner or degree with the performance of the services hereunder, including the causing OHA to suffer a conflict of interest prohibited by all applicable laws, regulations, OHA ethics provisions, or contracts with a funding entity. The Developer further covenants that in the performance of this Agreement, no person having such interest shall be employed by it or shall subcontract with it to perform duties under this Agreement.

13.13. Waivers. The failure of any party to insist in any one or more cases upon the strict performance of any of the obligations under this Agreement or to exercise any right or remedy herein contained shall not be construed as a waiver or a relinquishment for the future of such obligation, right or remedy. No waiver by any party of any provision of this Agreement shall be deemed to have been made unless set forth in writing and signed by the party to be charged.

13.14. Successors. The terms, covenants, agreements, provisions, and conditions contained herein shall bind and inure to the benefit of the Parties hereto, their successors and assigns.

13.15. Certain Approvals; Reasonableness Standard; Deemed Approval. Unless otherwise stated, all required approvals or consents required under this Agreement shall not be unreasonably withheld, conditioned or delayed, and the Parties shall each endeavor to act reasonably with respect to their rights and responsibilities under this Agreement. In the event a Party does not respond to a request for approval or consent within the time period specified in this Agreement then such Party shall be deemed to have approved the matter as presented to such Party, unless the item is one which requires the approval of the OHA Board. If no time period is specified in this Agreement for a request for approval or consent then ten (10) business days shall be the time period to respond, unless the item is one which requires the approval of the OHA Board.

13.16. References to this Agreement. All references to this Agreement shall include all documents and exhibits incorporated by reference.

13.17. Headings. The headings in this Agreement are inserted for convenience only and shall not be used to define, limit or describe the scope of this Agreement or any of the obligations herein.

13.18. Construction. Whenever in this Agreement a pronoun is used, it shall be construed to represent either the singular or the plural, either the masculine or the feminine, as the case shall demand.

13.19. Authority to Execute. The undersigned individuals represent and warrant that they are expressly and duly authorized by their respective entities or agencies to execute this Agreement and to legally bind their respective entities or agencies as set forth in this Agreement.

13.20. Standards - "Best Efforts" and "Commercially Reasonable". The Parties acknowledge their obligation to act reasonably and in good faith with respect to their respective rights and obligations as set forth in this Agreement. The fact that in some places in this Agreement the words "best efforts" or "commercially reasonable" are used but not in other places shall not be deemed to alter the principle stated in the preceding sentence. Both Parties

acknowledge that “best efforts” shall mean with respect to a given goal, all efforts, consistent with the best practices in the housing development industry, that a reasonable person in the position of the promisor would use so as to achieve that goal as expeditiously as possible. Both Parties acknowledge that “commercially reasonable” shall mean with respect to a given goal, the efforts, consistent with the practice of comparable developers, that a reasonable person in the position of the promisor would use so as to achieve that goal as expeditiously as possible.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement by their duly authorized signatories on or as of the date first written herein.

BRINSHORE DEVELOPMENT, L.L.C.,
an Illinois limited liability company

By: RJS Real Estate Services, Inc.,
an Illinois corporation, a member

By: _____
Richard J. Sciortino
President

HOUSING AUTHORITY OF THE CITY OF OMAHA,
a Nebraska a public body politic and corporate

By: _____
Name: Joanie Poore
Title: Chief Executive Officer

EXHIBIT A

Intentionally Omitted

EXHIBIT B

CONTRACTOR/SUBCONTRACTOR CERTIFICATIONS AND ASSURANCES

The following certifications must be made by every contractor and subcontractor of the Developer, including architects, professionals, contractors, construction managers, general contractors, management agents, and other vendors and service providers obtained by the Developer or OHA for implementing the Redevelopment (referred to as “**Subcontractors**” or “**Subcontractor**” as the context requires):

The Subcontractor executing this certification hereby assures and certifies that it will comply with all of the applicable requirements of the following, as the same may be amended from time to time:

1. The Fair Housing Act (42 U.S.C. §§ 3601-19) and regulations pursuant thereto (24 C.F.R. part 100); Executive Order 11063 (Equal Opportunity in Housing) and regulations pursuant thereto (24 C.F.R. part 107); and the fair housing poster regulations (24 C.F.R. part 110);

2. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d) and regulations pursuant thereto (24 C.F.R. part 1) relating to non-discrimination in housing;

3. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. §§ 6101-07) and regulations issued pursuant thereto (24 C.F.R. part 146);

4. The prohibitions against discrimination on the basis of disability (including requirements that the Grantee make reasonable modifications and accommodations and make units accessible) under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) and regulations issued pursuant thereto (24 C.F.R. part 8); the Americans with Disabilities Act (42 U.S.C. § 12101 *et seq.* and its implementing regulation at 28 C.F.R. part 36; and the Architectural Barriers Act of 1968, as amended (42 U.S.C. § 4151) and regulations issued pursuant thereto (24 C.F.R. part 40);

5. Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. § 1701u) (Employment Opportunities for Lower Income Persons in Connection with Assisted Projects) and its implementing regulation at 24 C.F.R. part 75;

6. Executive Orders 11246, 11625, 12432, and 12138. Consistent with HUD’s responsibilities under these Orders, the Grantee must make efforts to encourage the use of minority and women’s business enterprises in connection with funded activities;

7. Subgrantees only must provide drug-free workplaces in accordance with the Drug-Free Workplace Act of 1988 (41 U.S.C. § 701), and HUD’s implementing regulations at 24 C.F.R. part 24, subpart F. Each subgrantee must complete a Certification for a Drug-Free Workplace (Form HUD-50070) in accordance with 24 C.F.R. § 24.630.

8. The provisions of 24 C.F.R. part 24 which apply to the employment, engagement of services, awarding of contracts, or funding of any contractors or subcontractors during any period of debarment, suspension, or placement in ineligibility status.

9. The following labor standards: Davis-Bacon or HUD-determined wage rates apply to development or operation of revitalized housing to the extent required under Section 12 of the U.S. Housing Act of 1937. In the case of demolition, Davis-Bacon wage rates apply to demolition followed by construction on the site; HUD-determined wage rates apply to demolition followed only by filling in the site and establishing a lawn. Under Section 12, the wage rate requirements do not apply to individuals who: perform services for which they volunteered; do not receive compensation for those services or are paid expenses, reasonable benefits, or a nominal fee for the services; and are not otherwise employed in the work involved (24 C.F.R. part 70). In addition, if other Federal programs are used in connection with public housing capital funds, labor standards requirements apply to the extent required by the other Federal programs, on portions of the project that are not subject to Davis-Bacon rates under the Act.

10. The requirements of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4821 *et seq.*) and implementing regulations at 24 C.F.R. parts 35 and 965 (subpart H) and section 968.100(k), as amended. Unless otherwise provided, it will be responsible for testing and abatement activities, if applicable.

11.a. Nonprofit subgrantees, contractors, or subcontractors will comply with the requirements, policies and standards of:

i. 24 C.F.R. part 84 (Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations);

ii. A-122 (Cost Principles for Non-Profit Organizations); and

iii. the audit requirements of 24 C.F.R. § 84.26.

b. For-profit Subcontractors will comply with the requirements, policies and standards of:

i. 24 C.F.R. part 84 (Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations); and

ii. the contract cost principles and procedures set forth in 48 C.F.R. part 31.

iii. the audit requirements of 24 C.F.R. § 84.26.

c. Subcontractors that are States, local governments, and Federally Recognized Indian Tribal Governments will comply with the requirements, policies, and standards of:

m. 2 C.F.R. part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards)

ii. the cost principles of OMB Circular A-87 (Cost Principles for State, Local and Indian Tribal Governments), and

iii. the audit requirements of 2 C.F.R. part 200

12. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and government-wide implementing regulations at 49 C.F.R. part 24.

13. Section 319 of Public Law 101-121, which prohibits recipients of Federal contracts, grants, and loans from using appropriated funds for lobbying the Executive or Legislative Branches of the Federal Government, and implemented for HUD at 24 C.F.R. part 87, as the same may be amended from time to time. The contractor/subcontractor will disclose promptly any commitment or expenditure of non-appropriated funds for lobbying activities if those activities would be prohibited if paid with appropriated funds.

14. The following contract provisions must be placed in all contracts of the Grantee pursuant to 2 C.F.R. part 200 (i). Federal agencies are permitted to require changes, remedies, changed conditions, access and records retention, suspension of work, and other clauses approved by the Office of Federal Procurement Policy.

(a) Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate. (Contracts more than the simplified acquisition threshold)

(b) Termination for cause and for convenience by the Grantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of \$10,000)

I Compliance with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 C.F.R. chapter 60). (All construction contracts awarded in excess of \$10,000 by Grantees and their contractors)

(d) Compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. § 874) as supplemented in Department of Labor regulations (29 C.F.R. part 3). (All contracts for construction or repair)

(e) Compliance with the Davis-Bacon Act (40 U.S.C. §§ 276a to 276a-7) as supplemented by Department of Labor regulations (29 C.F.R. part 5). (Construction contracts in excess of \$2000 awarded- by Grantees when required by -Federal grant program legislation)

(f) Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-330) as supplemented by Department of Labor regulations (29 C.F.R. part 5). (Construction contracts awarded by Grantees in excess of \$2000, and in excess of \$2500 for other contracts which involve the employment of mechanics or laborers)

(g) Notice of awarding agency requirements and regulations pertaining to reporting.

(h) Notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract.

(i) Awarding agency requirements and regulations pertaining to copyrights and rights in data.

(j) Access by the Grantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

(k) Retention of all required records for three years after Grantees make final payments and all other pending matters are closed.

(l) Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. § 1857(h)), section 508 of the Clean Water Act (33 U.S.C. § 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 C.F.R. part 15). (Contracts and subcontracts of amounts in excess of \$100,000).

(m) Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

The information contained in this certification is true and accurate to the best of my knowledge.

Signature of Authorized Certifying Official

By: _____
Name: _____
Its: _____

EXHIBIT C
REDEVELOPMENT PLAN
(see attached)

EXHIBIT D
REDEVELOPMENT BUDGET

See Attached

EXHIBIT E
REDEVELOPMENT SCHEDULE

See Attached

EXHIBIT F

DEVELOPER MILESTONES

1. **Tax-Credit Application Milestone.** Developer will apply on behalf of the applicable Owner Entity to NIFA for the allocation of low-income housing tax credits by the deadlines set by NIFA. OHA will assist the Developer in compiling the materials and forms necessary to make such applications.
2. **Schematic Design Estimate Milestone.** The Developer and OHA will collaborate to agree upon the schematic design for each Phase. The Developer will take the lead to have initial schematic plans and specifications for all buildings to be constructed as part of that Phase prepared, which will specify the number and size of all dwelling units, all non-residential facilities, if any, and outline specifications for all construction and drawings of all elevations (the “**Schematic Design Milestone**”). The final schematic plans and specifications will be submitted to OHA not later than 10 business days prior to the NIFA low-income housing tax credit or tax-exempt bond application deadline for that Phase (the “**Schematic Design Deadline**”). Such documents will be submitted to OHA along with cost estimates for each item in the Phased Budget.
3. **RAD Financing Plan Milestone.** No later than 15 days following the evidence of a LIHTC commitment from NIFA, the Developer and OHA shall meet to discuss the scope of a RAD Financing Plan and agree upon the time frame by which the Developer will prepare a draft RAD Financing Plan. The Developer will make revisions to the draft RAD Financing Plan to reflect reasonable changes requested by OHA promptly to enable OHA to submit the RAD Financing Plan to HUD. The Developer shall not submit the RAD Financing Plan to HUD without OHA’s prior approval. Following the receipt of comments from HUD on the RAD Financing Plan, the Developer shall provide such additional information requested by OHA for approval and forwarding to HUD. The RAD Financing Plan approved by HUD shall be deemed automatically incorporated in this Agreement by reference.
4. **Development Final Construction Documents Milestone.** Following HUD approval of the RAD Financing Plan for a particular Phase of the Redevelopment, the Developer shall submit to OHA completed construction plans and specifications and contract documents for that Phase by the date that is necessary to achieve the overall Redevelopment Schedule for such Phase. Such documentation shall be submitted to OHA along with cost estimates for each item in that Phase’s budget.
5. **RAD Approvals.** The Parties recognize that to meet the Financial Closing Milestone of a particular Phase as described below, a complete legal RAD package must be submitted to HUD no later than 60 days prior to the Financial Closing. Therefore, the Developer and OHA shall work with all public and private lenders (as applicable), as well as with the equity investor, to have fully negotiated documents for a given Phase ready for submission to HUD 60 days prior to the Financial Closing for HUD’s initial review. OHA shall similarly work to prepare the documents evidencing OHA’s financing commitments for the respective Phases, if any, as well as the Ground Lease (if applicable), to be ready for submission to HUD approximately 60 days prior to the Financial Closing. A similar timeline will be required with respect to a Section 18 or PBV submission.

6. **Construction Start Milestone.** For each Phase of the Redevelopment, the Developer shall start construction no later than the date required by the project lenders and equity investor for that particular Phase.
7. **Construction Completion Milestones.** For each Phase of the Redevelopment, the Developer shall complete construction, as evidenced by certificates of occupancy, no later than the date required by the project lenders and equity investor for that particular Phase, unless limited by law, Force Majeure (described herein) or Development Contingencies (described herein).
8. **Lease-up Milestone.** The Developer shall lease up the units in a particular Phase no later than the date required by the equity investor in the partnership or operating agreement of the applicable Owner Entity, subject to market contingencies and Development Contingencies.

EXHIBIT G

OHA MILESTONES

The Parties have set forth herein certain key milestones that OHA is to adhere to for the timely completion of the work described in this Agreement.

I. Milestones

1. **HUD Demolition/Disposition Application.** If applicable, OHA shall complete a Section 18 demolition and/or disposition application for each Phase for submission to HUD to receive such approval in accordance with the Redevelopment Schedule.
2. **RAD Financing Plan.** After approving a complete RAD Financing Plan prepared by the Developer pursuant to this Agreement, OHA will transmit the same to HUD promptly thereafter, or, with OHA's prior written consent, Developer will transmit the same to HUD promptly thereafter.
3. **PBV and RAD Submission Documents.** OHA shall work to prepare the documents evidencing OHA's financing commitments for each Phase, including but not limited to fee title conveyances and Ground Leases (if applicable) and other required regulatory documents as applicable, so that Developer can review and comment on them in order to provide for the submission of a complete evidentiary package as required by the RAD and PBV programs. Specifically, OHA will provide Developer with drafts of the Ground Lease (if applicable), loan documents, if any, and other required regulatory documents and shall work in good faith to come to a final agreement on such agreements with Developer prior to submitting the same to HUD.

EXHIBIT H

BUSINESS TERMS

1. Project Completion Guaranties and Warranties.

For each Phase, prior to the Turnkey Transfer, Developer will provide construction payment and completion guaranties and all other guaranties and indemnities, including but not limited to operating deficit, tax credit compliance and environmental guaranties and indemnities, provided that OHA agrees to execute applicable guaranty and indemnity agreements as a co-guarantor with liability not to exceed its paid portion of Development Fee to the extent such obligations are not caused by Developer's gross negligence or willful misconduct, and provided further OHA shall be solely liable and shall indemnify Developer, with such liability not being limited, for OHA's acts or omissions that constitute gross negligence or willful misconduct. Furthermore, such agreements shall permit the withdrawal of Developer from such agreements and liabilities upon Turnkey Transfer and OHA's continuation as the sole guarantor subject to satisfaction of applicable underwriting requirements.

Prior to Developer making an obligated payment as guarantor or indemnitor, OHA's and Developer's pro rata portion of paid Development Fee may, at Developer's election, be deferred or first be used to cover any such cost overruns, guarantor and indemnitor obligations prior to Developer making its obligated payments as guarantor or indemnitor, as applicable, provided further that to the extent reasonably required by an approved funder, each Party will evidence such limited liability by executing such guaranties or indemnities to document its limited liability set forth herein. Developer shall additionally have the right to defer the payment of all parties' deferred portion of Development Fee to mitigate such guarantor and indemnitor obligations. Any Development Fee deferred or used to cover guaranty obligations shall be done on a *pari passu* basis.

Notwithstanding the foregoing, prior to OHA having to contribute any funds to cover guaranty obligations (not including deferring Development Fee), Developer shall provide OHA with at least thirty (30) days' written notice of Developer's intent to use such funds, and if OHA has made an initial determination that the guaranty obligations were caused by the Developer's gross negligence or willful misconduct, then during such time OHA shall have the right to escrow its portion of the liability in question and commence to mediation pursuant to Section 1.4 hereof. The Developer acknowledges that OHA shall have the right to exercise any rights or remedies at law or in equity in connection with any dispute arising under this Agreement.

Developer may also cover such guaranties by either securing additional sources for financing or by providing loans for a given Phase, which are to be approved in writing by OHA (or its affiliate as applicable), and repaid from such Owner Entity's cash flow in accordance with the terms of the Operating Agreement, provided that the repayment of any such loan by Developer shall be repaid after any payment of deferred Development Fee for such applicable Phase.

- a. The foregoing indemnifications and limitations for guaranties and indemnities will be documented in the subdevelopment agreement between Developer and OHA. Furthermore, Developer will be responsible for negotiating provisions within the Owner Entity Operating Agreement for each

Phase to release Developer from its Guaranty obligations upon the Turnkey Transfer, provided any Owner Entity Operating Agreement shall be subject to OHA's consent.

- b. Notwithstanding the foregoing, the Parties' obligations with respect to environmental conditions are set forth in Section 4.13 above, which shall be controlling in the event of any inconsistencies with the provisions in this Exhibit H.

2. Development Fees and Turnkey Transfer. The Development Fees shall be calculated on a Phase by Phase basis.

- a. The Developer shall seek the maximum developer fee allowed by HUD and NIFA that can be supported by each individual Phase. Pursuant to a subdevelopment agreement, for each Phase such developer fee will be distributed 67.5% to Developer and 32.5% to OHA on a pari passu basis (provided Developer shall have five (5) days' upon receipt to distribute OHA's share of Development Fee to OHA pursuant to the subdevelopment agreement).
- b. For purposes of calculating the Development Fee, Total Development Costs shall include all HUD and NIFA allowable site costs, including dwelling and non-dwelling structures, infrastructure, demolition, and related environmental remediation, and all other costs included in the site budget. OHA will assist in applying for any fee waivers allowed by HUD or NIFA if justifiable and if the budget allows for it.
- c. The Parties will enter into a development services agreement and a subdevelopment agreement outlining the Parties' obligations and responsibilities set forth in this Agreement.

3. Cost Savings. The Developer and OHA shall share in any development cost savings on the Phases in the same percentage allocation as each Party's ownership interest. Savings will not be defined as residuals resulting from additional funding sources. Excess savings shall be applied to project reserves or deferred Development Fees.

4. Reallocation of Line Items. OHA will not unreasonably withhold its consent to the Developer's request to (i) reallocate savings in any line item in the Redevelopment Budget to the contingency line item or any other line item and (ii) reallocate amounts in the contingency line item to any other line item.

5. Cash Flow and Capital Event Proceeds. Cash Flow shall be paid (on a pari passu basis) pro rata in accordance with the ownership interests of Developer and OHA, as set forth in the Phase's applicable Operating Agreement. OHA shall be entitled to all Cash Flow, including any proceeds upon sale or refinancing, generated for periods after the Developer's withdrawal, subject to the conditions stated in the applicable Operating Agreement.

6. Additional Services. OHA and the Developer may be compensated for additional services related to the site planning, application preparation, and other eligible costs, subject to agreement by the Parties and the RAD Requirements and Section 18 Requirements, as applicable. In addition, OHA and the Developer may each select third party professionals, the reasonable costs of which will be budgeted in the applicable pre-development and/or development budgets to be approved by both Parties.

7. **Additional Phases.** The Parties acknowledge and agree that this Agreement sets out the terms only for the Phases of the Redevelopment outlined in Section D of the Background Section of this Agreement. If the Parties agree to proceed with additional Phases or developments the terms such additional Phases or developments will be negotiated and agreed upon by the Parties at a later date and memorialized by an Amendment to this Agreement or other written agreement.

EXHIBIT I
PREDEVELOPMENT BUDGET – PHASE ONE

See attached

EXHIBIT J

RAD and Section 18 Requirements

1. **“RAD Requirements”** shall refer to all requirements applicable to HUD’s RAD Program authorized by the Consolidated and Further Continuing Appropriations Act of 2012 and HUD Notice PIH-2012-32(H) Rev-1 (July 2, 2013), as may be further amended; and requirements contained in the RAD Use Agreement (Form HUD 52625), the RAD Conversion Commitment (HUD Form 52624), the Housing Assistance Payments Contract (HUD 52530A) and RAD Rider (HUD Form 52621) executed in connection with the Redevelopment.

2. **“Section 18 Requirements”** shall refer to all requirements applicable to Section 18 of the United States Housing Act of 1937, as amended, 24 CFR part 970, and PIH Notice 2021-07, and such other HUD guidance issued from time to time.

EXHIBIT K

Intentionally Omitted

EXHIBIT L

Pre-approved Third Party Contractors

1. BCM, LLC – General Contractor

Memorandum



To: OHA Board of Commissioners

From: Brian Hansen, General Counsel

Date: June 5, 2025

Re: Master Development Agreement for OHA Towers

RECOMMENDED ACTION:

Staff of the Housing Authority of the City of Omaha (OHA) recommend that the OHA Board of Commissioners approve a Master Development Agreement with Brinshore Development, LLC for Rental Assistance Demonstration (RAD) conversion of public housing towers.

PAST ACTION:

The OHA Board of Commissioners previously approved an MOU outlining the partnership between Brinshore and OHA for RAD repositioning of public housing towers. OHA staff decided to pursue a MDA to more specifically define the roles of the parties.

EXPLANATION:

A copy of the full MDA is attached. This MDA was negotiated with the assistance of OHA's outside counsel, Reno Cavanaugh. Key points from the proposed Agreement include:

- Brinshore will serve as developer and managing member interest of the development will be turned back to OHA's affiliate, River City Housing, at the closing of construction / renovation activity.
- Brinshore and OHA will coordinate on all development services required for the planning, design, development, construction and marketing of the Redevelopment, including all related demolition (unless undertaken by OHA by mutual agreement of the Parties), infrastructure, site improvements and construction activities.
- It is anticipated that the rental units of the Redevelopment will be a mix of unit types, which may include RAD units, and regular PBV units.
- Financing is to be obtained or procured jointly by Brinshore and OHA on behalf of the Owner Entities and secured for each Phase. Brinshore shall take the lead on making applications for financing and OHA shall cooperate fully with Brinshore on applications for financing.
- Financing for the Transformation Plan is expected to include LIHTCs (either 4% credits combined with tax exempt bonds or 9% credits), conventional financing and such other sources of funds and/or local government contributions as necessary to fund the Redevelopment. Such sources may include, HOME, the Affordable Housing Program

(AHP) through the Federal Home Loan Bank, philanthropic funds, LIHTC equity, HUD conventional loans secured by a mortgage (based on rent structures or mortgage payments that can be supported), OHA sources (as further discussed below), local sources, and other federal, state, and local governmental and non-governmental sources, whether available now or that may become available over time. Operating subsidy may come from the RAD program or PBVs as available and if awarded in accordance with program requirements.

- The development plan for each Phase of the development will include a development budget and development schedule.
- The Redevelopment will be designed and constructed in compliance with all applicable Federal, state and local laws, codes, ordinances, rules and regulations and with all permits.
- Brinshore shall ensure that labor standards applicable to the Redevelopment (the most stringent of which currently is the Davis-Bacon Act, 40 U.S.C. § 276a *et seq.*).
- The Parties shall jointly select a third party contractor to manage each Phase.
- Future property management will be provided by a third party contractor.
- OHA will be responsible for the first \$200,000 of predevelopment costs and each party will be responsible for 50% of the costs after the initial \$200,000.
- The developer fee will be distributed 67.% to Brinshore and 32.5% to OHA. This is industry standard for turnkey RAD developments.
- Brinshore will provide all guaranties up to the final equity installment, at which time Brinshore will withdraw from the development and OHA will assume the role of guarantor.
- OHA will receive all cash flow generated for periods after Brinshore's withdrawal.

METHOD OF PROCUREMENT:

A Request for Proposals for developer services was issued on March 3, 2021.

SPONSORS: Brian Hansen, General Counsel

RECOMMENDED BY: Joanie Balk, CEO

RESOLUTION NO. 2025 – 45

**APPROVAL OF MDA WITH BRINSHORE DEVELOPMENT FOR RAD CONVERSION OF
PUBLIC HOUSING TOWERS**

WHEREAS, on March August 3, 2021, the Housing Authority of the City of Omaha (OHA) issued a Request for Proposals to select one or more developers to assist OHA in the redevelopment of public housing properties;

WHEREAS, on June 6, 2024 the OHA Board of Commissioners selected Brinshore as OHA's development partner for Rental Assistance Demonstration (RAD) conversion of OHA towers;

WHEREAS, OHA staff recommends that the Board of Commissioners approve the Master Development Agreement with Brinshore Development related to RAD conversions of OHA's public housing towers.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the City of Omaha hereby approves the Master Development Agreement with Brinshore Development for conversion of OHA's public housing towers through the RAD program.

David Levy, Chairman
OHA Board of Commissioners

ATTEST

I, Joanie Balk, Secretary of the Housing Authority of the City of Omaha, do hereby certify that this resolution was properly adopted at the meeting of the Board of Commissioners of the Housing Authority of the City of Omaha held June 5, 2025.

Joanie Balk, Secretary
Housing Authority of the City of Omaha

5.1.2.2. Resolution 2025-46 RAD/Section 18 Blend Application for
Florence & KJ Towers

Memorandum



To: OHA Board of Commissioners

From: Brian Hansen, General Counsel

Date: June 5, 2025

Re: Submission of RAD/Section 18 Blend Applications: Florence and KayJay

RECOMMENDATION:

The Housing Authority of the City of Omaha (OHA) staff recommends that the Board of Commissioners approve OHA's plans for repositioning of its public housing developments, Florence Tower and KayJay Tower, and authorize submission of applications to HUD for RAD/Section 18 blend conversion.

EXPLANATION:

OHA is reviewing its public housing portfolio to identify repositioning options that will help OHA improve the sustainability and physical condition of its properties. Wherever possible (for example, scattered site units), OHA intends to convert units to project-based HCV assistance, which provides a higher level of HUD subsidies. For other properties that OHA intends to retain, OHA will consider RAD conversion. OHA has contracted with a consultant firm, AH Forward, to guide us in our repositioning efforts and procured Brinshore Development to provide development services for RAD repositioning.

HUD's RAD (Rental Assistance Demonstration) program is intended to assist public housing authorities in preserving public housing units that have been subject to decades of declining funding and deferred maintenance and capital improvements. Units converted to RAD are subsidized by HUD by long-term project-based contracts under Section 8 of the U.S. Housing Act. This project-based Section 8 funding will reduce the funding fluctuations of annual federal allocations to the public housing program. It also smooths shorter-term fluctuations related to changes in individual tenants' incomes. This conversion is anticipated to be partially financed through a 4% Low Income Housing Tax Credit award and OHA's affiliate, River City Housing, will participate in the tax credit partnership that will own the property. RAD conversions allow the property to access public and private funding sources while preserving the housing as affordable.

The RAD program also preserves many tenant rights provided under the public housing program and provides additional rights, for example:

- Residents displaced by RAD conversion have federal relocation rights & have a right to return.
- Although the HUD funding source and HUD program change from public housing to Section 8, current residents are not required to be re-screened for eligibility.
- Tenant rents are calculated according to the same basic formula as the public housing program (tenants must contribute roughly 30% of monthly income toward rent and basic utilities).
- RAD residents are entitled to administrative grievance procedures.
- Residents of the RAD properties are assisted with Section 8 funding with a mobility feature (similar to other project-based Section 8 contracts). After a year of residency in the RAD-assisted property, a tenant may request a tenant-based HCV voucher for use in the private rental market.

SPONSORS: Brian Hansen, General Counsel

RECOMMENDED BY: Joanie Balk, CEO

FLORENCE TOWER

Address: 5100 Florence Blvd
Units: 107
Stories: 10
Year Built: 1972

Bedroom Type:	Number of Units Pre-Conversion		
	ACC	Other	Total
Efficiency	87		87
One bedroom	17		17
Two Bedroom	2		2
Three Bedroom			
Four Bedroom			
Nondwelling unit		1	1
Total	106	1	107



KAY JAY TOWER

Address: 4500 S. 25th Street
Units: 118
Stories: 12
Year Built: 1964

Bedroom Type:	Number of Units		
	Pre-Conversion		
	ACC	Other	Total
Efficiency	7		7
One bedroom	106		106
Two Bedroom	4		4
Three Bedroom			
Four Bedroom			
Nondwelling unit		1	1
Total	117	1	118



**RESOLUTION NO. 2025 -
SUBMISSION OF HUD RAD/SECTION 18 BLEND APPLICATION: FLORENCE & KJ**

WHEREAS, the Housing Authority of the City of Omaha (OHA) seeks to pursue repositioning options for the long-term sustainability and preservation as affordable housing of its public housing program properties, Florence Tower (NE001000011) and Kay Jay Tower (NE001000005);

WHEREAS, the Rental Assistance Demonstration Program (RAD) of the United States Department of Housing and Urban Development (HUD) allows public housing properties to convert to a more stable and predictable funding platform with project-based Section 8 rental subsidy;

WHEREAS, RAD conversion allows for the use of other funding sources such as Low Income Housing Tax Credits (LIHTC), public or private debt, and grant funds for financing rehabilitation of the properties; and

WHEREAS, the OHA Board of Commissioners finds that it is in the long term best interest of OHA to pursue RAD conversion of selected public housing program properties, including Florence Tower and Kay Jay Tower, for preservation as affordable housing;

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Housing Authority of the City of Omaha hereby approves OHA plans for repositioning Florence Tower and Kay Jay Tower and further:

1. Authorizes the submission of the RAD/Section 18 Blend application by OHA to HUD for the conversion of the 106 Annual Contributions Contract units (107 total units) at Florence Tower and the 117 Annual Contributions Contract units (118 total units) at Kay Jay Tower using the Project-Based Voucher option;
2. Authorizes the CEO, Joanie Balk, to execute all required application and supporting documents including Form HUD-5260, and any follow-up documentation necessary to complete the proposed RAD/Section 18 Blend conversions; and
3. Appoints the CEO, Joanie Balk, to act as agent of the OHA to execute all necessary agreements and instruments for and on behalf of OHA to participate in the RAD program.

David Levy, Chair,
OHA Board of Commissioners

ATTEST

I, Joanie Balk, Secretary of the Housing Authority of the City of Omaha, do hereby certify that this resolution was properly adopted at the meeting of the Board of Commissioners of the Housing Authority of the City of Omaha held June 5, 2025.

Joanie Balk, Secretary
Housing Authority of the City of Omaha

5.1.2.3. Resolution 2025-47 Revision to Bond Issuance Fee Schedule

Memorandum



To: OHA Board of Commissioners

From: Brian Hansen, General Counsel

Date: June 5, 2025

Re: Resolution to Approve Revision to Fee Structure for Issuance of Bonds

RECOMMENDED ACTION:

Staff of the Housing Authority of the City of Omaha (OHA) recommends that the OHA Board of Commissioners approve a revision to the bond issuance fee schedule to be consistent with the Nebraska Investment Finance Authority's fee structure.

EXPLANATION:

Currently, OHA charges $\frac{1}{4}$ of 1% of the original principal amount of the bonds as an issuance fee with an annual fee of \$5,000. OHA staff recommends revising this amount to $\frac{1}{8}$ of 1% to be consistent with the NIFA fee structure.

As an issuer of bonds, OHA can create an unrestricted revenue stream and assist in the financing of affordable housing development projects.

RECOMMENDED BY: Brian Hansen, General Counsel
Joanie Balk, CEO

RESOLUTION NO. 2025 – 47

AUTHORIZATION TO REVISE BOND ISSUANCE FEE SCHEDULE

WHEREAS, the Omaha Housing Authority (“OHA”) has been created as a public body, corporate and politic, designated a political subdivision of the State of Nebraska (the “State”) pursuant to Nebraska Revised Statutes Section 71-1572, et seq. (the “Act”), exercising necessary and essential governmental functions for the purposes stated in the Act; and

WHEREAS, OHA is authorized and empowered by the constitution and laws of the State, including the Act to issue bonds and other debt instruments to finance the development and operation of decent, safe and sanitary rental housing that is affordable to persons of low and moderate income; and

WHEREAS, OHA staff recommends that the Board of Commissioners approve a revision to OHA’s Bond Issuance Fee Schedule to reduce the initial fee charged from $\frac{1}{4}$ of 1% of the original principal amount of the bonds to $\frac{1}{8}$ of 1% with a \$5,000 annual fee.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the City of Omaha hereby approves a revision to OHA’s Bond Issuance Fee Schedule to reduce the initial fee charged from $\frac{1}{4}$ of 1% of the original principal amount of the bonds to $\frac{1}{8}$ of 1% with a \$5,000 annual fee.

David Levy, Chairman
OHA Board of Commissioners

ATTEST

I, Joanie Balk, Secretary of the Housing Authority of the City of Omaha, do hereby certify that this resolution was properly adopted at the meeting of the Board of Commissioners of the Housing Authority of the City of Omaha held June 5, 2025.

Joanie Balk, Secretary

5.1.2.4. Resolution 2025-48 Lease Agreement for Community Space at
Malcom's Place

MASTER LEASE

This MASTER LEASE (hereinafter referred to as the “Lease”) is made as of _____, 2025, between **Kennedy Square LIHTC, LLC**, a Nebraska limited liability company (“Landlord”), whose address is 1603 Orrington Avenue, Suite 450, Evanston, Illinois 60201, and the **Housing Authority of the City of Omaha**, a public body politic and corporate organized and existing under the laws of the State of Nebraska (“Master Tenant”), whose address is 1823 Harney Street, Omaha, Nebraska 68102.

ARTICLE 1 - DEFINITIONS

- 1.1 **“Project”** shall mean the multifamily residential project consisting of sixty-two (62) affordable housing units and the Leased Premises, located at the Property.
- 1.2 **“Property”** shall mean the real property described on **Exhibit A** attached hereto.
- 1.3 **“Building”** shall mean the approximately [34,507] square foot four-story building to be constructed at the Project.
- 1.4 **“Landlord’s Investor Member”** shall mean, collectively, U.S. Bancorp Community Development Corporation, a Minnesota corporation and Nebraska State Investor I, LLC, a Missouri limited liability company, their successors and/or assigns.
- 1.5 **“Landlord’s Mortgage”** shall mean any mortgage encumbering Landlord’s interest in the Leased Premises and the Project and all the loan documents related thereto.
- 1.6 **“Landlord’s Mortgagee”** shall mean the holder of any Landlord’s Mortgage.
- 1.7 **“Leased Premises”** shall mean the approximately [3,842] net square foot community resource center located on the ground floor of the Building, the location of which is more particularly described at **Exhibit B**.

ARTICLE 2 - GENERAL PROVISIONS

- 2.1 **Lease.** Subject to the terms, provisions, covenants, and agreements herein contained, Landlord hereby leases to Master Tenant, and Master Tenant hereby leases from Landlord, the Leased Premises for the Lease Term (as hereinafter defined), subject to existing covenants, conditions, restrictions, easements, and encumbrances affecting the same.
- 2.2 **Lease Term.** The term of this Lease (the “Lease Term”) shall commence on the date the Leased Premises are ready for occupancy by Master Tenant (the “Commencement Date”) and shall continue for a period of fifteen (15) years unless modified by separate written agreement of the parties and approved by Landlord’s Investor Member.
- 2.3 **Covenant of Quiet Enjoyment.** Landlord covenants and agrees that, at all times during the Lease Term when Master Tenant is not in default, the quiet and peaceable enjoyment of the Leased Premises by Master Tenant or its subtenants, guests, or invitees shall not be disturbed or interfered with by Landlord or by any person claiming by, through, or under Landlord.
- 2.4 **Condition of Leased Premises.** Master Tenant covenants and agrees that, upon taking possession of the Leased Premises, Master Tenant shall be deemed to have accepted the Leased Premises “as

is” except for the improvements to be completed and paid for by Landlord as set forth in Section 2.5 below.

- 2.5 **Improvements to the Leased Premises.** Master Tenant covenants and agrees that Landlord’s responsibility for improvements to the Leased Premises is limited to (a) construction of the Building and white-box delivery of the Leased Premises pursuant to the plans and specifications approved by the City of Omaha (the “Plans and Specifications”) and (b) the Tenant buildout of the Lease Premises which buildout is described in **Exhibit C** (“Tenant Improvements”). Master Tenant shall fund \$160,000 of costs of the Tenant Improvements as a loan to the Landlord in the amount of \$160,000. If Master Tenant or its subtenants desire to construct any additional improvements or provide any furniture, fixtures, or equipment within the Leased Premises not provided for by the Plans and Specifications or the Landlord’s portion of the Tenant Improvements, the Master Tenant or subtenant shall pay for all of such additional improvements. Landlord’s prior written consent to such additional improvements shall be required before commencement of construction, and such improvements shall be undertaken so as to comply with all applicable codes, statutes, regulations, and ordinances. Further, such construction shall be done so as to not unreasonably interfere with the operation of the residential portion of the Project, and Landlord shall be advised of such work and its schedule in such detail as to enable it to determine that the improvements are being done in accordance with the terms hereof.

ARTICLE 3 - MASTER TENANT’S RIGHT TO MANAGE AND SUBLEASE THE LEASED PREMISES

- 3.1 **Master Lease.** The parties agree that this Lease shall be a “master lease” under which Master Tenant shall have the right to manage and sublease all or any portion of the Leased Premises subject to the terms and conditions and restrictions of this Lease.
- 3.2 **Residential Rental Property Classification.**
- a. Notwithstanding anything else in this Lease, it is the intention of the parties that the Building be classified as “residential rental property” for purposes of and as defined in Section 168(e) of the Internal Revenue Code of 1986, as amended (“Section 168(e)”) and Master Tenant shall at all times sublease the Leased Premises in such a way so as to allow the Building to be classified as “residential rental property” for purposes of Section 168(e). To the extent any provisions of this Lease and/or any provisions of any sublease between Master Tenant and its subtenants would cause the Building to lose such designation as “residential rental property,” or, in the reasonable determination of Landlord’s Investor Member with guidance of tax counsel, such provisions would likely cause the Building to lose such classification as “residential rental property,” then such provisions shall have no force or effect and shall be altered to preserve such classification as “residential rental property”. The parties shall work in good faith to preserve the Building’s “residential rental property” classification.
 - b. The total rent received by Master Tenant from all subtenants under this Lease in any one calendar year shall not exceed 20% of the annual gross collected rents from all sources for the Project.
- 3.3 **Terms of Subleases.** Any sublease entered into by Master Tenant shall be subject to the prior written consent of Landlord and Landlord’s Investor Member and shall include, at a minimum, the

terms, conditions, and restrictions of this Lease, and shall be subordinate at all times to this Lease and of all of its provisions and conditions. Notwithstanding the foregoing, no further consent is required for subleases between Master Tenant and an entity that is wholly-owned and controlled by the Master Tenant.

- 3.4 **Master Tenant's Obligation to Comply with the Provisions of this Lease.** Master Tenant shall remain fully liable for compliance with the terms and provisions of this Lease at all times. Master Tenant shall not be released from the performance of its obligations under this Lease, but rather Master Tenant and its subtenant shall be jointly and severally liable for such performance.
- 3.5 **Exclusivity.** The master lease arrangement between Landlord and Master Tenant shall be exclusive. During the Lease Term, Landlord shall not enter into any lease arrangement with any third party for the use or occupancy of the Leased Premises or any portion thereof. Landlord may refer prospective third parties to Master Tenant. Master Tenant may or may not enter into a sublease agreement with such third parties referred by Landlord, at its sole discretion.
- 3.6 **Use of Real Estate Brokers by Master Tenant.** Master Tenant may, at its sole discretion, use the services of a broker or similar person in connection with the execution of any subleases. Master Tenant agrees that Landlord shall not be liable for any expense asserted against Landlord in connection with any claim for any commission or other payment by any broker or other agent whose claim is based on or related to any subleases of Master Tenant.

ARTICLE 4 - PAYMENT OF RENT AND OTHER OBLIGATIONS OF LANDLORD AND MASTER TENANT OR SUBTENANTS

- 4.1 **Rent.** Commencing on the Commencement Date, Master Tenant covenants and agrees to pay to Landlord as base rent One Dollar (\$1.00) per square foot of the Leased Premises for each year of the Lease Term ("Base Rent"). By way of example, if the net square footage of the completed Leased Premises is 3,842, then the Base Rent shall be \$3,842. The Base Rent shall increase annually by the lesser of three percent (3.00%) or the 12-month Consumer Price Index published by the United States Department of Labor, subject to a zero percent (0%) floor. Master Tenant shall also pay for the following as additional rent ("Additional Rent"; Base Rent and Additional Rent are collectively referred to herein as "Rent") if not separately billed to Master Tenant:
- a. Master Tenant shall bear all costs and expenses relating to maintenance and repair of the Leased Premises as provided in Section 6.2.
 - b. Master Tenant shall pay all taxes, assessments, or special assessments, if any, levied or imposed on the Leased Premises by any governmental unit or its calculated prorata share of taxes, assessments, or special assessments levied or imposed on the Building by any governmental unit if the Leased Premises is not separately taxed.
 - c. Master Tenant shall pay and be responsible for payment of charges for all heat, electricity, and any other utilities used by the Leased Premises as provided in Section 6.1.
 - d. Master Tenant shall pay and be responsible for its calculated prorata share of Landlord's expenses for Casualty Insurance and Liability Insurance as provided in Section 5.1.
 - e. Any costs or expenses for which Master Tenant is required to pay its prorata share of such cost or expense, such prorata share shall be based on the proportion of the square footage

of the Leased Premises to the square footage of the portion of the Building served by the service for which such cost or expense has been charged.

All Rent due under this Lease shall be payable within ten (10) days of the end of each calendar year during the Lease Term. Landlord shall prepare an annual statement to be delivered to Master Tenant at the time of payment of Rent setting forth Landlord's calculation of Rent.

Master Tenant's Right to Contest Taxes. The Project is subject to a Redevelopment Agreement between Landlord and the City of Omaha, a Nebraska municipal corporation dated November 17, 2022 (as may be amended from time to time, the "TIF Agreement"), and during the term of the TIF Agreement, Master Tenant shall not contest any real estate taxes and assessments levied against the Project, Building or Leased Premises without the express prior written consent of the Landlord. Subsequent to the expiration of the term of the TIF Agreement, and without limiting the right of Landlord to contest any real estate taxes and assessments levied against the Building, Master Tenant shall have the right to contest any real estate taxes or assessments levied against the Leased Premises provided Master Tenant shall, in good faith and with due diligence, contest the same or the validity thereof by appropriate legal proceedings which shall have the effect of preventing the collection of the tax or assessment and the sale or foreclosure of any lien for such tax or assessment. Any funds recovered by Master Tenant as a result of any such suit or action shall belong to Master Tenant except to the extent any such recovery relates to a period of time that is not part of the Lease Term.

ARTICLE 5 - INSURANCE

- 5.1 **Casualty Insurance.** Landlord shall obtain and keep Casualty Insurance in full force and effect during the Lease Term. "Casualty Insurance" shall mean fire and extended coverage insurance with respect to the Building and, at Landlord's option, fixtures on the Leased Premises, insuring the interests of both Landlord and Master Tenant, in an amount equal to the full replacement cost thereof, and with coverage, at Landlord's option, by endorsement or otherwise, for all risks, vandalism, and malicious mischief, sprinkler leakage, boilers, and rental loss, and with a deductible amount approved by Landlord. Landlord may require that such Casualty Insurance name any mortgagee as an insured party as its interest may appear. Master Tenant shall be responsible for obtaining at its cost and expense commercial renter's insurance and for loss of sublease rents in the event of a casualty affecting the Leased Premises. Landlord shall also obtain and keep Liability Insurance in full force and effect during the Lease Term. "Liability Insurance" shall mean comprehensive general liability insurance covering public liability with respect to the ownership, use and operation of the Building, with limits of not less than \$1,000,000 combined single limit of liability. Master Tenant shall also be responsible for obtaining, at Master Tenant's cost and expense, and in amounts satisfactory to Landlord and Landlord's Investor Member: (1) property insurance in an amount equivalent to the full replacement value of the Leased Premises, (2) commercial general liability insurance coverage for use of the Leased Premises by the Master Tenant and subtenants, (3) public liability with respect to the ownership, use and operation of the Leased Premises, (4) worker's compensation insurance and (5) comprehensive automobile liability insurance.
- 5.2 **General Provisions Respecting Insurance.** Except as otherwise approved in writing by Landlord, all insurance obtained by Master Tenant shall name Landlord as its interests may appear and shall name Landlord's Investor Member, Landlord's Mortgagee, and such other persons or firms as Landlord specifies from time to time as additional insureds and loss payee, as applicable, shall contain a waiver of rights of subrogation as among Master Tenant and Landlord, and shall provide, by certificate of insurance or otherwise, that the insurance coverage shall not be cancelled or altered

except upon thirty (30) days prior written notice to Landlord and the Landlord's Mortgagee of the first priority Landlord's Mortgage. Certificates of insurance obtained by Master Tenant shall be delivered to Landlord upon Landlord's request.

- 5.3 **Cooperation in the Event of Loss.** Landlord and Master Tenant shall cooperate with each other in the collection of any insurance proceeds which may be payable in the event of any loss, including the execution and delivery of any proof of loss or other actions required to effect recovery.

ARTICLE 6 - UTILITY, OPERATING, MAINTENANCE, AND REPAIR EXPENSES NOT PAID BY LANDLORD

- 6.1 **Utility Charges.** Master Tenant covenants and agrees to pay all charges for telephone, cable, water, sewage disposal, gas, electricity, light, heat, power, hot water, and other utilities for the Leased Premises. Master Tenant shall pay directly all utility charges that are separately metered to the Leased Premises. In the event a utility is not separately metered, Master Tenant shall pay to Landlord its prorata share of non-separately metered utilities according to its calculated prorata share. Master Tenant shall have the right to pass these expenses on to any subtenant, but will remain liable for payment if subtenant fails to pay.
- 6.2 **Operating, Maintenance, and Repair Expenses for Leased Premises – Master Tenant or Subtenant.** Master Tenant, or, as passed onto a subtenant, any subtenant, covenants and agrees to pay all costs and expenses of operations, maintenance, or repair on or relating to the Leased Premises, including the repair of functional operation of the mechanicals, such as wiring, plumbing, heating, electricity, or cable that only serves the Leased Premises, but excluding repair of functional operation of the mechanicals, such as wiring, plumbing, heating, electricity, or cable that serves other space in addition to the Leased Premises, for which Master Tenant shall be responsible for its proportionate share of the cost based on the total square footage served by such mechanicals. All maintenance, repairs and replacement shall be done promptly, in a good and workmanlike fashion, and without diminishing the original quality of the improvements.
- 6.3 **Maintenance and Repair Expenses - Landlord.** Landlord covenants and agrees to maintain, repair, replace, and keep the mechanicals, such as wiring, plumbing, heating, electricity, or cable that serve other space in addition to the Leased Premises, and the structural portions of the Leased Premises and the Building, in good and safe order and repair and in accordance with all applicable laws, ordinances, orders, rules, and regulations of governmental authorities having jurisdiction. Further Landlord will pay all costs and expenses required as part of its overall responsibility to maintain, repair, and clean the common areas and connected entrances, lobbies, hallways, etc. of the Building without cost to Master Tenant in good, safe, and sanitary condition, order, and repair.

ARTICLE 7 - OTHER COVENANTS OF MASTER TENANT

- 7.1 **Prohibited Use of Leased Premises.** Master Tenant covenants and agrees not to use or permit use of the Leased Premises for any purpose not permitted by existing zoning provisions and existing private covenants, declarations, or restrictions that are binding on the Building.
- 7.2 **Compliance with Laws.** Master Tenant covenants and agrees that nothing shall be done or kept on the Leased Premises in violation of any law, ordinance, order, rule, or regulation of any governmental authority having jurisdiction and that the Leased Premises shall be used, kept, and maintained in compliance with any such law, ordinance, order, rule, or regulation and with the certificate of occupancy issued for the improvements on the Leased Premises.

- 7.3 **No Waste or Impairment of Value.** Master Tenant covenants and agrees that nothing shall be done or kept on the Leased Premises which might impair the value of the Leased Premises, including any improvements thereon or which would constitute waste.
- 7.4 **No Hazardous Use.** Master Tenant covenants and agrees that nothing shall be done or kept on the Leased Premises which might be unsafe or hazardous to any person or property and that no improvements, changes, alterations, additions, maintenance or repairs shall be made to the Leased Premises which might be unsafe or hazardous to any person or property.
- 7.5 **No Structural or Electrical Overloading.** Master Tenant covenants and agrees that nothing shall be done or kept on the Leased Premises and that no improvements, changes, alterations, additions, maintenance, or repairs shall be made to the Leased Premises which might impair the structural soundness of improvements constructed on the Leased Premises, which might result in an overload of electrical lines serving the Leased Premises or which might interfere with electric or electronic equipment in or on any adjacent or nearby premises. In the event of violation hereof, Master Tenant covenants and agrees to immediately remedy the violation at Master Tenant's expense and in compliance with all requirements of governmental authorities and insurance underwriters.
- 7.6 **Permitted Uses.** Master Tenant covenants and agrees that, unless otherwise approved in writing by Landlord and Landlord's Investor Member, the Leased Premises shall only be used for community gathering space, community kitchen, office and copy room, conference room, classrooms, supportive services, and support activities that Master Tenant may have in North Omaha to support its North 30th CNI programming. Landlord agrees that Master Tenant shall have the nonexclusive right to utilize the Project's common areas as may be reasonably necessary to carry out Master Tenant's permitted use of the Leased Premises, provided, however, while on-site parking will be made available to regular staff and employees of Master Tenant, parking accommodations for special events, including off-site locations, shall be arranged in advance with the Project's property manager.
- 7.7 **No Annoying Lights, Sounds, or Odors.** Master Tenant covenants and agrees that no light shall be emitted from the Leased Premises which is unreasonably bright or causes unreasonable glare; no sound shall be emitted from the Leased Premises which is unreasonably loud or annoying; and no odor shall be emitted from the Leased Premises which is or might be noxious or offensive to residential tenants or others on adjacent or nearby premises.
- 7.8 **No Unsightliness.** Master Tenant covenants and agrees that no unsightliness shall be permitted on the Leased Premises, which is visible from any adjacent or nearby premises. Without limiting the generality of the foregoing, all unsightly conditions, equipment, objects, and conditions shall be kept enclosed within the Leased Premises or designated locations within the Building; no refuse, scrap, debris, garbage, trash, bulk materials, or waste shall be kept, stored, or allowed to accumulate in the Leased Premises except as may be enclosed within the Leased Premises or designated locations within the Building or appropriately screened from view; all pipes, wires, poles, antennae, and other facilities for utilities or the transmission or reception of audio or visual signals or electricity shall be kept and maintained underground or enclosed within designated locations within the Building or the Leased Premises or appropriately screened from view; and no temporary structure shall be placed or permitted on the Leased Premises without the prior written consent of Landlord.

- 7.9 **Restriction on Signs and Exterior Lighting.** Master Tenant covenants and agrees that no signs or advertising devices will be erected or maintained on the Leased Premises without compliance with all rules, regulations, or laws affecting the Leased Premises and the approval of Landlord. Additionally, the installation may require the payment of an annual fee, at Master Tenant's sole expense. Any installation provided for under this section must be performed by appropriately licensed and insured contractors.
- 7.10 **No Violation of Covenants.** Master Tenant covenants and agrees not to commit, suffer, or permit any violation of any covenants, conditions, laws, or restrictions affecting the Leased Premises.
- 7.11 **Restriction on Changes and Alterations.** Master Tenant shall not remove, demolish, or make any significant or major structural change of the Leased Premises without the prior written consent of Landlord and Landlord's Investor Member, which consent shall not be unreasonably withheld.
- 7.12 **No Mechanics' Liens.** Master Tenant covenants and agrees not to permit or suffer, and to cause to be removed and released, any mechanics, materialmen, or other lien on account of supplies, machinery, tools, equipment, labor, or material furnished or used in connection with the construction, alteration, improvement, addition to, or repair of any building, structure, or improvement on the Leased Premises. Master Tenant shall have the right to contest, in good faith and with reasonable diligence, the validity of any such lien or claimed lien, provided that Master Tenant shall give to Landlord such security as may be reasonably requested by Landlord to insure the payment of any amounts claimed, including interests and costs, and to prevent any sale, foreclosure, or forfeiture of any interest in the Leased Premises on account of any such lien and provided that, on final determination of the lien or claim for lien, Master Tenant shall immediately pay any judgment rendered, with interest and costs, and will cause the lien to be released and any judgment satisfied.
- 7.13 **No Assignment.** Master Tenant shall not assign (or collaterally assign) this Lease without Landlord's and Landlord's Investor Member's prior written consent.
- 7.14 **Payment of Income and Other Taxes.** Master Tenant covenants and agrees to pay promptly when due all personal property taxes on the property of the Master Tenant on the Leased Premises, the nonpayment of which might give rise to a lien on the Leased Premises or Master Tenant's interest therein, and to furnish, if requested by Landlord, evidence of such payments.
- 7.15 **Estoppel Certificates.** Master Tenant covenants and agrees to execute, acknowledge, and deliver to Landlord, upon Landlord's written request, a written statement certifying that this Lease is unmodified (or, if modified, stating the modifications) and in full force and effect and stating the dates to which Rent has been paid. Master Tenant agrees that such statement may be delivered to and relied upon by any existing or prospective mortgagee or purchaser of the Leased Premises. Master Tenant agrees that a failure to deliver such a statement within ten (10) days after written request from Landlord shall be conclusive evidence from Master Tenant that this Lease is in full force and effect without modification except as may be represented by Landlord and that there are no uncured defaults by Landlord under this Lease.
- 7.16 **Landlord's Title To Improvements, Fixtures, and Building Equipment.** Unless otherwise agreed in writing by the parties, Master Tenant covenants and agrees that Landlord's improvements and fixtures on the Leased Premises, including all plumbing, heating, lighting, electrical, and air conditioning fixtures and equipment, whether or not attached to or affixed to the Leased Premises, shall be and remain the property of Landlord upon expiration of the Lease Term.

- 7.17 **Removal of Master Tenant's Equipment.** Master Tenant covenants and agrees to remove, at the expiration of the Lease Term, all of Master Tenant's equipment and personal property, as opposed to fixtures and realty, and to leave the Leased Premises in substantially same condition, less wear and tear over the Lease Term. Except as otherwise agreed by the parties, if Master Tenant fails to remove any of Master Tenant's equipment by the expiration of the Lease Term, Landlord may, at its option, keep and retain any such Master Tenant's equipment or dispose of the same and retain any proceeds thereof and Landlord shall be entitled to recover from Master Tenant any costs or expenses of Landlord in removing the same and in restoring the Leased Premises in excess of the actual proceeds, if any, received by Landlord from disposition thereof.
- 7.18 **Master Tenant Indemnification of Landlord.** Master Tenant covenants and agrees to indemnify and hold harmless Landlord from and against all liability, obligations, claims, damages, penalties, causes of action, costs, and expenses, including attorneys' fees, imposed upon, incurred by, or asserted against Landlord by reason of: (a) any accident, injury to, or death of any person or loss of or damage to any property occurring on or about the Leased Premises; (b) any negligence, act or omission of the other, or its officers, employees, agents, guests, or invitees or of anyone claiming by, through or under Master Tenant; (c) any use which may be made of the Leased Premises; (d) any improvements, fixtures, or equipment upon the Leased Premises; (e) any violation of any law, ordinance, order, rule, or regulation of governmental authorities having jurisdiction by it, or its officers, employees, agents, guests, or invitees or by anyone claiming by, through or under Master Tenant; and (f) any repairs, maintenance, or changes for which the Master Tenant is responsible to the Leased Premises or as provided under this Lease.
- 7.19 **Release upon Transfer by Landlord.** In the event of a transfer by Landlord of the Leased Premises or of Landlord's interest as landlord under this Lease and Landlord's successor or assign agrees that it assumes and shall take subject to and be bound by this Lease, in such event, Master Tenant covenants and agrees that Landlord shall be released from all obligations of Landlord under this Lease, except obligations which arose and matured prior to such transfer by Landlord, that Master Tenant shall thereafter look solely to Landlord's successor or assign for satisfaction of the obligations of Landlord under this Lease, and that, upon demand by Landlord or Landlord's successor or assign, Master Tenant shall attorn to such successor or assign, except for undisclosed or latent claims.
- 7.20 **Community Service Facility.** Master Tenant shall operate, or cause subtenants to operate, the Premises in all respects so as to qualify the Premises as a "community service facility" for purposes of 26 U.S.C. 42.

ARTICLE 8 - DAMAGE OR DESTRUCTION

- 8.1 **Master Tenant's Notice of Damage.** If any portion of the Leased Premises or the Building materially affecting the use or value of the Leased Premises shall be damaged or destroyed by fire or other casualty, Master Tenant or Landlord, as the case may be, shall give prompt written notice thereof to the other with a copy of such notice to Landlord's Investor Member ("Notice of Damage").
- 8.2 **Options to Terminate if Damage Substantial.** Upon receipt of such Notice of Damage, Master Tenant or Landlord, as the case may be, shall promptly proceed to determine the nature and extent of the damage or destruction and to estimate the time necessary to repair or restore the Leased

Premises. As soon as reasonably possible, the parties shall advise in writing the other regarding the estimate of the time necessary to repair or restore the Leased Premises (“Landlord’s Notice of Repair Time”). If a party reasonably estimates that repair or restoration of the Leased Premises cannot be completed within 180 days from the time of such Notice, Master Tenant shall have the option to terminate this Lease, except that if Master Tenant does not terminate and fails to repair and use the Leased Premises for one year after such casualty, Landlord may terminate this Lease. The estimates and consultation regarding the cost and time shall be exchanged or communicated in writing within twenty-five (25) days of the initial Notice. In the event Master Tenant exercises its option to terminate this Lease, the Lease Term shall expire thirty (30) days after the notice exercising the option to terminate this Lease.

- 8.3 **Obligations to Repair and Restore.** In the event the Lease is not terminated pursuant to the provisions of Section 8.2, this Lease shall continue in full force and Master Tenant and/or Landlord, as the case may be depending on the cause and area of the leasehold or common areas that have been damaged, or as they agree in writing, shall proceed forthwith to cause the Leased Premises to be repaired and restored within a reasonable time, subject to the provisions of Landlord’s Mortgage.
- 8.4 **Application of Insurance Proceeds.** The proceeds of any Casualty Insurance maintained on the Leased Premises, other than casualty insurance maintained by Master Tenant on fixtures and personal property of Master Tenant, shall be paid to the extent of each party’s insured interest subject to the obligation by both parties that, if the Lease is not terminated as provided above, the insurance proceeds shall be applied to the cost to repair and restore the Premises, subject to the provisions of Landlord’s Mortgage.
- 8.5 **Landlord’s Mortgage.** All provisions of this Article 8 are expressly subject to, and subordinate to, the terms and conditions of Landlord’s Mortgage and the rights of Landlord’s Mortgagees thereunder. Prior to repayment in full of the loans secured by Landlord’s Mortgage, all proceeds of Casualty Insurance shall be applied in accordance with the terms and conditions of Landlord’s Mortgage.

ARTICLE 9 - CONDEMNATION

- 9.1 **Definitions.** For purposes of this Article 9, “Taking” shall mean the taking of all or any portion of the Leased Premises as a result of the exercise of the power of eminent domain or condemnation for public or quasi-public use or the sale of all or part of the Leased Premises under the threat of condemnation. A “Substantial Taking” shall mean a Taking of so much of the Leased Premises that the Leased Premises cannot thereafter be reasonably used by Master Tenant for carrying on, at substantially the same level or scope, the business theretofore conducted by Master Tenant on the Leased Premises. An “Insubstantial Taking” shall mean a Taking such that the Leased Premises can thereafter continue to be used by Master Tenant for carrying on, at substantially the same level or scope, the business theretofore conducted by Master Tenant on the Leased Premises.
- 9.2 **Termination on Substantial Taking.** If there is a Substantial Taking with respect to the Leased Premises, the Lease Term shall expire on the date Landlord is required to surrender possession pursuant to such Taking. In the event of termination of this Lease under the provisions hereof, each party shall be entitled to just compensation for the value of its recognized damages, loss, costs, expenses, or property interest, tangible or intangible, from the condemnor or a result of the taking.
- 9.3 **Restoration on Insubstantial Taking.** In the event of an Insubstantial Taking, this Lease shall continue in full force and effect, Master Tenant shall be entitled to just compensation as described

above for and to the extent of the loss, damage, property interest, and space so taken, utilizing the proceeds of any awards or consideration received as a result of the Taking and any additional funds necessary to cover the costs of restoration, subject to the terms and conditions of Landlord's Mortgage.

- 9.4 **Right to Award.** The total award, compensation, damages, or consideration received or receivable as a result of a Taking ("Award") shall be allocated and paid to and be the property of the individual rights and interests of the Master Tenant and Landlord, whether the Award shall be made as compensation for diminution of the value of the leasehold or the fee of the Leased Premises or otherwise. Master Tenant and Landlord covenant and agree to execute such documents as may be necessary to facilitate collection by Landlord and Tenant of any such Award.
- 9.5 **Landlord's Mortgage.** All provisions of this Article 9 are expressly subject to, and subordinate to, the terms and conditions of Landlord's Mortgage and the rights of Landlord's Mortgagee thereunder. Prior to repayment in full of the loan secured by the Landlord's Mortgage, all Awards, whether allocable hereunder to Landlord or Master Tenant, shall be applied in accordance with the terms and conditions of Landlord's Mortgage.

ARTICLE 10 - DEFAULTS BY MASTER TENANT

- 10.1 **Defaults Generally.** Each of the following sections in this Article shall constitute a "Default by Master Tenant" under this Lease.
- 10.2 **Failure to Pay Amounts Due Under the Lease.** A Default by Master Tenant shall exist if Master Tenant fails to pay any amounts payable by Master Tenant under the terms of this Lease, and such failure shall continue for thirty (30) days after written notice from Landlord to Master Tenant of such failure.
- 10.3 **Violation of Lease Terms.** Except as provided in Section 10.2, Default by Master Tenant shall exist if Master Tenant breaches or fails to comply with any agreement, term, covenant, or condition in this Lease applicable to Master Tenant, and such breach or failure to comply continues for a period of thirty (30) days after notice thereof by Landlord to Master Tenant, or, if such breach or failure to comply cannot be reasonably cured within such 30 day period, if Master Tenant shall not in good faith commence to cure such breach or failure to comply within such 30 day period or shall not diligently proceed therewith to completion, provided, however, that in no event shall Master Tenant have more than ninety (90) days to effect a cure.
- 10.4 **Transfer of Interest Without Consent.** Except as expressly permitted herein, a Default by Master Tenant shall exist if Master Tenant's interest under this Lease or in the Leased Premises shall be transferred to another party without Landlord's and Landlord's Investor Member's written consent.
- 10.5 **Bankruptcy or Related Proceedings.** A Default by Master Tenant shall exist if Master Tenant shall file a petition in bankruptcy or insolvency or for relief, reorganization, or arrangement under the bankruptcy laws of the United States or under any similar act of any state, or shall voluntarily take advantage of any such law or act by answer or otherwise, or shall be dissolved or shall make an assignment for the benefit of creditors or if involuntary proceedings under any such bankruptcy or insolvency law or for the dissolution of Master Tenant shall be instituted against Master Tenant or a receiver or trustee shall be appointed for the Leased Premises or for all or substantially all of the property of Master Tenant, and such proceedings shall not be dismissed or such receivership or trusteeship vacated within sixty (60) days after such institution or appointment.

ARTICLE 11 - LANDLORD'S REMEDIES

- 11.1 **Remedies Generally.** Upon the occurrence of any Default by Master Tenant, Landlord and/or Landlord's Investor Member shall have the right, at their respective election, then or at any time thereafter, to exercise any one or more of the following remedies set forth in this Article.
- 11.2 **Cure.** In the event of a Default by Master Tenant, Landlord and/or Landlord's Investor Member may, at their respective option, but without obligation to do so, and without releasing Master Tenant from any obligations under this Lease, make any payment or take any action as Landlord and/or Landlord's Investor Member may deem necessary or desirable to cure any such Default by Master Tenant in such manner and to such extent as Landlord and/or Landlord's Investor Member may deem necessary or desirable. Landlord and/or Landlord's Investor Member may do so without demand on, or written notice to, Master Tenant and without giving Master Tenant an opportunity to cure such Default by Master Tenant. Master Tenant covenants and agrees to pay to Landlord and/or Landlord's Investor Member, as applicable, within thirty (30) days after demand, all advances, costs, and expenses of Landlord and/or Landlord's Investor Member, as applicable, in connection with the making of any such payment or the taking of any such action, including reasonable attorneys' fees, together with interest as hereinafter provided, from the date of payment of any such advances, costs, and expenses by Landlord and/or Landlord's Investor Member, as applicable. Action taken by Landlord and/or Landlord's Investor Member may include commencing, appearing in, defending, or otherwise participating in any action or proceeding and paying, purchasing, contesting, or compromising any claim, right, encumbrance, charge, or lien with respect to the Leased Premises which Landlord and/or Landlord's Investor Member, in its discretion, may deem necessary or desirable to protect its interest in the Leased Premises and under this Lease. In the event of default by Landlord, the Master Tenant and/or Landlord's Investor Member may at its option, but without obligation to do so and without releasing Landlord from obligations, make any payment or take any action as Master Tenant deems necessary or desirable in the same fashion and manner as provided for the rights of Landlord in this section.
- 11.3 **Termination of Lease and Damages.** In the event of a Default by Master Tenant that continues unabated beyond any applicable cure period, Landlord may terminate this Lease, effective at such time as may be specified by written notice to Master Tenant and recover possession of the Leased Premises from Master Tenant.
- 11.4 **Recovery of Enforcement Costs.** The prevailing party in any lawsuit filed pursuant to the provisions of this Lease or to enforce any provision of this Lease shall be entitled to an award of costs, witness and expert witness expenses, and reasonable attorney fees.
- 11.5 **Remedies Cumulative.** Exercise of any of the remedies of Landlord or Master Tenant under this Lease shall not prevent the concurrent or subsequent exercise of any other remedy provided for in this Lease or otherwise available to Landlord or Master Tenant at law or in equity.

ARTICLE 12 - SURRENDER AND HOLDING OVER

- 12.1 **Surrender upon Lease Expiration.** Upon the expiration or earlier termination of this Lease, or on the date specified in any demand for possession by Landlord after any Default by Master Tenant, Master Tenant covenants and agrees to surrender possession of the Leased Premises to Landlord, in the same condition as when Master Tenant first occupied the Leased Premises, ordinary wear and tear excepted.
- 12.2 **Holding Over.** If Master Tenant shall hold over after the expiration of the Lease Term, without written agreement providing otherwise, Master Tenant shall be deemed to be a tenant from month to month, at a monthly rental, payable in advance, equal to 300% of the Rent, to be paid in equal installments monthly, and Master Tenant shall be bound by all of the other terms, covenants, and agreements of this Lease. Nothing contained herein shall be construed to give Master Tenant the right to hold over at any time, and Landlord may exercise any and all remedies at law or in equity to recover possession of the Leased Premises as well as any damages incurred by Landlord due to Master Tenant's failure to vacate the Leased Premises and deliver possession to Landlord as herein provided.

ARTICLE 13 - MISCELLANEOUS

- 13.1 **No Implied Waiver.** No failure by Landlord to insist upon the strict performance of any term, covenant, or agreement contained in this Lease, no failure by Landlord to exercise any right or remedy under this Lease, and no acceptance of full or partial payment during the continuance of any Default by Master Tenant, shall constitute a waiver of any such term, covenant, or agreement or a waiver of any such right or remedy or a waiver of any such Default by Master Tenant.
- 13.2 **Survival of Provisions.** Notwithstanding any termination of this Lease, the same shall continue in force and effect as to any provisions hereof which require observance or performance by Landlord or Master Tenant subsequent to termination.
- 13.3 **Covenants as Conditions.** Each provision of this Lease performable by Landlord or Master Tenant shall be deemed both a covenant and a condition.
- 13.4 **Binding Effect.** This Lease shall extend to and be binding upon the heirs, executors, legal representatives, successors, and assigns of the respective parties hereto.
- 13.5 **Notices and Demands.** All notices under this Lease shall be in writing, signed by the party giving the same and shall be deemed properly given and received when actually received or three (3) business days after mailing, if sent by registered or certified United States mail, postage prepaid, addressed to the party to receive the notice at the address set forth for such party in the preamble of this Lease or at such other address as either party may notify the other of in writing. Copies of notices shall be provided to Landlord's Investor Member and each of Landlord's Mortgagee at the address set forth in the Landlord's first amended and restated operating agreement as to Landlord's Investor Member and to the address set forth in the applicable loan document as to each of Landlord's Mortgagees or to such address either Landlord's Investor Member or any of Landlord's Mortgagees provide in writing to Landlord and Master Tenant as their notice address.
- 13.6 **Time of the Essence.** Time is of the essence under this Lease, and all provisions herein relating thereto shall be strictly construed.

- 13.7 **Captions for Convenience.** The headings and captions hereof are for convenience only and shall not be considered in interpreting the provisions hereof.
- 13.8 **Severability.** If any provision of this Lease shall be held invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and there shall be deemed substituted for the affected provision a valid and enforceable provision as similar as possible to the affected provision.
- 13.9 **Governing Law.** This Lease shall be interpreted and enforced according to the laws of the State of Nebraska.
- 13.10 **Entire Agreement.** This Lease and any exhibits and addenda referred to herein, constitute the final and complete expression of the parties' agreements with respect to the Leased Premises and Master Tenant's lease thereof. Each party agrees that it has not relied upon or regarded as binding any prior agreements, negotiations, representations, or understandings, whether oral or written, except as expressly set forth herein.
- 13.11 **No Oral Amendment or Modifications.** No amendment or modification of this Lease, and no approvals, consents, or waivers by Landlord under this Lease, shall be valid or binding unless (i) in writing and executed by the party to be bound.
- 13.12 **Real Estate Brokers.** Each party represents and warrants to the other that the representing party has not used the services of, or been represented by, any broker, finder, or similar person in connection with the negotiations leading to the execution of this Lease, and agrees to indemnify the other party against any expense or liability incurred by the other party in connection with any claim for any commission or other payment by any broker or other agent whose claim is based on a relationship with the representing party.
- 13.13 **Relationship of Landlord and Master Tenant.** Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent or of partnership, or of joint venture by the parties hereto, it being understood and agreed that no provision contained in this Lease nor any acts of the parties hereto shall be deemed to create any relationship other than the relationship of Landlord and Master Tenant.
- 13.14 **Limitation on Personal Liability of Landlord.** Notwithstanding anything to the contrary contained in this Lease, it is understood and agreed that there shall be no personal or unlimited liability on the part of Landlord or any of its beneficiaries, successors, or assigns, with respect to any of the terms, covenants, and conditions of this Lease, and Master Tenant shall look solely to the equity of Landlord in the Leased Premises in the event of any default or liability of Landlord under this Lease, such exculpation of liability to be absolute and without any exception whatsoever.
- 13.15 **Authority of Master Tenant.** Each individual executing this Lease on behalf of Master Tenant represents and warrants that he is duly authorized to deliver this Lease on behalf of Master Tenant and that this Lease is binding upon Master Tenant in accordance with its terms.
- 13.16 **Subordination to Landlord's Mortgage.** This Lease is expressly subordinate to each of Landlord's Mortgages. In the event of either (i) a foreclosure of a Landlord's Mortgage, or (ii) acceptance by Landlord's Mortgagee of a deed in lieu of foreclosure, at the election of Landlord's Mortgagee this Lease shall be terminated and of no further force or effect. Landlord's Mortgagee is an express third party beneficiary of this section and of each other provision of this Lease granting rights to any of Landlord's Mortgagee, and each of Landlord and Master Tenant

acknowledge and agree that Landlord's Mortgagee may enforce any such rights in any action or proceeding.

[The remainder of this page intentionally left blank.]
[Signature pages next.]

IN WITNESS WHEREOF, the parties have caused this Master Lease to be accepted and agreed to as of the date first above written.

LANDLORD:

KENNEDY EAST LIHTC, LLC,
a Nebraska limited liability company

By: Kennedy East LIHTC Manager, LLC,
a Nebraska limited liability company,
its Managing Member

By: _____
Richard J. Sciortino
Authorized Signatory

MASTER TENANT:

HOUSING AUTHORITY OF THE CITY OF OMAHA,
a public body politic and corporate under Nebraska law

By: _____
Joanie Balk
Chief Executive Officer

EXHIBIT A

Legal Description of Property

Condominium Unit 1, in accordance with the Declaration of Condominium for Kennedy Square East Condominiums, recorded March 24, 2023 as Inst. No. 2023019154 in the office of the Register of Deeds of Douglas County, Nebraska.

EXHIBIT B

Location of Leased Premises

[Attached]

EXHIBIT C

Scope of Tenant Improvements

The Work described in Architect's Supplemental Instructions (Project 2120A Kennedy Square) from LBBA; Issue: OHA Community Center; Date: 10/25/2024

Memorandum



TO: OHA Board of Commissioners

FROM: Brian Hansen, General Counsel

MEETING DATE: June 5, 2025

SUBJECT: Recommendation to Approve Lease Agreement for Community Space

RECOMMENDED ACTIONS:

The Housing Authority of the City of Omaha (hereinafter “OHA”) staff recommends that the OHA Board of Commissioners approve a lease agreement for community space at Malcolm’s Place, formerly known as Kennedy Square East.

PREVIOUS ACTIONS:

As part of the Choice Neighborhoods Implementation Grant redevelopment of Spencer Homes, community space was constructed for OHA’s use at Malcolm’s Place, the multi-family development on the east side of 30th Street.

EXPLANATION:

The community space at Malcolm’s Place will be used by OHA to engage and serve OHA residents and the broader community.

Sponsor(s): Brian Hansen, General Counsel _____

Recommended by: _____
Joanie Balk, CEO Date: June 5, 2025

RESOLUTION NO. 2025 –48

APPROVAL OF LEASE AGREEMENT FOR MALCOLM’S PLACE

WHEREAS, as part of the Choice Neighborhoods Implementation Grant redevelopment of Spencer Homes, community space was constructed for OHA’s use at Malcolm’s Place, the multi-family development on the east side of 30th Street.

WHEREAS, The Housing Authority off the City of Omaha (hereinafter “OHA”) staff recommends that the OHA Board of Commissioners approve a lease agreement for community space at Malcolm’s Place.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the City of Omaha hereby approves the Lease Agreement for community space at Malcolm’s Place.

David Levy, Chairman
OHA Board of Commissioners

ATTEST

I, Joanie Balk, Secretary of the Housing Authority of the City of Omaha, do hereby certify that this resolution was properly adopted at the meeting of the Board of Commissioners of the Housing Authority of the City of Omaha held June 5, 2025.

Joanie Balk, Secretary

5.1.2.5. Resolution 2025-49 Closing on Southside Terrace Phase II

HOUSING AUTHORITY OF THE CITY OF OMAHA

REGULAR MEETING OF THE BOARD OF COMMISSIONERS

Resolution authorizing the Chief Executive Officer to execute and deliver all closing documents pertaining to the Southside Terrace Phase 2 development, which is a Choice Neighborhoods Initiative transaction, and authorizing the Chief Executive Officer or her designee to take such other actions as the Chief Executive Officer deems necessary to carry out this resolution and closing.

RESOLUTION NO. 2025-__

WHEREAS, on September 15, 2022, the United States Department of Housing and Urban Development (“**HUD**”) selected the Housing Authority of the City of Omaha (“**OHA**”) and the City of Omaha to receive a Fiscal Year (FY) 2021 Choice Neighborhoods Initiative (“**CNI**”) Implementation Grant to support the CNI Transformation Plan to redevelop and replace the public housing site known as Indian Hill in the Omaha neighborhood (“**Indian Hill**”);

WHEREAS, OHA, the City, and Brinshore Development, L.L.C., a Nebraska limited liability company (the “**Developer**”) entered into that certain Master Development Agreement dated as of May 1, 2024 (collectively, the “**Agreement**”);

WHEREAS, pursuant to the Agreement, Developer, City and OHA are developing Indian Hill in multiple phases, including this first phase, which entails the development of an approximately seventy-six (76) unit rental housing project, commonly known as “Southside Terrace Phase 2” (the “**Project**”);

WHEREAS, OHA is the fee interest owner of the underlying real property of the Project (the “**Property**”);

WHEREAS, OHA will enter into that certain Declaration of Condominium Ownership For Southside Terrace Phase 2 Condominium (“**Condo Declaration**”), pursuant to which OHA will divide the Property into two condominium units: (i) a market rate condominium owned by SST Phase 2 Market, LLC (the “**Market Rate Owner**”), which will contain approximately thirty-nine (39) units, of which twelve (12) will receive Section 8 Project Based Voucher (“**PBV**”) assistance and twenty-seven (27) will be unrestricted market rate units (the “**Market Rate Condo**”); and (ii) an affordable condominium owned by SST Phase 2 LIHTC, LLC (the “**LIHTC Owner**”), which will contain approximately seventy-six (76) rental units, of which forty-three (43) will receive PBV assistance (the “**LIHTC Condo**”);

WHEREAS, OHA will ground lease the Property to the Market Rate Owner and the LIHTC Owner (collectively the “**Owners**”), pursuant to ground lease agreements (collectively the “**Ground Lease**”);

WHEREAS, OHA will provide construction to permanent loans to the Owners with a portion of the CNI grant funds and disposition proceeds for the development of the Project (the “**OHA Loans**”);

WHEREAS, the Owners have secured additional financing for the development of the Project, including, but not limited to, proceeds from tax exempt bonds, equity from the sale of low income housing tax credits, and construction/permanent financing from private lenders, the City, and the Nebraska Department of Economic Development (collectively with the OHA Loans, the **“Project Financing”**);

WHEREAS, pursuant to the requirements of the CNI grant, OHA and the Owners will enter into a Declaration of Restrictive Covenants for the Choice Neighborhoods Initiative Program ensuring the long-term affordability of the Project and such other documents as required by HUD under the CNI program (collectively, the **“CNI Documents”**);

WHEREAS, OHA will provide approximately fifty-five (55) PBVs to the Owners pursuant to Agreements to Enter into a Housing Assistance Payment Contracts (**“AHAP”**);

WHEREAS, the Board of Commissioners of the Housing Authority of the City of Omaha have determined that it is in the best interest of OHA to undertake the Project and the transactions provided herein.

NOW, THEREFORE, BE IT RESOLVED THAT: The Board of Commissioners of the Housing Authority of the City of Omaha hereby authorizes and approves:

1. That Joanie Balk, the Chief Executive Officer of OHA, is hereby authorized, empowered and directed to enter the (i) Condo Declaration, (ii) Ground Lease, (iii) documents evidencing the OHA Loans, (iv) CNI Documents, (v) AHAP, and any additional or ancillary documents, instruments, certifications, guarantees, and agreements required thereunder and to take such further actions to carry out the forgoing transactions and as may be necessary in connection with the closing of the Project or related thereto;
2. That Joanie Balk, the Chief Executive Officer of OHA, is authorized, empowered, and directed to negotiate and execute any and all necessary documents, agreements, and/or certifications necessary to complete and close with all financing partners with respect to the Project; and
3. That to the extent any of the actions authorized by this Resolution have already been taken, such actions are hereby ratified and confirmed as the valid actions of the OHA, effective as of the date such actions were taken.

Member	Yes	No	Abstain	Absent

Executed this __th day of _____, 2025.

CERTIFICATION OF RESOLUTION

I, _____, do hereby certify that this Resolution No. _____ was approved by the Board of Commissioners at a duly held and authorized meeting of the Board, that I am the person authorized to sign this certification, consistent with the State law and By-laws of the Board of Commissioners, and that the statements contained herein are a true and accurate account of the Board's action.

Date

5.2. ADDITIONAL ITEMS FOR CONSIDERATION

5.2.1. Finance/Procurement/Operations Committee Resolutions

5.2.1.1. Resolution 2025-38 OHA Past Due Write-Offs

RESOLUTION NO 22025-38
AUTHORIZATION TO CHARGE OFF
VACATED TENANT ACCOUNT RECEIVABLES

WHEREAS a list of Charge Off for Vacated Tenant Account Receivables as of May 23, 2025, has been presented to the Board of Commissioners of the Housing Authority of the City of Omaha (Board); and

WHEREAS the total charge-off for this period is \$60,345.13 which represents 23 tenants: and

WHEREAS it is necessary to charge off said amounts to comply with the findings of the Office of the Inspector General of the U.S. Department of Housing and Urban Development.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Housing Authority of the City of Omaha that the CEO be authorized to grant approval for the total amount charged for all OHA properties.

This Resolution shall take effect immediately.

David Levy, Chair
OHA Board of Commissioners

ATTEST

I, Joanie Balk, Secretary of the Housing Authority of the City of Omaha, do hereby certify that this resolution was properly adopted at the meeting of the Board of Commissioners of the Housing Authority of the City of Omaha held on June 5, 2025

Joanie Balk, Secretary
Housing Authority of the City of Omaha

Write Offs as of 05/21/2025

Sum of Remaining Amount		Charge Code								
Property	Charged To	Unit	Late Fees	Legal Fees	Maintenanace Charges	cleaning/hauling charges	rent	Total	Vacate Reason	Charges explanation
Benson Tower	t0078865	2450		587	650		335	\$ 1,572.00	Evict-Criminal	Legal Fees, Repairs, 2 month's rent
	t0078865 Total			587	650		335	\$ 1,572.00		
Benson Tower Total				587	650		335	\$ 1,572.00		
Crown Tower	t0038903	6055			741			\$ 741.00	Tenant Requested	Personal Property Removal and Cleaning
	t0038903 Total				741			\$ 741.00		
Crown Tower Total					741			\$ 741.00		
Evans Tower	t0062561	2351	110		1200	860	3606	\$ 5,776.00	Evict-Nonpayment	8 month's rent and smoke repair, personal property removal
	t0062561 Total		110		1200	860	3606	\$ 5,776.00		
	t0067629	2319	35		180	700	1145	\$ 2,060.00	Tenant Requested	5 month's rent, personal property removal, cleaning
	t0067629 Total		35		180	700	1145	\$ 2,060.00		
	t0076798	2320	35		25	360	1175	\$ 1,595.00	Tenant Requested	3 month's rent, personal property removal, cleaning
	t0076798 Total		35		25	360	1175	\$ 1,595.00		
Evans Tower Total			180		1405	1920	5926	\$ 9,431.00		
Florence Tower	b006682	2665					50	\$ 50.00	Transfer	
	b006682 Total						50	\$ 50.00		
	t0030319	2685	105	700	60	126	2381	\$ 3,372.00	Tenant Requested	6 month's rent, legal fees, property removal
	t0030319 Total		105	700	60	126	2381	\$ 3,372.00		
	t0066852	2758	375			625	1135	\$ 2,135.00	Evict-30 Day Lease Violation	4 month's rent, personal property removal, cleaning
	t0066852 Total		375			625	1135	\$ 2,135.00		
	t0071316	2705			12540.42			\$ 12,540.42	Criminal Activity	Window Replacement , Biohazard Remediation \$5031.62, 6th floor hallway replacement \$6332.75, Drywall and repainting hallway \$ 1800.00
	t0071316 Total				12540.42			\$ 12,540.42		
	t0078884	2703			231			\$ 231.00	Death	
	t0078884 Total				231			\$ 231.00		
Florence Tower Total			480	700	12831.42	751	3566	\$ 18,328.42		
Jackson Tower	t0038439	2918			390			\$ 390.00	Reason Unknown	
	t0038439 Total				390			\$ 390.00		
	t0088480	3028			41			\$ 41.00	Moved-No Notice	
	t0088480 Total				41			\$ 41.00		

Jackson Tower										
Total				431			\$	431.00		
5 month's rent, Damaged Door \$ 1200.00, Lock Set \$400.00, Trash Ou \$550.00, Key/Badge \$30.00, Smoke Detector \$75.00, Drywall Damage \$125.00, Unit Repairs \$1945.00										
KayJay Tower	t0045821	2221	209	4200	1571	\$	5,980.00	Moved-No Notice		
t0045821 Total			209	4200	1571	\$	5,980.00			
KayJay Tower										
Total			209	4200	1571	\$	5,980.00			
ParkVilla	t0085190	9254		445		\$	521.00	Tenant Requested		
t0085190 Total				445		\$	521.00			
ParkVilla Total				445		\$	521.00			
Park South										
Tower	t0086243	1966	245	140	3585	\$	3,970.00	Moved-No Notice	6 month's rent, cleaning	
t0086243 Total			245	140	3585	\$	3,970.00			
Park South										
Tower Total			245	140	3585	\$	3,970.00			
Pine Tower	t0077344	2512	245	350	519	2987	\$	4,101.00	Failed to Recertify	10 month's rent, personal property removal
t0077344 Total			245	350	519	2987	\$	4,101.00		
Pine Tower Total			245	350	519	2987	\$	4,101.00		
Scattered Site North										
East	t0008692	4047	105	350	1697.5	1593	\$	3,745.50	Evict-Nonpayment	4 month's rent, personal property removal, damages
t0008692 Total			105	350	1697.5	1593	\$	3,745.50		
	t0079631	1401	35		724	686	\$	1,445.00	Tenant Requested	1 month's rent, damages, cleaning
t0079631 Total			35		724	686	\$	1,445.00		
Scattered Site North East Total										
			140	350	2421.5	2279	\$	5,190.50		
Scattered Site North West										
West	t0080598	8088	105	350	1255.21	5380	\$	7,090.21	Evict	6 month's rent, carpet replacement, damages
t0080598 Total			105	350	1255.21	5380	\$	7,090.21		
Scattered Site North West Total										
			105	350	1255.21	5380	\$	7,090.21		
Southside Terrace										
	x0050933	62	35		56		\$	91.00	Moved to Section 8	
x0050933 Total			35		56		\$	91.00		
	x0064058	188				1250	\$	1,250.00	Transfer	one month's rent
		0188				1250	\$	1,250.00		
x0064058 Total						2500	\$	2,500.00		
Southside Terrace										
	x0073650	144	140			208	\$	348.00	Moved to Section 8	
x0073650 Total			140			208	\$	348.00		
	z0073951	368				50	\$	50.00	Transfer	

Southside	z0073951 Total					50	\$	50.00				
Southside												
Terrace Total	175		56		2758	\$	2,989.00					
Total	\$	1,779.00	\$	2,337.00	\$	25,039.13	\$	2,727.00	\$	28,387.00	\$	60,345.13

5.2.1.2. Resolution 2025-39 Employee Benefits Insurance Brokerage

Memorandum



To: The Board of Commissioners
From: Charles Karl, Capital Improvements Director
Date: June 5th, 2025
Re: Recommendation for Contract – Employee Benefits Insurance Brokerage

RECOMMENDED ACTION:

The Housing Authority of the City of Omaha (hereinafter “OHA”) staff recommends the OHA Board of Commissioners approve a contract with INSPRO / Marsh McLennan to provide employee benefits insurance brokerage services. The contract term will be a 12-month initial period with OHA reserving the right to renew for four additional 12-month periods with Board of Commissioner approval.

EXPLANATION:

Due to the scope and complexity of employee benefits, OHA utilizes an insurance broker as an intermediary to optimize services and coverages, reduce costs, improve claims management, and provide logistical support for human resources functions related to benefits.

METHOD OF PROCUREMENT:

OHA invited qualified firms to submit proposals for the scope of work. The Request for Proposal (RFP) was publicly advertised in The Daily Record on February 7th, 2025. A pre-proposal conference was held on February 13th, 2025. OHA received four proposals prior to the RFP deadline. A committee of OHA staff members evaluated the responses in terms of qualifications, approach, and experience, and also conducted an in-person interview with all proposing firms. INSPRO’s proposal scored the highest on a 0-100 scale.

INSPRO	HUB International	Alliant, Inc.	Gallagher, Inc.
96.67	94.00	90.67	69.67

PROJECT COST:

OHA pays the cost of the employee benefits premiums. The total cost in 2024 was approximately \$2,806,000. The broker earns a standard commission that is determined and paid by the insurance carrier. OHA does not pay the broker commission.

MBE/WBE & SECTION 3: N/A

SOURCE OF FUNDS: OHA operating budget

SPONSOR(S): Charles Karl, Capital Improvements Director
Latina Jackson, Human Resources Director
Shannon Mahnke, COO

RECOMMENDED BY: Joanie Balk, CEO

RESOLUTION NO. 2025 – 39
CONTRACT FOR EMPLOYEE BENEFITS INSURANCE
BROKERAGE

WHEREAS, the Housing Authority of the City of Omaha (OHA) wishes to provide employee benefits insurance brokerage services;

WHEREAS, OHA conducted a public procurement process in accord with HUD regulations and OHA policies, issuing a Request for Proposals in February 2025;

WHEREAS, OHA received four proposals, and the proposal submitted by INSPRO received the strongest evaluation according to the published criteria; and

WHEREAS, staff recommends that the OHA Board of Commissioners approve a contract with INSPRO, for a contract term of one year with an option to renew for four additional one-year terms, to provide employee benefits insurance brokerage services;

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Housing Authority of the City of Omaha hereby approves a contract with INSPRO, for a contract term of one year with an option to renew for four additional one-year terms, to provide employee benefits insurance brokerage services.

David Levy, Chairman
OHA Board of Commissioners

ATTEST

I, Joanie Balk, Secretary of the Housing Authority of the City of Omaha, do hereby certify that this resolution was properly adopted at the meeting of the Board of Commissioners of the Housing Authority of the City of Omaha held June 5, 2025.

Joanie Balk, Secretary

5.2.1.3. Resolution 2025-40 Property & Casualty Insurance Brokerage

Memorandum



To: The Board of Commissioners
From: Charles Karl, Capital Improvements Director
Date: June 5th, 2025
Re: Recommendation for Contract – Property and Casualty Insurance Brokerage

RECOMMENDED ACTION:

The Housing Authority of the City of Omaha (hereinafter “OHA”) staff recommends the OHA Board of Commissioners approve a contract with Alliant Insurance Services, Inc. to provide property and casualty insurance brokerage services. The contract term will be a 12-month initial period with OHA reserving the right to renew for four additional 12-month periods with Board of Commissioner approval.

EXPLANATION:

Due to the scope and complexity of agency property and casualty insurance needs, OHA utilizes an insurance broker as an intermediary to optimize services and coverages, reduce costs, and improve claims and policy management.

METHOD OF PROCUREMENT:

OHA invited qualified firms to submit proposals for the scope of work. The Request for Proposal (RFP) was publicly advertised in The Daily Record on February 3rd and February 10th, 2025. A pre-proposal conference was held on February 13th, 2025. OHA received three proposals prior to the RFP deadline. A committee of OHA staff members evaluated the proposals in terms of qualifications, approach, and experience. Alliant’s proposal scored the highest on a 0-100 scale.

Alliant, Inc.	Gallagher, Inc.	HUB International
96.33	85.67	75.00

PROJECT COST:

OHA pays the cost of the premiums for the policies bound through the broker. The total cost of premiums for these policies in 2024 was approximately \$780,000. The broker earns a standard commission that is determined and paid by the insurance carrier. OHA does not pay the broker commission.

MBE/WBE & SECTION 3: N/A

SOURCE OF FUNDS: OHA operating budget

SPONSOR(S): Charles Karl, Capital Improvements Director
Shannon Mahnke, COO

RECOMMENDED BY: Joanie Balk, CEO

RESOLUTION NO. 2025 – 40
CONTRACT FOR PROPERTY & CASUALTY INSURANCE
BROKERAGE

WHEREAS, the Housing Authority of the City of Omaha (OHA) wishes to provide property and casualty insurance brokerage services;

WHEREAS, OHA conducted a public procurement process in accord with HUD regulations and OHA policies, issuing a Request for Proposals in February 2025;

WHEREAS, OHA received three proposals, and the proposal submitted by Alliant, Inc. received the strongest evaluation according to the published criteria; and

WHEREAS, staff recommends that the OHA Board of Commissioners approve a contract with Alliant, Inc., for a contract term of one year with an option to renew for four additional one-year terms, to provide property and casualty insurance brokerage services;

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Housing Authority of the City of Omaha hereby approves a contract with Alliant, Inc., for a contract term of one year with an option to renew for four additional one-year terms, to provide property and casualty insurance brokerage services.

David Levy, Chairman
OHA Board of Commissioners

ATTEST

I, Joanie Balk, Secretary of the Housing Authority of the City of Omaha, do hereby certify that this resolution was properly adopted at the meeting of the Board of Commissioners of the Housing Authority of the City of Omaha held June 5, 2025.

Joanie Balk, Secretary

5.2.1.4. Resolution 2025-41 Interstate Power Systems, Contract Extension
& Increase

Memorandum



To: The OHA Board of Commissioners

From: Charles Karl, Capital Improvements Director

Date: June 5th, 2025

Re: Recommendation for Contract Extension and Increase

RECOMMENDED ACTION:

OHA staff recommends the OHA Board of Commissioners approve the following action regarding contract 23-GENERATOR-39 (generator maintenance and repair) with Interstate Power Systems, Inc.:

- Extension of the contract term for an additional 12 months
- Increase of the contract amount by \$50,000

PREVIOUS ACTION:

Action	Amount	Cumulative Amount	Renewals available	Expiration Date
Initial Term	\$40,000	\$80,000	3	06/25/2025

PROPOSED ACTION:

Action	Amount	Cumulative Amount	Renewals available	Expiration Date
Renewal 2	\$50,000	\$130,000	2	06/25/2026

PROJECT COST:

Company Name	Expended as of 05/22/2025
Interstate Power Systems, Inc.	\$79,901.59

METHOD OF PROCUREMENT: Renewal

SOURCE OF FUNDS: Generally, property operating funds
Capital grants for costly repairs

SPONSOR(S): Charles Karl, Capital Improvements Director
Sarah Notthorn, Director of Property Management

RECOMMENDED BY: Joanie Balk, CEO

RESOLUTION NO. 2025 – 41
CONTRACT RENEWAL, INCREASE AND EXTENSION FOR GENERATOR
MAINTENANCE AND REPAIRS

WHEREAS, the Omaha Housing Authority (OHA) currently has a contract with Interstate Power Systems, Inc. to provide generator maintenance and repairs;

WHEREAS, OHA's contract with Interstate Power Systems, Inc. was procured in 2023 for an amount not to exceed \$40,000, for a one-year term with the option to renew for four additional one-year terms;

WHEREAS, OHA staff recommends that the OHA Board of Commissioners approve a one-year renewal of the contract with Interstate Power Systems, Inc. with an increase of \$50,000 and a 12-month extension of OHA's contract to provide generator maintenance and repairs;

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Housing Authority of the City of Omaha hereby approves a one-year renewal of the contract with Interstate Power Systems, Inc. with an increase of \$50,000 and a 12-month extension of OHA's contract to provide generator maintenance and repairs.

David Levy, Chairman
OHA Board of Commissioners

ATTEST

I, Joanie Balk, Secretary of the Housing Authority of the City of Omaha, do hereby certify that this resolution was properly adopted at the meeting of the Board of Commissioners of the Housing Authority of the City of Omaha held June 5, 2025.

Joanie Balk, Secretary

5.2.1.5. Resolution 2025-42 ACOP Chapter 14 Revisions

Memorandum



To: OHA Board of Commissioners

From: Susan Gilroy, Director of Compliance

Date: June 5, 2025

Re: Revision to Admissions and Continued Occupancy Policies (ACOP)

RECOMMENDATION

Staff of the Housing Authority of the City of Omaha (OHA) recommends that the Board of Commissioners approve revisions of OHA's Admissions and Continued Occupancy Policy (ACOP) Chapter 14 Grievances and Appeals for the public housing program.

BACKGROUND

The ACOP is reviewed and updated at least annually. The ACOP was last fully updated in June 2023. OHA uses an ACOP policy template purchased from Nan McKay & Associates, which is considered an industry standard and reflects best practices.

As noted in red, ACOP Chapter 14 Grievances and Appeals has been updated with minor changes to match lease and current process.

- Part I Informal Hearings for Public Housing Applicants
 - Page 4 Conducting Remote Informal Hearings
 - Page 5 Informal Hearing Decision
- Part II Informal Hearings with Regard to Non-Citizens
 - Page 8 Hearing Decision
- Exhibit 14-1 Grievance Procedure
 - Page 20 Selecting the Hearing Officer
 - Page 21 Failure to Appear at the Hearing

Additional revisions will be made in upcoming board meetings to incorporate the remaining HOTMA provisions and policy updates in the rest of the ACOP chapters.

SUMMARY

The Housing Authority of the City of Omaha (hereinafter "OHA") Staff recommends that the Board of Commissioners approve the revisions to the Public Housing ACOP (Admissions and Continued Occupancy Policies).

SPONSORS: Susan Gilroy, Director of Compliance

RECOMMENDED BY: Joanie Balk, CEO

Chapter 14

GRIEVANCES AND APPEALS

INTRODUCTION

This chapter discusses grievances and appeals pertaining OHA actions or failures to act that adversely affect public housing applicants or residents. The policies are discussed in the following three parts:

Part I: Informal Hearings for Public Housing Applicants. This part outlines the requirements and procedures for informal hearings for public housing applicants.

Part II: Informal Hearings with Regard to Noncitizens. This part discusses informal hearings regarding citizenship status and where they differ from the requirements for general applicant and tenant grievances.

Part III: Grievance Procedures for Public Housing Residents. This part outlines the requirements and procedures for handling grievances for public housing residents.

Note that this chapter is not OHA's grievance procedure. The grievance procedure is a document separate from the ACOP. This chapter of the ACOP provides the policies that drive the grievance procedure. The grievance procedure is provided as Exhibit 14-1.

PART I: INFORMAL HEARINGS FOR PUBLIC HOUSING APPLICANTS

14-I.A. OVERVIEW

When OHA makes a decision that has a negative impact on an applicant family, the family is often entitled to appeal the decision. For applicants, the appeal takes the form of an informal hearing. HUD regulations do not provide a structure for or requirements regarding informal hearings for applicants (except with regard to citizenship status, to be covered in Part II). This part discusses OHA policies necessary to respond to applicant appeals through the informal hearing process.

14-I.B. INFORMAL HEARING PROCESS [24 CFR 960.208(a) and PH Occ GB, p. 58]

Informal hearings are provided for public housing applicants. An applicant is someone who has applied for admission to the public housing program but is not yet a tenant in the program. Informal hearings are intended to provide a means for an applicant to dispute a determination of ineligibility for admission to a project [24 CFR 960.208(a)]. Applicants to public housing are not entitled to the same hearing process afforded tenants under the OHA grievance procedures [24 CFR 966.53(a) and PH Occ GB, p. 58].

Informal hearings provide applicants the opportunity to review the reasons for denial of admission and to present evidence to refute the grounds for denial.

Use of Informal Hearing Process

While OHA must offer the opportunity of an informal hearing to applicants who have been determined as ineligible for admission, the informal hearing process is also available to applicants who wish to dispute other OHA actions that adversely affect them, such as preferences.

Notice of Denial [24 CFR 960.208(a)]

OHA must give an applicant prompt notice of a decision denying eligibility for admission. The notice must contain a brief statement of the reasons for the decision and must also state that the applicant may request an informal hearing to dispute the decision. The notice must describe how to obtain the informal hearing. As applicable, OHA's notice of denial will include information about required or requested remote informal hearings.

When denying eligibility for admission, OHA must provide the family a notice of VAWA rights (form HUD-5380) as well as the HUD VAWA self-certification form (form HUD-5382) in accordance with the Violence against Women Act, and as outlined in 16-VII.C. The notice and self-certification form must accompany the written notification of the denial of eligibility determination.

Prior to notification of denial based on information obtained from criminal or sex offender registration records, the family, in some cases, must be given the opportunity to dispute the information in those records which would be the basis of the denial. See Section 3-III.G for details concerning this requirement.

Scheduling an Informal Hearing

A request for an informal hearing must be made in writing and delivered to the PHA either in person or by first class mail or email, by the close of the business day, no later than 10 business days from the date of OHA's notification of denial of admission. OHA will schedule and send written notice of the informal hearing within 10 business days of the family's request.

If the informal hearing will be conducted remotely, at the time the notice is sent to the family, the family will be informed:

- Regarding the processes involved in a remote informal hearing;
- That OHA will provide technical assistance prior to and during the informal hearing, if needed; and
- That if the family or any individual witness has any technological, resource, or accessibility barriers preventing them from fully accessing the remote informal hearing, the family may inform OHA and OHA will assist the family in either resolving the issues or allow the family to participate in an in-person informal hearing, as appropriate.

Conducting an Informal Hearing [PH Occ GB, p. 58]

The informal hearing will be conducted by a person other than the one who made or approved the decision under review, or a subordinate of this person. The applicant will be provided an opportunity to present written or oral objections to the decision of OHA. The person conducting the informal hearing will make a recommendation to OHA, but OHA is responsible for making the final decision as to whether admission should be granted or denied.

Remote Informal Hearings [Notice PIH 2020-32]

There is no requirement that informal hearings be conducted in-person, and as such, HUD allows PHAs to conduct all or a portion of their informal hearings remotely either over the phone, via video conferencing, or through other virtual platforms. If OHA chooses to conduct remote informal hearing, applicants may still request an in-person informal hearing, as applicable.

OHA has the sole discretion to require that informal hearings be conducted remotely in case of local, state, or national physical distancing orders, and in cases of inclement weather or natural disaster. In addition, OHA will conduct an informal hearing remotely upon request of the applicant as a reasonable accommodation for a person with a disability, if an applicant does not have child care or transportation that would enable them to attend the informal hearing, or if the applicant believes an in-person informal hearing would create an undue health risk. OHA will consider other reasonable requests for a remote informal hearing on a case-by-case basis.

Ensuring Accessibility for Persons with Disabilities and LEP Individuals

As with in-person informal hearings, the platform for conducting remote informal hearings must be accessible to persons with disabilities and the informal hearing must be conducted in accordance with Section 504 and accessibility requirements. This includes ensuring any information, websites, emails, digital notifications, and other virtual platforms are accessible for persons with vision, hearing, and other disabilities. Further, providing effective communication in a digital context may require the use of individualized auxiliary aids or services, such as audio description, captioning, sign language and other types of interpreters, keyboard accessibility, accessible documents, screen reader support, and transcripts. Auxiliary aids or services must be provided in accessible formats, in a timely manner, and in such a way to protect the privacy and

independence of the individual. OHA may never request or require that individuals with disabilities provide their own auxiliary aids or services, including for remote informal hearings.

If no method of conducting a remote informal hearing is available that appropriately accommodates an individual's disability, OHA may not hold against the individual their inability to participate in the remote informal review, and OHA should consider whether postponing the remote informal hearing to a later date is appropriate or whether there is a suitable alternative.

Due to the individualized nature of disability, the appropriate auxiliary aid or service necessary, or reasonable accommodation, will depend on the specific circumstances and requirements.

As with in-person hearings, Limited English Proficiency (LEP) requirements also apply to remote informal hearings, including the use of interpretation services and document translation. See Chapter 2 for a more thorough discussion of accessibility and LEP requirements, all of which apply in the context of remote informal hearings.

Conducting Remote Informal Hearings [Notice PIH 2020-32]

OHA must ensure that the lack of technology or inability to use technology for remote informal hearings does not pose a disadvantage to families that may not be apparent to OHA. OHA should determine if these barriers exist prior to conducting the remote informal hearing and, if the family does not have the proper technology to fully participate, either postpone the informal hearing or provide an alternative means of access.

As with in-person informal hearings, OHA must provide all materials presented, whether paper or electronic, to the family prior to the remote informal hearing. The family must also be provided with an accessible means by which to transmit their own evidence.

OHA must ensure that the applicant has the right to hear and be heard. All OHA policies and processes for remote informal hearings will be conducted in accordance with due process requirements and will be in compliance with HUD regulations at 24 CFR 966.56 and the guidance for conducting remote hearings specified in Notice PIH 2020-32.

OHA will conduct remote informal hearings via a video conferencing platform, when available. If, after attempting to resolve any barriers, applicants are unable to adequately access the video conferencing platform at any point, or upon applicant request, the informal hearing will be conducted by telephone conferencing call-in. If the family is unable to adequately access the telephone conferencing call-in at any point, the remote informal hearing will be postponed, and an in-person alternative will be provided promptly within a reasonable time.

If requested by applicant family At least two business days prior to scheduling the remote hearing, OHA will provide the family with login information and/or conferencing call-in information and an electronic copy of all materials being presented via first class mail and/or email. The notice will advise the family of technological requirements for the hearing and request the family notify OHA of any known barriers. OHA will resolve any barriers using the guidance in Section 6 of Notice PIH 2020-32, including offering the family the opportunity to attend an in-person hearing.

If the informal hearing is to be conducted remotely, OHA will require the family to provide any documents directly relevant to the informal hearing at least 24 hours before the scheduled hearing through the mail, via email, or text. OHA will scan and email copies of these documents to OHA representative and to the person conducting the informal hearing the same day. Documents will be shared electronically whenever possible.

OHA will ensure that all electronic information stored or transmitted with respect to the informal hearing is secure, including protecting personally identifiable information (PII), and meets the requirements for accessibility for persons with disabilities and persons with LEP.

Informal Hearing Decision [PH Occ GB, p. 58]

OHA will notify the applicant of OHA's final decision, including a brief statement of the reasons for the final decision. In rendering a decision, OHA will evaluate the following matters:

- Whether or not the grounds for denial were stated factually in the notice
- The validity of grounds for denial of admission. If the grounds for denial are not specified in the regulations or in OHA policy, then the decision to deny assistance will be overturned. See Chapter 3 for a detailed discussion of the grounds for applicant denial.
- The validity of the evidence. OHA will evaluate whether the facts presented prove the grounds for denial of admission. If the facts prove that there are grounds for denial, and the denial is required by HUD, OHA will uphold the decision to deny admission.
- If the facts prove the grounds for denial, and the denial is discretionary, OHA will consider the recommendation of the person conducting the informal hearing in making the final decision whether to deny admission.

OHA will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed ~~and/or emailed, with return receipt requested,~~ within a reasonable time of the informal hearing, to the applicant and their representative, if any. If the informal hearing decision overturns the denial, processing for admission will resume. If the family fails to appear for their informal hearing, the denial of admission will stand and the family will be so notified.

Reasonable Accommodation for Persons with Disabilities [24 CFR 966.7]

Persons with disabilities may request reasonable accommodations to participate in the informal hearing process and OHA must consider such accommodations. OHA must also consider reasonable accommodation requests pertaining to the reasons for denial if related to the person's disability. See Chapter 2 for more detail pertaining to reasonable accommodation requests.

PART II: INFORMAL HEARINGS WITH REGARD TO NONCITIZENS

14-II.A. HEARING AND APPEAL PROVISIONS FOR NONCITIZENS [24 CFR 5.514]

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. These special hearings are referred to in the regulations as informal hearings, but the requirements for such hearings are different from the informal hearings used to deny applicants for reasons other than immigration status.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while an OHA hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or the OHA informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]

As discussed in Chapters 3 and 13, the notice of denial or termination of assistance for noncitizens must advise the family of any of the following that apply:

- That financial assistance will be denied or terminated and provide a brief explanation of the reasons for the proposed denial or termination of assistance.
- The family may be eligible for proration of assistance.
- In the case of a tenant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].
- That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.
- That the family has a right to request an informal hearing with OHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.
- For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

United States Citizenship and Immigration Services Appeal Process [24 CFR 5.514(e)]

When OHA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, OHA must notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide OHA with a copy of the written request for appeal and proof of mailing.

OHA will notify the family in writing of the results of the USCIS secondary verification within 10 business days of receiving the results. The family must provide OHA with a copy of the written request for appeal and proof of mailing within 10 business days of sending the request to the USCIS.

The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.

The USCIS will notify the family, with a copy to OHA, of its decision. When the USCIS notifies the PHA of the decision, OHA must notify the family of its right to request an informal hearing. OHA will send written notice to the family of its right to request an informal hearing within 10 business days of receiving notice of the USCIS decision regarding the family's immigration status.

Informal Hearing Procedures for Applicants [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, an applicant family may request that OHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the OHA notice of denial, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for applicant families are described below.

Informal Hearing Officer

OHA must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision.

Evidence

The family must be provided the opportunity to examine and copy at the family's expense, at a reasonable time in advance of the hearing, any documents in the possession of OHA pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.

The family will be allowed to copy any documents related to the hearing at no cost to the family. The family must request discovery of OHA documents no later than 12:00 p.m. on the business day prior to the hearing.

The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family must also be provided the opportunity to refute evidence relied upon by OHA, and to confront and cross-examine all witnesses on whose testimony or information OHA relies.

Representation and Interpretive Services

The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf.

The family is entitled to request an interpreter. OHA is obligated to provide a competent interpreter, free of charge, upon request. The family may also or instead provide its own interpreter, at the expense of the family.

Recording of the Hearing

The family is entitled to have the hearing recorded by audiotape. OHA may provide an audio recording, but will not provide a transcript of an audio taped informal hearing.

Hearing Decision

OHA must provide the family with a written notice **by mail and/or email** of the final decision, based solely on the facts presented at the hearing, within 14 calendar days of the date of the informal hearing. The notice must state the basis for the decision.

Retention of Documents [24 CFR 5.514(h)]

OHA must retain for a minimum of 5 years the following documents that may have been submitted to OHA by the family, or provided to OHA as part of the USCIS appeal or the PHA informal hearing process:

- The application for assistance
- The form completed by the family for income reexamination
- Photocopies of any original documents, including original USCIS documents
- The signed verification consent form
- The USCIS verification results
- The request for a USCIS appeal
- The final USCIS determination
- The request for an informal hearing
- The final informal hearing decision

Informal Hearing Procedures for Residents [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, a resident family may request that OHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the notice of termination, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for resident families whose tenancy is being terminated based on immigration status is the same as for any grievance under the grievance procedures for resident families found in Part III below.

PART III: GRIEVANCE PROCEDURES FOR PUBLIC HOUSING RESIDENTS

14-III.A. REQUIREMENTS [24 CFR 966.52]

OHA must have a grievance procedure in place through which residents of public housing are provided an opportunity to grieve any OHA action or failure to act involving the lease or OHA policies which adversely affect their rights, duties, welfare, or status. OHA must not only meet the minimal procedural due process requirements provided under the regulations but must also meet any additional requirements imposed by local, state or federal law.

The OHA grievance procedure will be incorporated by reference in the tenant lease. OHA must provide at least 30 days' notice to tenants and resident organizations setting forth proposed changes in the OHA grievance procedure and provide an opportunity to present written comments. Comments submitted must be considered by OHA before adoption of any changes to the grievance procedure by OHA.

Residents and resident organizations will have 30 calendar days from the date they are notified by OHA of any proposed changes in the OHA grievance procedure, to submit written comments to OHA. OHA must furnish a copy of the grievance procedure to each tenant and to resident organizations.

14-III.B. DEFINITIONS [24 CFR 966.53; 24 CFR 966.51(a)(2)(i)]

There are several terms used by HUD with regard to public housing grievance procedures, which take on specific meanings different from their common usage. These terms are as follows:

- **Grievance** – any dispute which a tenant may have with respect to OHA action or failure to act in accordance with the individual tenant's lease or OHA regulations which adversely affect the individual tenant's rights, duties, welfare or status
- **Complainant** – any tenant whose grievance is presented to OHA or at the project management office
- **Due Process Determination** – a determination by HUD that law of the jurisdiction requires that the tenant must be given the opportunity for a hearing in court which provides the basic elements of due process before eviction from the dwelling unit
- **Elements of Due Process** – an eviction action or a termination of tenancy in a state or local court in which the following procedural safeguards are required:
 - Adequate notice to the tenant of the grounds for terminating the tenancy and for eviction
 - Right of the tenant to be represented by counsel
 - Opportunity for the tenant to refute the evidence presented by OHA including the right to confront and cross-examine witnesses and to present any affirmative legal or equitable defense which the tenant may have
 - A decision on the merits
- **Hearing Officer** – an impartial person selected by OHA, other than the person who made or approved the decision under review, or a subordinate of that person. The individual or individuals do not need legal training.

- **Tenant** – the adult person (or persons) (other than a live-in aide)
 - Who resides in the unit, and who executed the lease with OHA as lessee of the dwelling unit, or, if no such person now resides in the unit,
 - Who resides in the unit, and who is the remaining head of household of the tenant family residing in the dwelling unit
- **Resident Organization** – includes a resident management corporation

14-III.C. APPLICABILITY [24 CFR 966.51]

Grievances could potentially address most aspects of OHA's operation. However, there are some situations for which the grievance procedure is not applicable.

The grievance procedure is applicable only to individual tenant issues relating to OHA. It is not applicable to disputes between tenants not involving OHA. Class grievances are not subject to the grievance procedure and the grievance procedure is not to be used as a forum for initiating or negotiating policy changes of OHA.

If HUD has issued a due process determination, OHA may exclude from OHA grievance procedure any grievance concerning a termination of tenancy or eviction that involves:

- Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises of other residents or employees of OHA;
- Any violent or drug-related criminal activity on or off such premises; or
- Any criminal activity that resulted in felony conviction of a household member

OHA may evict through the state/local judicial eviction procedures.

OHA will not offer grievance hearings for lease terminations involving criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises of other residents or employees of OHA, for violent or drug-related criminal activity on or off the premises, or for any criminal activity that resulted in felony conviction of a household member.

See Chapter 13 for related policies on the content of termination notices.

14-III.D. INFORMAL SETTLEMENT OF GRIEVANCE [24 CFR 966.54]

HUD regulations state that any grievance must be personally presented, either orally or in writing, to the OHA office or to the office of the housing development in which the complainant resides so that the grievance may be discussed informally and settled without a hearing.

OHA will accept requests for an informal settlement of a grievance either orally or in writing (including emailed requests), to the OHA office within 5 business days of the date of notice of the grievable event. After receipt of the request OHA will arrange a meeting with the tenant at a mutually agreeable time and confirm such meeting in writing to the tenant.

The informal settlement may be conducted remotely as required by OHA or may be conducted remotely upon consideration of the request of the tenant. See 14-III.G for information on how

and under what circumstances remote informal settlements may be conducted. If a tenant fails to attend the scheduled meeting without prior notice, OHA will reschedule the appointment only if the tenant can show good cause for failing to appear, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family.

HUD regulations require that a summary of such discussion will be prepared within a reasonable time and one copy will be given to the tenant and one retained in OHA's tenant file. The summary must specify the names of the participants, dates of meeting, the nature of the proposed disposition of the complaint and the specific reasons therefore and will specify the procedures by which a hearing may be obtained if the complainant is not satisfied.

14-III.E. PROCEDURES TO OBTAIN A HEARING

Requests for Hearing and Failure to Request

At the end of the informal hearing, the resident may request a formal grievance hearing. Otherwise, the resident must submit a written request (including emailed requests) for a grievance hearing to OHA within five business days of the tenant's receipt of the summary of the informal settlement.

If the complainant does not request a hearing, OHA's disposition of the grievance under the informal settlement process will become final. However, failure to request a hearing does not constitute a waiver by the complainant of the right to contest OHA's action in disposing of the complaint in an appropriate judicial proceeding.

Scheduling of Hearings [24 CFR 966.56(a)]

If the complainant has complied with all requirements for requesting a hearing as described above, a hearing must be scheduled by the hearing officer promptly for a time and place reasonably convenient to both the complainant and OHA. A written notification specifying the time, place and the procedures governing the hearing must be delivered to the complainant and the appropriate OHA official.

Within 10 business days of receiving a written request for a hearing, the hearing officer will schedule and send written notice of the hearing to both the complainant and OHA. If the OHA hearing will be conducted remotely, at the time the notice is sent to the family, the family will be notified:

- Regarding the processes involved in a remote grievance hearing;
- That OHA will provide technical assistance prior to and during the hearing, if needed; and
- That if the family or any individual witness has any technological, resource, or accessibility barriers, the family may inform OHA and OHA will assist the family in either resolving the issue or allow the family to participate in an in-person hearing, as appropriate.

The tenant may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict

which seriously affects the health, safety, or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, OHA may request documentation of the “good cause” prior to rescheduling the hearing.

Expedited Grievance Procedure [24 CFR 966.52(a)]

OHA will not offer expedited grievance procedures.

14-III.F. SELECTION OF HEARING OFFICER [24 CFR 966.53(e)]

The grievance hearing must be conducted by an impartial person or persons appointed by OHA, other than the person who made or approved the action under review, or a subordinate of such person.

OHAs must describe their policies for selection of a hearing officer in their lease forms. Changes to the public housing lease are subject to a 30-day comment period [24 CFR 966.4].

14-III.G. REMOTE HEARINGS [Notice PIH 2020-32]

There is no requirement that grievance hearings be conducted in-person, and as such, HUD allows PHAs to conduct all or a portion of their grievance hearings remotely either over the phone, via video conferencing, or through other virtual platforms. If OHA chooses to conduct remote grievance hearings, applicants may still request an in-person hearing, as applicable.

OHA has the sole discretion to require that hearings be conducted remotely in case of local, state, or national physical distancing orders, and in cases of inclement weather or natural disaster. In addition, OHA will conduct a hearing remotely upon request as a reasonable accommodation for a person with a disability, if a tenant does not have child care or transportation that would enable them to attend the hearing, or if the tenant believes an in-person hearing would create an undue health risk. OHA will consider other reasonable requests for a remote hearing on a case-by-case basis.

Discovery of Documents Before the Remote Hearing

Upon request, if the hearing will be conducted remotely, OHA will compile a hearing packet, consisting of all documents OHA intends to produce at the hearing. OHA will email copies of the hearing packet to the tenant, the tenant’s representatives, if any, and the hearing officer before the scheduled remote hearing. The original hearing packet will be in the possession of OHA representative and retained by OHA.

If the hearing is to be conducted remotely, OHA will require the resident to provide any documents directly relevant to the hearing before the scheduled hearing through the mail, via email, or text. The OHA will scan and email copies of these documents to the hearing officer and OHA representative the same day they are received. Documents will be shared electronically whenever possible.

Ensuring Accessibility for Persons with Disabilities and LEP Individuals

As with in-person grievance hearings, the platform for conducting remote grievance hearings must be accessible to persons with disabilities and the grievance hearings must be conducted in

accordance with Section 504 and accessibility requirements. This includes ensuring any information, websites, emails, digital notifications, and other virtual platforms are accessible for persons with vision, hearing, and other disabilities. Further, providing effective communication in a digital context may require the use of individualized auxiliary aids or services, such as audio description, captioning, sign language and other types of interpreters, keyboard accessibility, accessible documents, screen reader support, and transcripts. Auxiliary aids or services must be provided in accessible formats, in a timely manner, and in such a way to protect the privacy and independence of the individual. OHA may never request or require that individuals with disabilities provide their own auxiliary aids or services, including for remote grievance hearings.

If no method of conducting a remote grievance hearing is available that appropriately accommodates an individual's disability, OHA may not hold against the individual their inability to participate in the remote grievance hearing, and OHA should consider whether postponing the remote hearing to a later date is appropriate or whether there is a suitable alternative.

Due to the individualized nature of disability, the appropriate auxiliary aid or service necessary, or reasonable accommodation will depend on the specific circumstances and requirements.

As with in-person reviews, Limited English Proficiency (LEP) requirements also apply to remote grievance hearings, including the use of interpretation services and document translation. See Chapter 2 for a more thorough discussion of accessibility and LEP requirements, all of which apply in the context of remote grievance hearings.

Conducting Hearings Remotely

OHA must ensure that the lack of technology or inability to use technology for remote grievance hearings does not pose a disadvantage to families that may not be apparent to OHA. OHA should determine if these barriers exist prior to conducting the remote grievance hearing and, if the family does not have the proper technology to fully participate, either postpone the hearing or provide an alternative means of access.

As with in-person grievance hearings, OHA must provide all materials presented, whether paper or electronic, to the family prior to the remote grievance hearing. The family must also be provided with an accessible means by which to transmit their own evidence.

OHA's essential responsibility is to ensure grievance hearings meet the requirements of due process and comply with HUD regulations. Therefore, all OHA policies and processes for remote grievance hearings will be conducted in accordance with due process requirements and will be in compliance with HUD regulations at 24 CFR 966.56 and the guidance for conducting remote hearings specified in Notice PIH 2020-32.

OHA will conduct remote grievance hearings via a video conferencing platform, when available. If, after attempting to resolve any barriers, participants are unable to adequately access the video conferencing platform at any point, or upon request, the grievance hearing will be conducted by telephone conferencing call-in. If the family is unable to adequately access the telephone conferencing call-in at any point, the remote grievance hearing will be postponed, and an in-person alternative will be provided promptly within a reasonable time.

At least two business days prior to scheduling the remote hearing, OHA will provide the family with login information and/or conferencing call-in information and an electronic copy of all materials being presented via first class mail and/or email. The notice will advise the family of technological requirements for the hearing and request the family notify OHA of any known

barriers. OHA will resolve any barriers using the guidance in Section 6 of Notice PIH 2020-32, including offering the family the opportunity to attend an in-person hearing.

OHA will ensure that all electronic information stored or transmitted with respect to the grievance hearing is secure, including protecting personally identifiable information (PII), and meets the requirements for accessibility for persons with disabilities and persons with LEP.

14-III.H. PROCEDURES GOVERNING THE HEARING [24 CFR 966.56]

Rights of Complainant [24 CFR 966.56(b)]

The complainant will be afforded a fair hearing. This includes:

- The opportunity to examine before the grievance hearing any OHA documents, including records and regulations that are directly relevant to the hearing. The tenant must be allowed to copy any such document at the tenant's expense. If OHA does not make the document available for examination upon request by the complainant, OHA may not rely on such document at the grievance hearing. The tenant will be allowed to copy any documents related to the hearing at no cost to the family. There will be no charge for documents emailed by OHA. The family must request discovery of OHA documents prior to the hearing.
- The right to be represented by counsel or other person chosen to represent the tenant, and to have such person make statements on the tenant's behalf. Hearings may be attended by the following applicable persons:
 - OHA representatives and any witnesses for OHA
 - The tenant and any witnesses for the tenant
 - The tenant's counsel or other representative
 - Any other person approved by OHA as a reasonable accommodation for a person with a disability
- The right to a private hearing unless the complainant requests a public hearing.
- The right to present evidence and arguments in support of the tenant's complaint, to controvert evidence relied on by OHA or project management, and to confront and cross-examine all witnesses upon whose testimony or information OHA or project management relies.
- A decision based solely and exclusively upon the facts presented at the hearing.

Failure to Appear [24 CFR 966.56(c)]

If the tenant fails to appear and was unable to reschedule the hearing in advance, the tenant must contact OHA within 24 hours of the scheduled hearing date, excluding weekends and holidays. The hearing officer will reschedule the hearing only if the tenant can show good cause for the failure to appear, or it is needed as a reasonable accommodation for a person with disabilities. "Good cause" is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family.

If the complainant or OHA fails to appear at a scheduled hearing, the hearing officer may make a determination to postpone the hearing for no more than five business days or may make a

determination that the party has waived their right to a hearing. Both the complainant and OHA must be notified of the determination by the hearing officer: Provided, That a determination that the complainant has waived their right to a hearing will not constitute a waiver of any right the complainant may have to contest OHA's disposition of the grievance in an appropriate judicial proceeding.

General Procedures [24 CFR 966.56(d), (e)]

At the hearing, the complainant must first make a showing of an entitlement to the relief sought and thereafter OHA must sustain the burden of justifying the action or failure to act against which the complaint is directed [24 CFR 966.56(d)].

The hearing is conducted informally by the hearing officer. OHA and the tenant must be given the opportunity to present oral or documentary evidence pertinent to the facts and issues raised by the complaint, and to question any witnesses.

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.

- **Oral evidence:** the testimony of witnesses
- **Documentary evidence:** a writing which is relevant to the case, for example, a letter written to the PHA. Writings include all forms of recorded communication or representation, including letters, emails, words, pictures, sounds, videotapes or symbols or combinations thereof.
- **Demonstrative evidence:** Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.
- **Real evidence:** A tangible item relating directly to the case.
- *Hearsay Evidence* is evidence based not on a witness' personal knowledge. In and of itself, hearsay evidence carries no weight when making a finding of fact. The hearing officer may include hearsay evidence when considering their decision if it is corroborated by other evidence. Even though hearsay evidence is generally admissible in a hearing, the hearing officer will not base a hearing decision on hearsay alone unless there is clear probative value and credibility of the evidence, and the party seeking the change has met the burden of proof.

If OHA fails to comply with the discovery requirements (providing the tenant with the opportunity to examine OHA documents when requested prior to the grievance hearing), the hearing officer will refuse to admit such evidence.

The complainant or OHA may arrange, in advance and at the expense of the party making the arrangement, for a transcript of the hearing. Any interested party may purchase a copy of such transcript [24 CFR 966.56(e)]. If the complainant would like OHA to record the proceedings by audiotape, the request must be made to OHA prior to the hearing. OHA will consider that an audio tape recording of the proceedings is a transcript.

Accommodations of Persons with Disabilities [24 CFR 966.56(f)]

OHA must provide reasonable accommodation for persons with disabilities to participate in the hearing. Reasonable accommodation may include qualified sign language interpreters, readers,

accessible locations, or attendants. If the tenant is visually impaired, any notice to the tenant which is required in the grievance process must be in an accessible format. See Chapter 2 for a thorough discussion of the PHA's responsibilities pertaining to reasonable accommodation.

Limited English Proficiency (24 CFR 966.56(g))

OHA must comply with HUD's LEP Final Rule in providing language services throughout the grievance process.

14-III.I. DECISION OF THE HEARING OFFICER [24 CFR 966.57]

The hearing officer must issue a written decision, stating the reasons for the decision, within a reasonable time after the hearing. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing. A copy of the decision must be sent to the complainant and OHA. OHA must retain a copy of the decision in the tenant's folder. A log of all hearing officer decisions must also be maintained by OHA and made available for inspection by a prospective complainant, their representative, or the hearing officer [24 CFR 966.57(a)].

In rendering a decision, the hearing officer will consider the following matters:

OHA Notice to the Family: The hearing officer will determine if the reasons for OHA's decision are factually stated in the notice.

Discovery: The hearing officer will determine if the family was given the opportunity to examine any relevant documents in accordance with OHA policy.

OHA Evidence to Support the Decision: The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support OHA's conclusion.

Validity of Grounds for Termination of Tenancy (when applicable): The hearing officer will determine if the termination of tenancy is for one of the grounds specified in the HUD regulations and OHA policies. If the grounds for termination are not specified in the regulations or in compliance with OHA policies, then the decision of OHA will be overturned.

The hearing officer will issue a written decision to the family and OHA within a reasonable time after the hearing. The report will contain the following information: persons in attendance, reason for the hearing, and reasons for the hearing officer's decision.

Procedures for Further Hearing

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the action of OHA will take effect and another hearing will not be granted.

Final Decision [24 CFR 966.57(b)]

The decision of the hearing officer is binding on OHA which must take the action, or refrain from taking the action cited in the decision unless the OHA Board of Commissioners determines within a reasonable time:

- The grievance does not concern OHA action or failure to act in accordance with or involving the complainant's lease on OHA policies which adversely affect the complainant's rights, duties, welfare, or status; or
- The decision of the hearing officer is contrary to federal, state, or local law, HUD regulations or requirements of the annual contributions contract between HUD and OHA

When OHA considers the decision of the hearing officer to be invalid due to the reasons stated above, it will present the matter to the OHA Board of Commissioners. The Board has 30 calendar days to consider the decision. If the Board decides to reverse the hearing officer's decision, it must notify the complainant within 10 business days of this decision.

A decision by the hearing officer or Board of Commissioners in favor of OHA or which denies the relief requested by the complainant in whole or in part must not constitute a waiver of any rights, nor effect in any manner whatever, any rights the complainant may have to a subsequential or judicial review in court [24 CFR 966.57(c)].

EXHIBIT 14-1

GRIEVANCE PROCEDURE

I. Introduction

Public housing tenants have the right to request a grievance hearing for OHA action or failure to act in accordance with the tenant's lease.

Grievance procedures do not apply in the following circumstances:

- A. Disputes between tenants not involving OHA or class grievances [24 CFR 966.51(b)].
- B. The grievance procedure is not intended as a forum for initiating or negotiating policy changes between a group or groups of tenants and OHA's Board of Commissioners [24 CFR 966.51(b)].
- C. Any grievance concerning a termination of tenancy or eviction that involves:
 - i. Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises of other residents or employees of OHA;
 - ii. Any violent or drug-related criminal activity on or off such premises; or
 - iii. Any criminal activity that resulted in felony conviction of a household member [24 CFR 966.51(a)(2)].

II. Definitions [24 CFR 966.53]

- A. Grievance: Any dispute a tenant may have with respect to OHA action or failure to act in accordance with the individual tenant's lease or OHA regulations that adversely affects the individual tenant's rights, duties, welfare, or status.
- B. Complainant: Any tenant (as defined below) whose grievance is presented to OHA or at the project management office in accordance with the requirements presented in this procedure.
- C. Elements of due process: An eviction action or a termination of tenancy in a state or local court in which the following procedural safeguards are required:
 - i. Adequate notice to the tenant of the grounds for terminating the tenancy and for eviction
 - ii. Right of the tenant to be represented by counsel
 - iii. Opportunity for the tenant to refute the evidence presented by OHA, including the right to confront and cross-examine witnesses and to present any affirmative legal or equitable defense that the tenant may have
 - iv. A decision on the merits of the case
- D. Hearing officer: An impartial person or persons selected by OHA other than the person who made or approved the decision under review, or a subordinate of that person. Such individuals do not need legal training.
- E. Tenant: The adult person (or persons other than a live-in aide) who resides in the unit and who executed the lease with OHA as lessee of the dwelling unit, or if no such

person now resides in the unit, who resides in the unit and who is the remaining head of the household of the tenant family residing in the dwelling unit.

- F. Resident organization: An organization of residents, which also may include a resident management corporation.

III. Applicability of this grievance procedure [24 CFR 966.51]

This grievance procedure is incorporated by reference in all tenant dwelling leases and will be furnished to each tenant and all resident organizations [24 CFR 966.52 (b) and (d)].

Any changes proposed in this grievance procedure must provide for at least 30 days' notice to tenants and resident organizations, setting forth the proposed changes and providing an opportunity to present written comments. Comments will be considered by OHA before any revisions are made to the grievance procedure [24 CFR 966.52(c)].

IV. Informal settlement of a grievance [24 CFR 966.54]

Any grievance must be personally presented, either orally or in writing (including email), to OHA's central office or the management office of the development in which the complainant resides **within 5 days after the grievable event.**

As soon as the grievance request is received, it will be reviewed by OHA to ensure it meets the requirements for a grievance hearing. If the tenant is not entitled to a grievance, OHA will notify the tenant that they may instead seek judicial review and the procedures for requesting such a review [24 CFR 966.4(l)(3)(i)(C)(v)(B)]. Otherwise, the tenant will be contacted to arrange a mutually convenient time to meet so the grievance may be discussed informally and settled without a hearing. At the informal settlement, the tenant will present the grievance.

Following the informal discussion, OHA will prepare and either hand deliver, mail, or email to the tenant a summary of the discussion that must specify the names of the participants, the dates of meeting, the nature of the proposed disposition of the complaint, and the specific reasons therefore, and will specify the procedures by which a formal hearing under this procedure may be obtained if the complainant is not satisfied. A copy of this summary will also be placed in the tenant's file.

V. Formal grievance hearing

If the tenant is not satisfied with the outcome arrived at in the informal settlement, the tenant must submit a written request for a hearing to the management office of the development where the tenant resides **no later than five business days after the summary of the informal hearing is received.**

The written request must specify the reasons for the grievance and the action of relief sought from OHA

VI. Selecting the hearing officer

A grievance hearing will be conducted by a single impartial person appointed by OHA as described below:

- A. The hearing officer will be appointed directly by the **Chief Operating Officer executive director**.
- B. The hearing officer will be a staff member who did not make or approve the decision under review and who is not a subordinate of such persons. If the designated staff member (such as the program manager) was involved in the decision or is a subordinate of such person, an alternate hearing officer will be selected.

OHA's method for selecting a hearing officer will be inserted into the lease.

VII. Scheduling hearings [24 CFR 966.56(a)]

When a tenant submits a timely request for a grievance hearing, OHA will immediately appoint an impartial hearing officer to schedule the hearing.

Once the hearing officer has scheduled the hearing, the hearing officer will send written notice of the hearing to both the tenant and OHA. Notice to the tenant will be in writing, either personally delivered to the complainant, or sent by mail or email, **return receipt requested**. The written notice will specify the time, place, and procedures governing the hearing. If the hearing will be held remotely, OHA will also include information on the remote hearing process.

The tenant may request to reschedule a hearing on a one-time basis. Should the complainant need to reschedule a second time, they may do so for good cause, or if needed as a reasonable accommodation for a person with disabilities. *Good cause* is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date.

VIII. Procedures governing the hearing [24 CFR 966.56]

The hearing will be held before a hearing officer as described above in Section V. The complainant will be afforded a fair hearing, which will include:

- A. The opportunity to examine before the hearing any OHA documents, including records and regulations, that are directly relevant to the hearing.

The tenant is allowed to copy any such document at no cost to the tenant. If OHA does not make the document available for examination upon request by the complainant, OHA may not rely on such document at the grievance hearing.
- B. The right to be represented by counsel or other person chosen as the tenant's representative and to have such person make statements on the tenant's behalf.
- C. The right to a private hearing unless the complainant requests a public hearing.
- D. The right to present evidence and arguments in support of the tenant's complaint, to refute evidence relied on by OHA or project management, and to confront and cross-examine all witnesses upon whose testimony or information OHA or project management relies.
- E. A decision based solely and exclusively upon the fact presented at the hearing [24 CFR 966.56(b)].

The hearing is conducted informally by the hearing officer. OHA and the tenant must be given the opportunity to present oral or documentary evidence pertinent to the facts and issues raised by the complaint, and to question any witnesses.

The complainant or OHA may arrange in advance for a transcript of the hearing at the expense of the party making the arrangement. Any interested party may purchase a copy of the transcript [24 CFR 966.56(e)].

OHA must provide reasonable accommodation for persons with disabilities to participate in the hearing. Reasonable accommodation may include qualified sign language interpreters, readers, accessible locations, or attendants. If the tenant is visually impaired, any notice to the tenant that is required under this procedure must be in an accessible format [24 CFR 966.56(f)].

OHA must comply with HUD's requirements regarding limited English proficiency as specified in "Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons," issued January 22, 2007, and available at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/promotingfh/lep-faq.

IX. Remote Hearings

OHA has the authority to require that hearings be conducted remotely in certain situations.

X. Failure to appear at the hearing

If the tenant or OHA fails to appear at the hearing, the hearing officer may make a determination to postpone the hearing **for no more than 5 (five) business days** or make a determination that the complainant has waived their right to a hearing.

Both the complainant and OHA must be notified of the determination by the hearing officer. A determination that the complainant has waived their right to a hearing will not constitute a waiver of any right the complainant may have to contest OHA's disposition of the grievance in an appropriate judicial setting [24 CFR 966.56(c)].

XI. Decision of the hearing officer [24 CFR 966.57]

The hearing officer will prepare a written decision together with the reasons for the decision after the hearing. A copy of the decision will be sent to the complainant and OHA. OHA will retain a copy of the decision in the tenant's file.

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date before reaching a decision. If the family misses a deadline ordered by the hearing officer, the hearing officer will make a decision based on the evidence presented.

The decision of the hearing officer will be binding on OHA unless OHA's Board of Commissioners determines within a reasonable time and notifies the complainant of its determination that:

- A. The grievance does not concern OHA action or failure to act in accordance with or involving the complainant's lease or OHA regulations, which adversely affect the complainant's rights, duties, welfare, or status; or
- B. The decision of the hearing officer is contrary to applicable federal, state, or local law, HUD regulations, or requirements of the annual contributions contract (ACC) between HUD and OHA.

When OHA considers the decision of the hearing officer to be invalid due to either of the reasons stated above, it will present the matter to the OHA Board of Commissioners. The Board has 30 calendar days to consider the decision. If the Board decides to reverse the hearing officer's decision, it must notify the complainant in writing.

A decision by the hearing officer or Board of Commissioners in favor of OHA or which denies the relief requested by the complainant in whole or in part will not constitute a waiver of nor affect in any way the rights of the complainant to a trial or judicial review in any court proceedings, which may be brought in the matter later [24 CFR 966.57].

RESOLUTION NO. 2025 – 42
REVISIONS TO THE PUBLIC HOUSING ACOP

WHEREAS, staff of the Housing Authority of the City of Omaha (OHA) seeks to make revisions to specific policies in the Admissions and Continued Occupancy Policies (ACOP) for the public housing program;

WHEREAS, the revisions proposed in this Resolution include Chapter 14 (Grievances and Appeals) for the public housing program;

WHEREAS, the ACOP was fully updated in June 2023, additional revisions will be made in upcoming board meetings to incorporate the remaining HOTMA provisions and policy updates in the ACOP chapters;

WHEREAS, OHA staff recommends that the Board of Commissioners adopt the revised Chapter 14 of the Admissions and Continued Occupancy Policies;

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners hereby adopts the revised Chapter 14 of the Admissions and Continued Occupancy Policies.

David Levy, Chair
OHA Board of Commissioners

ATTEST

I, Joanie Balk, Assistant Secretary of the Housing Authority of the City of Omaha, do hereby certify that this resolution was properly adopted at the meeting of the Board of Commissioners of the Housing Authority of the City of Omaha held June 5, 2025.

Joanie Balk, Secretary
Housing Authority of the City of Omaha

5.2.1.6. Resolution 2025-43 Administrative Plan Changes

Chapter 1

OVERVIEW OF THE PROGRAM AND PLAN

INTRODUCTION

The PHA receives its funding for the Housing Choice Voucher (HCV) program from the Department of Housing and Urban Development. The PHA is not a federal department or agency. A public housing agency (PHA) is a governmental or public body, created and authorized by state law to develop and operate housing and housing programs for low-income families. The PHA enters into an Annual Contributions Contract with HUD to administer the program requirements on behalf of HUD. The PHA must ensure compliance with federal laws, regulations and notices and must establish policy and procedures to clarify federal requirements and to ensure consistency in program operation.

This chapter contains information about the PHA and its programs with emphasis on the HCV program. It also contains information about the purpose, intent and use of the plan and guide.

There are three parts to this chapter:

Part I: The Public Housing Agency (PHA). This part includes a description of the PHA, its jurisdiction, its programs, and its mission and intent.

Part II: The HCV Program. This part contains information about the Housing Choice Voucher program operation, roles and responsibilities, and partnerships.

Part III: The HCV Administrative Plan. This part discusses the purpose and organization of the plan and its revision requirements.

PART I: THE PHA

1-I.A. OVERVIEW

This part explains the origin of the PHA's creation and authorization, the general structure of the organization, and the relationship between the PHA Board and staff. **The Omaha Housing Authority (OHA) will be referred to as the Public Housing Authority (PHA) or simply as the PHA throughout the Administrative Plan.**

1-I.B. ORGANIZATION AND STRUCTURE OF THE PHA

The Section 8 tenant-based Housing Choice Voucher (HCV) assistance program is funded by the federal government and administered by the **Omaha Housing Authority (OHA) for the jurisdiction of Omaha, Ralston, Papillion, LaVista, Elkhorn and Millard, County of Douglas.**

The officials of a PHA are known as commissioners or, collectively, as the board of commissioners. Commissioners are appointed in accordance with state housing law and generally serve in the same capacity as the directors of a corporation, establishing policies under which the PHA conducts business, ensuring that policies are followed by PHA staff and ensuring that the PHA is successful in its mission. The board is responsible for preserving and expanding the agency's resources and assuring the agency's continued viability.

Formal actions of the PHA are taken through written resolutions, adopted by the board of commissioners and entered into the official records of the PHA.

The principal staff member of the PHA is the executive director (ED), hired and appointed by the board of commissioners. The executive director is directly responsible for carrying out the policies established by the board and is delegated the responsibility for hiring, training, and supervising the PHA staff in order to manage the day-to-day operations of the PHA. The executive director is responsible for ensuring compliance with federal and state laws and directives for the programs managed. In addition, the executive director's duties include budgeting and financial planning for the agency.

1-I.C. PHA MISSION

The purpose of a mission statement is to communicate the purpose of the agency to people inside and outside of the agency. It provides guiding direction for developing strategy, defining critical success factors, searching out key opportunities, making resource allocation choices, satisfying clients and stakeholders, and making decisions.

PHA Policy

The mission of the Housing Authority of the City of Omaha is to provide and sustain quality and safe affordable housing.

1-I.D. THE PHA'S PROGRAMS

The following programs are included under this administrative plan:

PHA Policy

The PHA's administrative plan is applicable to the operation of the Housing Choice Voucher program.

OHA administers the following specialized vouchers:

- Project-Based Vouchers
- Protection Vouchers
- Emergency Housing Vouchers
- Incremental Vouchers
- Fairshare Vouchers
- Moderate Rehabilitation
- Home Ownership
- VASH
- Mainstream.

In addition, the administrative plan addresses policies for the following special programs:

- Manufactured home (where the family owns the home and leases the space)
- Homeownership
- Assisted living with VASH

OHA also administers the Family Self-Sufficiency (FSS) Program and HCV policies do pertain to families who participate. FSS coordinators collaborate with public and private agencies, assisting program participants as they work to obtain self-sufficiency through goal-setting and economic independence. (Operations and guidelines for the FSS program are addressed in the FSS Action Plan.)

1-I.E. THE PHA'S COMMITMENT TO ETHICS AND SERVICE

As a public service agency, the PHA is committed to providing excellent service to HCV program participants, owners, and to the community. The PHA's standards include:

- Administer applicable federal and state laws and regulations to achieve high ratings in performance measurement indicators while maintaining efficiency in program operation to ensure fair and consistent treatment of clients served.
- Provide decent, safe, and sanitary housing – in compliance with program housing quality standards – for very low-income families while ensuring that family rents are fair, reasonable, and affordable.
- Encourage self-sufficiency of participant families and assist in the expansion of family opportunities which address educational, socio-economic, recreational and other human service's needs.
- Promote fair housing and the equal opportunity for very low-income families of all ethnic backgrounds to experience freedom of housing choice.
- Promote a housing program which maintains quality service and integrity while providing an incentive to private property owners to rent to very low-income families.
- Promote a market-driven housing program that will help qualified low-income families be successful in obtaining affordable housing and increase the supply of housing choices for such families.
- Create positive public awareness and expand the level of family, owner, and community support in accomplishing the PHA's mission.
- Attain and maintain a high level of standards and professionalism in day-to-day management of all program components.
- Administer an efficient, high-performing agency through continuous improvement of the PHA's support systems and a high level of commitment to our employees and their development.

The PHA will make every effort to keep program participants informed of HCV program rules and regulations, and to advise participants of how the program rules affect them.

PART II: THE HOUSING CHOICE VOUCHER (HCV) PROGRAM

1-II.A. OVERVIEW AND HISTORY OF THE PROGRAM

The intent of this section is to provide the public and staff with information related to the operation of the program. There have been many changes to the program since its inception in 1974 and a brief history of the program will assist the reader to better understand the program.

The United States Housing Act of 1937 (the “Act”) is responsible for the birth of federal housing program initiatives. The Act was intended to provide financial assistance to states and cities for public works projects, slum clearance and the development of affordable housing developments for low-income residents.

The Housing and Community Development (HCD) Act of 1974 created a new federally assisted housing program – the Section 8 Existing program (also known as the Section 8 Certificate program). The HCD Act represented a significant shift in federal housing strategy from locally owned public housing to privately owned rental housing.

Under the Certificate program, federal housing assistance payments were made directly to private owners of rental housing, where this housing was made available to lower-income families. Eligible families were able to select housing in the private rental market. Assuming that the housing met certain basic physical standards of quality (“housing quality standards”) and was within certain HUD-established rent limitations (“fair market rents”), the family would be able to receive rental assistance in the housing unit. Family contribution to rent was generally set at 30 percent of the family’s adjusted income, with the remainder of the rent paid by the program.

Another unique feature of the Certificate program was that the rental assistance remained with the eligible family, if the family chose to move to another privately-owned rental unit that met program requirements (in contrast to the public housing program where the rental assistance remains with the unit, should the family decide to move). Consequently, the Certificate program was characterized as tenant-based assistance, rather than unit-based assistance.

The Housing and Community Development (HCD) Act of 1987 authorized a new version of tenant-based assistance – the Section 8 Voucher program. The Voucher program was very similar to the Certificate program in that eligible families were able to select housing in the private rental market and receive assistance in that housing unit.

However, the Voucher program permitted families more options in housing selection. Rental housing still had to meet the basic housing quality standards, but there was no fair market rent limitation on rent. In addition, family contribution to rent was not set at a limit of 30 percent of adjusted income. Consequently, depending on the actual rental cost of the unit selected, a family might pay more or less than 30 percent of their adjusted income for rent.

From 1987 through 1999, public housing agencies managed both the Certificate and Voucher tenant-based assistance programs, with separate rules and requirements for each. From 1994 through 1998, HUD published a series of new rules, known as “conforming” rules, to more closely combine and align the two similar housing programs, to the extent permitted by the law.

In 1998, the Quality Housing and Work Responsibility Act (QHWRA) – also known as the Public Housing Reform Act – was signed into law. QHWRA eliminated all statutory differences between the Certificate and Voucher tenant-based programs and required that the two programs be merged into a single tenant-based assistance program, now known as the Housing Choice Voucher (HCV) program.

The HCV program was modeled closely on the pre-merger Voucher program. However, unlike the pre-merger Voucher program, the HCV program requires an assisted family to pay at least 30 percent of adjusted income for rent.

The transition of assistance from the Certificate and Voucher programs to the new HCV program began in October 1999. By October 2001, all families receiving tenant-based assistance were converted to the HCV program.

On July 29, 2016, the Housing Opportunity Through Modernization Act of 2016 (HOTMA) was signed into law. HOTMA made numerous changes to statutes governing HUD programs, including sections of the United States Housing Act of 1937. Title I of HOTMA contains 14 different sections that impact the public housing and Section 8 programs.

- The Final Rule implementing broad changes to income and assets in Sections 102 and 104 of HOTMA, and for PHAs that administer the public housing program over-income provisions in Section 103, was officially published in the *Federal Register* on February 14, 2023. On September 29, 2023, HUD issued notice PIH 2023-27, which provided guidance to PHAs on the implementation of the program changes described in the Final Rule. HUD issued a revised version of the notice on February 2, 2024.
- The Final Rule implementing streamlining changes to the HCV and PBV programs was published on May 7, 2024, and codified certain provisions in Sections 101, 105, 106, and 112 of HOTMA as well as incorporating changes from the NSPIRE final rule.

1-II.B. HCV PROGRAM BASICS

The purpose of the HCV program is to provide rental assistance to eligible families. The rules and regulations of the HCV program are determined by the U.S. Department of Housing and Urban Development. The PHA is afforded choices in the operation of the program which are included in the PHA's-administrative plan, a document approved by the board of commissioners of the PHA.

The HCV program offers mobility to eligible families because they may search for suitable housing anywhere in the PHA's-jurisdiction and may also be eligible to move under portability to other PHAs' jurisdictions.

When a family is determined to be eligible for the program and funding is available, the PHA issues the family a housing voucher. When the family finds a suitable housing unit and funding is available, the PHA will enter into a contract with the owner and the family will enter into a lease with the owner. Each party makes their respective payment to the owner so that the owner receives full rent.

Even though the family is determined to be eligible for the program, the owner has the responsibility of approving the family as a suitable renter. The PHA continues to make payments to the owner as long as the family is eligible, and the housing unit continues to qualify under the program.

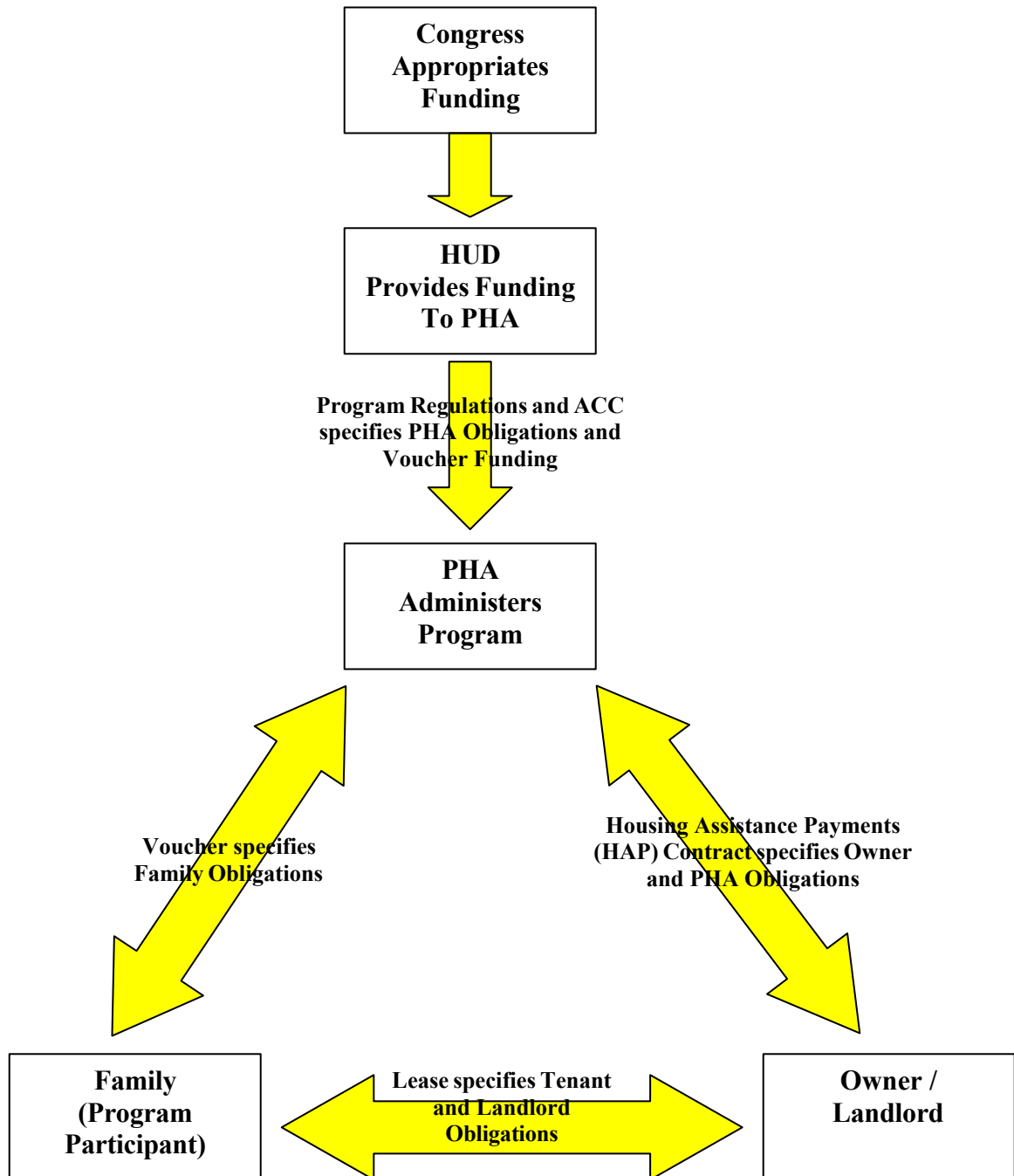
1-II.C. THE HCV PARTNERSHIPS

To administer the HCV program, the PHA enters into a contractual relationship with HUD (Consolidated Annual Contributions Contract). The PHA also enters into contractual relationships with the assisted family and the owner or landlord of the housing unit.

For the HCV program to work and be successful, all parties involved – HUD, the PHA, the owner, and the family – have important roles to play. The roles and responsibilities of all parties are defined in federal regulations and in legal documents that parties execute to participate in the program.

The chart on the following page illustrates key aspects of these relationships.

The HCV Relationships:



What Does HUD Do?

HUD has the following major responsibilities:

- Develop regulations, requirements, handbooks, notices and other guidance to implement HCV housing program legislation passed by Congress;
- Allocate HCV program funds to PHAs;
- Provide technical assistance to PHAs on interpreting and applying HCV program requirements;
- Monitor PHA compliance with HCV program requirements and PHA performance in program administration.

What Does the PHA Do?

The PHA administers the HCV program under contract with HUD and has the following major responsibilities:

- Establish local policies to administer the program;
- Review applications from interested applicants to determine whether they are eligible for the program;
- Maintain a waiting list and select families for admission;
- Issue vouchers to eligible families and provide information on how to lease a unit;
- Conduct outreach to owners, with special attention to owners outside areas of poverty or minority concentration;
- Approve the rental unit (including assuring compliance with housing quality standards and rent reasonableness), the owner, and the tenancy;
- Make housing assistance payments to the owner in a timely manner;
- Recertify families for continued eligibility under the program;
- Ensure that owners and families comply with their contractual obligations;
- Provide families and owners with prompt, professional service;
- Comply with all fair housing and equal opportunity requirements, HUD regulations and requirements, the Annual Contributions Contract, HUD-approved applications for funding, the PHA's administrative plan, and other applicable federal, state and local laws.

What Does the Owner Do?

The owner has the following major responsibilities:

- Screen families who apply for tenancy, to determine suitability as renters.
 - The PHA can provide some information to the owner, but the primary responsibility for tenant screening rests with the owner.
 - The owner should consider family background factors such as rent and bill-paying history, history of caring for property, respecting the rights of others to peaceful enjoyment of the property, compliance with essential conditions of tenancy, whether the family is engaging in drug-related criminal activity or other criminal activity that might threaten others.
- Comply with the terms of the Housing Assistance Payments contract executed with the PHA;
- Comply with all applicable fair housing laws and do not discriminate against anyone;
- **Maintain the housing unit in accordance with ~~National Standards for the Physical Inspection of Real Estate (NSPIRE)~~ minimum quality standards developed by HUD in accordance with 24 CFR 5.703 (including any variations approved by HUD for the PHA) and make necessary repairs in a timely manner;**
- Collect rent due from the assisted family and otherwise comply with and enforce provisions of the dwelling lease.

What Does the Family Do?

The family has the following responsibilities:

- Provide the PHA with complete and accurate information as determined by the PHA to be necessary for administration of the program;
- Make their best and most timely efforts to locate qualified and suitable housing;
- Attend all appointments scheduled by the PHA;
- Allow the PHA to inspect the unit at reasonable times and after reasonable notice;
- Take responsibility for care of the housing unit, including any violations of housing quality standards caused by the family;
- Comply with the terms of the lease with the owner;
- Comply with the family obligations of the voucher;
- Not commit serious or repeated violations of the lease;
- Not engage in drug-related or violent criminal activity;
- Notify the PHA and the owner before moving or terminating the lease;
- Use the assisted unit only for residence and as the sole residence of the family. Not sublet the unit, assign the lease, or have any interest in the unit;
- Promptly notify the PHA of any changes in family composition;
- Not commit fraud, bribery, or any other corrupt or criminal act in connection with any housing programs.

1-II.D. APPLICABLE REGULATIONS

Applicable regulations include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 35: Lead-Based Paint
- 24 CFR Part 100: The Fair Housing Act
- 24 CFR Part 982: Section 8 Tenant-Based Assistance: Housing Choice Voucher Program
- 24 CFR Part 983: Project-Based Vouchers
- 24 CFR Part 985: The Section 8 Management Assessment Program (SEMAP)

PART III: THE HCV ADMINISTRATIVE PLAN

1-III.A. OVERVIEW AND PURPOSE OF THE PLAN

The administrative plan is required by HUD. The purpose of the administrative plan is to establish policies for carrying out the programs in a manner consistent with HUD requirements and local goals and objectives contained in the PHA's agency plan. This administrative plan is a supporting document to the PHA-agency plan and is available for public review as required by CFR 24 Part 903.

This administrative plan is set forth to define the PHA's local policies for operation of the housing programs in accordance with federal laws and regulations. All issues related to the HCV program not addressed in this document are governed by such federal regulations, HUD handbooks and guidebooks, notices, and other applicable laws. The policies in this administrative plan have been designed to ensure compliance with the consolidated ACC and all HUD- approved applications for program funding.

The PHA is responsible for complying with all changes in HUD regulations pertaining to the HCV program. If such changes conflict with this plan, HUD regulations will have precedence.

Administration of the HCV program and the functions and responsibilities of PHA staff shall be in compliance with the PHA's personnel policy and HUD regulations as well as all federal, state and local fair housing laws and regulations.

1-III.B. CONTENTS OF THE PLAN [24 CFR 982.54]

The HUD regulations at 24 CFR 982.54 define the policies that must be included in the administrative plan. They are as follow:

- Selection and admission of applicants from the PHA waiting list, including any PHA admission preferences, procedures for removing applicant names from the waiting list, and procedures for closing and reopening the PHA waiting list (Chapter 4);
- Issuing or denying vouchers, including PHA policy governing the voucher term and any extensions of the voucher term. If the PHA decides to allow extensions of the voucher term, the PHA administrative plan must describe how the PHA determines whether to grant extensions, and how the PHA determines the length of any extension (Chapter 5);
- Any special rules for use of available funds when HUD provides funding to the PHA for a special purpose (e.g., desegregation), including funding for specified families or a specified category of families (Chapter 4);

- Occupancy policies, including definition of what group of persons may qualify as a 'family', definition of when a family is considered to be 'continuously assisted'; standards for denying admission or terminating assistance based on criminal activity or alcohol abuse in accordance with 982.553 (Chapters 3 and 12);
- Encouraging participation by owners of suitable units located outside areas of low income or minority concentration (Chapter 13);
- Assisting a family that claims that illegal discrimination has prevented the family from leasing a suitable unit (Chapter 2);
- Providing information about a family to prospective owners (Chapters 3 and 9);
- Disapproval of owners (Chapter 13);
- Subsidy standards (Chapter 5);
- Family absence from the dwelling unit (Chapter 12);
- How to determine who remains in the program if a family breaks up (Chapter 3);
- Informal review procedures for applicants (Chapter 16);
- Informal hearing procedures for participants (Chapter 16);
- The process for establishing and revising voucher payment standards ~~including policies on administering decreases in the payment standard during the HAP contract term~~ (Chapter 16);
- Policies on administering decreases and increases in the payment standard during the HAP contract term (Chapter 6);
- The method of determining that rent to the owner is a reasonable rent (initially and during the term of a HAP contract) (Chapter 8);
- Special policies concerning special housing types in the program (e.g., use of shared housing) (Chapter 15);
- Policies concerning payment by a family to the PHA or amounts the family owes the PHA (Chapter 16);
- Interim redeterminations of family income and composition (Chapter 11);
- Restrictions, if any, on the number of moves by a participant family (Chapter 10);
- Approval by the board of commissioners or other authorized officials to charge the administrative fee reserve (Chapter 16);
- Procedural guidelines and performance standards for conducting required housing quality standards inspections (Chapter 8); and
- PHA screening of applicants for family behavior or suitability for tenancy (Chapter 3).
- Policies governing the project-basing of vouchers in both the standard Project-Based Voucher (PBV) program (Chapter 17) and the RAD Project-Based Voucher program (Chapter 18); and
- Special policies governing any special purpose vouchers issued by the PHA (Chapter 19).

Mandatory vs. Discretionary Policy

HUD makes a distinction between:

- Mandatory policies: those driven by legislation, regulations, current handbooks, notices, and legal opinions, and
- Optional, non-binding guidance, including guidebooks, notices that have expired and recommendations from individual HUD staff.

HUD expects PHAs to adopt local policies and procedures that are consistent with mandatory policies in areas where HUD gives the PHA discretion. The PHA's administrative plan is the foundation of those policies and procedures. HUD's directions require PHAs to make policy choices that provide sufficient guidance to staff and ensure consistency to program applicants and participants.

Creating policies based upon HUD guidance is not mandatory but provides a PHA with a "safe harbor." HUD has already determined that the recommendations and suggestions it makes are consistent with mandatory policies. If a PHA adopts an alternative strategy, it must make its own determination that the alternative approach is consistent with legislation, regulations, and other mandatory requirements. There may be very good reasons for adopting a policy or procedure that is different than HUD's safe harbor, but PHAs should carefully think through those decisions.

1-III.C. ORGANIZATION OF THE PLAN

The plan is organized to provide information to users in particular areas of operation.

1-III.D. UPDATING AND REVISING THE PLAN

The PHA will revise this administrative plan as needed to comply with changes in HUD regulations. The original plan and any changes must be approved by the board of commissioners of the agency, the pertinent sections included in the Agency Plan, and a copy provided to HUD.

PHA Policy

The PHA will review and update the plan as needed, to reflect changes in regulations, PHA operations, or when needed to ensure staff consistency in operation.

Chapter 3 ELIGIBILITY

INTRODUCTION

The PHA is responsible for ensuring that every individual and family admitted to the HCV program meets all program eligibility requirements. This includes any individual approved to join the family after the family has been admitted to the program. The family must provide any information needed by the PHA to confirm eligibility and determine the level of the family's assistance.

The Omaha Housing Authority (OHA) will be referred to as the Public Housing Authority (PHA) or simply as the PHA throughout the Administrative Plan.

To be eligible for the HCV program:

- The applicant family must:
 - Qualify as a family as defined by HUD and the PHA.
 - Have income at or below HUD-specified income limits.
 - Qualify on the basis of citizenship or the eligible immigrant status of family members.
 - Provide social security number information for household members as required.
 - Consent to the PHA's collection and use of family information as provided for in PHA-provided consent forms.
 - Not currently be receiving a duplicative subsidy.
 - **Meet net asset and property ownership restriction requirements.**
- The PHA must determine that the current or past behavior of household members does not include activities that are prohibited by HUD or the PHA.

This chapter contains three parts:

Part I: Definitions of Family and Household Members. This part contains HUD and PHA definitions of family and household members and explains initial and ongoing eligibility issues related to these members.

Part II: Basic Eligibility Criteria. This part discusses income eligibility, and rules regarding citizenship, social security numbers, and family consent.

Part III: Denial of Assistance. This part covers factors related to an applicant's past or current conduct (e.g., criminal activity) that can cause the PHA to deny assistance as well as the asset limitation for HCV.

PART I: DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS

3-I.A. OVERVIEW

Some eligibility criteria and program rules vary depending upon the composition of the family requesting assistance. In addition, some requirements apply to the family as a whole and others apply to individual persons who will live in the assisted unit. This part provides information that is needed to correctly identify family and household members, and to apply HUD's eligibility rules.

3-I.B. FAMILY AND HOUSEHOLD [24 CFR 982.201(c); HUD-50058 IB, p. 13; FR Notice 02/03/12]

The terms *family* and *household* have different meanings in the HCV program.

Family

To be eligible for assistance, an applicant must qualify as a family. *Family* as defined by HUD includes, but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status, a single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person an otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42 U.S.C.675 (5)(H), and is homeless or at risk of becoming homeless at the age of 16 or older; or a group of persons residing together. ~~an otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care or will leave foster care within 90 days, in accordance with a transition plan described in section 475 (5)(H) of the Social Security Act (42 U.S.C.675 (5)(H), and is homeless or at risk of becoming homeless at the age 16 or older; or a group of persons residing together.~~

Such group includes but is not limited to a family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family), an elderly family, a near-elderly family, a disabled family, a displaced family, and the remaining member of a tenant family. The PHA has the discretion to determine if any other group of persons qualifies as a family.

Gender Identity means actual or perceived gender characteristics.

Sexual orientation means homosexuality, heterosexuality, or bisexuality.

PHA Policy

A family also includes two or more individuals who are not related by blood, marriage, adoption, or other operation of law but who either can demonstrate that they have lived together previously or certify that each individual's income and other resources will be available to meet the needs of the family.

Each family must identify the individuals to be included in the family at the time of application and must notify the PHA if the family's composition changes.

Upon the PHA's HOTMA 102/104 compliance date, the above definition of family will be amended to include: An otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan

Commented [TC1]: This is in the Nan McKay version now and the bottom paragraph is removed since HOTMA compliance for this is in effect.

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~~described in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older; or a group of persons residing together.~~

Household

Household is a broader term that includes additional people who, with OHA's permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.

3-I.C. FAMILY BREAK-UP AND REMAINING MEMBER OF TENANT FAMILY

Family Break-up [24 CFR 982.315; Notice PIH 2017-08]

Except under the following conditions, the PHA has discretion to determine which members of an assisted family continue to receive assistance if the family breaks up:

- If the family breakup results from an occurrence of domestic violence, dating violence, sexual assault, stalking, or human trafficking, the PHA must ensure that the victim retains assistance. (For documentation requirements and policies related to domestic violence, dating violence, sexual assault, stalking, and human trafficking, see section 16-IX.D of this plan.)
- In accordance with VASH vouchers, when the veteran is the perpetrator of domestic violence, dating violence, sexual assault, stalking, or human trafficking, the victim must continue to be assisted. Upon termination of the perpetrators' HUD-VASH voucher, the victim should be given a regular HCV if one is available, and the perpetrator's HUD-VASH voucher should be used to serve another eligible family. If a regular HCCBV is not available, the victim will continue to use the HUD-VASH voucher, which must be issued to another eligible family upon the voucher's turnover.
- If a court determines the disposition of property between members of the assisted family, the PHA is bound by the court's determination of which family members continue to receive assistance

PHA Policy

A split household results when a single household with more than one adult separates, and forms two or more smaller households. The PHA will permit split households [for purposes of relocation](#) upon written request, review and approval.

When a family on the [Housing Choice Voucher](#) waiting list breaks up into two otherwise eligible families, only one of the new families may retain the original application date. Other former family members may make a new application with a new application date if the waiting list is open.

[If a family breaks up into two otherwise eligible families while receiving assistance, only one of the new families will continue to be assisted.](#)

In the absence of a judicial decision, or an agreement among the original family members, The PHA will determine which family will retain their placement on the waiting list or continue to receive assistance. In making this determination the PHA will take into consideration the following factors: (1) the interest of any minor children, including custody arrangements; (2) the interest of any ill, elderly, or disabled family members, (3) the interest of any family member family member that is a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, including a family member who is forced to leave an assisted unit as a result of such actual or threatened abuse, and (4) any possible risks to family as a result of criminal activity; and (5) the recommendations of social service professionals.

Commented [TC3]: This is contradicted in the first paragraph.

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Remaining Member of a Tenant Family [24 CFR 5.403]

The HUD definition of family includes the *remaining member of a tenant family*, which is a member of an assisted family who remains in the unit when other members of the family have left the unit. Household members such as live-in aides, foster children, and foster adults do not qualify as remaining members of a family.

If dependents are the only “remaining members of a tenant family” and there is no family member able to assume the responsibilities of the head of household, see Chapter 6, Section 6-1.B, for the policy on “Caretakers for a Child.”

3-I.D. HEAD OF HOUSEHOLD [24 CFR 5.504(b)]

Head of household means the adult member of the family who is considered the head for purposes of determining income eligibility and rent. The head of household is responsible for ensuring that the family fulfills all of its responsibilities under the program, alone or in conjunction with a cohead or spouse.

PHA Policy

The family may designate any qualified family member as the head of household.

The head of household must have the legal capacity to enter into a lease under state and local law. A minor who is emancipated under state law may be designated as head of household.

3-I.E. SPOUSE, COHEAD, AND OTHER ADULT

A family may have a spouse or cohead, but not both [HUD-50058 IB, p. 13].

Spouse means the marriage partner of the head of household.

PHA Policy

A *marriage partner* includes the partner in a “common law” marriage as defined in state law. The term “spouse” does not apply to friends, roommates, or significant others who are not marriage partners. A minor who is emancipated under state law may be designated as a spouse.

A *cohead* is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one cohead.

PHA Policy

Minors who are emancipated under state law may be designated as a cohead.

Other adult means a family member, other than the head, spouse, or cohead, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults.

3-I.F. DEPENDENTS AND MINORS [24 CFR 5.603]

A *minor* is a member of the family, other than the head of family or spouse, who is under 18 years of age.

A *dependent* is a family member who is under 18 years of age or a person of any age who is a person with a disability or a full-time student, except that the following persons can never be dependents: the head of household, spouse, cohead, foster children/adults and live-in aides. Identifying each dependent in the family is important because each dependent qualifies the family for a deduction from annual income as described in Chapter 6.

Joint Custody of Dependents

PHA Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family 50 percent or more of the time.

When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, POHA will make the determination based on available documents such as court orders, or an IRS return showing which family has claimed the child for income tax purposes.

3-I.G. FULL-TIME STUDENT [24 CFR 5.603, HVC GB p. 5-29]

A *full-time student* (FTS) is a person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to be full-time is defined by the educational institution.

Identifying each FTS is important because (1) each family member that is an FTS, other than the head, spouse, or cohead, qualifies the family for a dependent deduction and (2) the earned income of such an FTS is treated differently from the income of other family members.

3-I.H. ELDERLY AND NEAR-ELDERLY PERSONS, AND ELDERLY FAMILY [24 CFR 5.100 and 5.403, FR Notice 02/03/12]

Elderly Persons

An *elderly person* is a person who is at least 62 years of age.

Near-Elderly Persons

A *near-elderly person* is a person who is 50 - 61 years of age.

Elderly Family

An *elderly family* is one in which the head, spouse, cohead, or sole member is an elderly person. Identifying elderly families is important because these families qualify for special deductions from income as described in Chapter 6.

3-I.I. PERSONS WITH DISABILITIES AND DISABLED FAMILY

[24 CFR 5.403, FR Notice 02/03/12]

Persons with Disabilities

Under the HCV program, special rules apply to persons with disabilities and to any family whose head, spouse, or cohead is a person with disabilities. The technical definitions of individual with handicaps and persons with disabilities are provided in Exhibit 3-1 at the end of this chapter. These definitions are used for a number of purposes including ensuring that persons with disabilities are not discriminated against based upon disability.

As discussed in Chapter 2, ~~OHA~~-PHA must make all aspects of the HCV program accessible to persons with disabilities and consider reasonable accommodations requested based upon a person's disability.

Disabled Family

A *disabled family* is one in which the head, spouse, or cohead is a person with disabilities. Identifying disabled families is important because these families qualify for special deductions from income as described in Chapter 6.

Even though persons with drug or alcohol dependencies are considered persons with disabilities, this does not prevent the PHA from denying assistance for reasons related to alcohol and drug abuse following policies found in Part III of this chapter, or from terminating assistance following the policies in Chapter 12.

3-I.J. GUESTS [24 CFR 5.100]

A *guest* is a person temporarily staying in the unit with the consent of a member of the household who has express or implied authority to so consent.

PHA Policy

A guest can remain in the assisted unit no longer than 30 consecutive days or a total of 90 cumulative calendar days during any 12-month period.

Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside of the assisted household more than 50 percent of the time, are not subject to the time limitations of guests as described above.

A family may request an exception to this policy for valid reasons (e.g., care of a relative recovering from a medical procedure is expected to last 40 consecutive days). An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.

3-I.K. FOSTER CHILDREN AND FOSTER ADULTS [24 CFR 5.603]

Prior to the PHA's HOTMA 102/104 compliance date, the following policy on foster children and foster adults will be used:

Foster adults are usually persons with disabilities, unrelated to the tenant family, who are unable to live alone [24 CFR 5.609].

The term *foster child* is not specifically defined by the regulations.

Foster children and foster adults who are living with an applicant or who have been approved by the PHA to live with a participant family are considered household members but not family members. The income of foster children/adults is not counted in family annual income, and foster children/adults do not qualify for a dependent deduction [24 CFR 5.603; HUD-50058 IB, p. 13].

PHA Policy

A *foster child* is a child that is in the legal guardianship or custody of a state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under some kind of short-term or long-term foster care arrangement with the custodial agency.

A foster child or foster adult may be allowed to reside in the unit if their presence would not result in a violation of HQS space standards according to 24 CFR 982.401.

Children that are temporarily absent from the home as a result of placement in foster care are discussed in Section 3-I.L.

Upon the PHA's HOTMA 102/104 compliance date, the following will replace the above section on foster children and foster adults:

A *foster adult* is a member of the household who is 18 years of age or older and meets the definition of a *foster adult* under state law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition, and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

A *foster child* is a member of the household who meets the definition of a *foster child* under state law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.

Foster children and foster adults who are living with an applicant or who have been approved by the PHA to live with a participant family are considered household members but not family members. The income of foster children/adults is not counted in family annual income, and foster children/adults do not qualify for a dependent deduction [24 CFR 5.603; HUD-50058 IB, p. 13].

PHA Policy

A foster child or foster adult may be allowed to reside in the unit if their presence would not result in a violation of space standards as described in Section 8-I.F. of this policy.

Children that are temporarily absent from the home as a result of placement in foster care are discussed in Section 3-I.L.

3-I.L. ABSENT FAMILY MEMBERS

Individuals may be absent from the family, either temporarily or permanently, for a variety of reasons including educational activities, placement in foster care, employment, illness, incarceration, and court order.

Definitions of Temporarily and Permanently Absent

PHA Policy

Generally, an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member.

Generally, an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

PHA Policy

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to the PHA indicating that the student has established a separate ~~household~~household, or the family declares that the student has established a separate household.

Absences Due to Placement in Foster Care [24 CFR 5.403]

Children temporarily absent from the home as a result of placement in foster care are considered members of the family.

PHA Policy

If a child has been placed in foster care, OHA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member.

Absent Head, Spouse, or Cohead

PHA Policy

An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment will not continue to be considered a family member.

Family Members Permanently Confined for Medical Reasons [HCV GB, p. 5-22]

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted [HCV GB, p. 5-22].

PHA Policy

An individual confined to a nursing home or hospital on a permanent basis is not considered a family member.

The PHA will request verification of the family member's permanent absence from a responsible medical professional. If the responsible medical professional cannot provide a determination, the person will be considered temporarily absent. If the family certifies that the family member is confined on a permanent basis, they may present, and ~~OHA~~ PHA will consider, any additional documentation or evidence.

Return of Permanently Absent Family Members

PHA Policy

The family must request PHA approval for the return of any adult family members that PHA previously determined to be permanently absent. The individual is subject to the eligibility and screening requirements discussed elsewhere in this chapter.

3-I.M. LIVE-IN AIDE

Live-in aide is a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who: (1) is determined to be essential to the care and well-being of the persons, (2) is not obligated for the support of the persons, and (3) would not be living in the unit except to provide the necessary supportive services [24 CFR 5.403].

~~OHA-PHA~~ must approve a live-in aide if needed as a reasonable accommodation in accordance with 24 CFR 8, to make the program accessible to and usable by the family member with disabilities.

The income of live-in-aide is not counted in the calculation of annual income for the family [24 CFR 5.609(b)]. Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. Because live-in aides are not *family* members, a relative who serves as a live-in aide would not be considered a remaining member of a tenant family.

PHA Policy

~~A family's request for a live-in aide must be made in writing. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker, that the live-in aide is essential for the care and well-being of the elderly, near-elderly, or disabled family member. For continued approval, the family must submit a new written request, subject to OHA verification, at each annual reexamination.~~

A family's request for a live-in aide may be made either orally or in writing. The PHA will verify the need for a live-in aide with a reliable, knowledgeable professional, such as a doctor, social worker, or case worker, unless the disability-related need is apparent or known to the PHA. For continued approval, the family may be required to submit a new, written request-subject to PHA verification at each annual reexamination.

In addition, the family and live-in aide will be required to submit a certification stating that the live-in aide is (1) not obligated for the support of the person(s) needing the care, and (2) would not be living in the unit except to provide the necessary supportive services.

The PHA will not approve a particular person as a live-in aide, and may withdraw such approval if [24 CFR 982.316(b)]:

The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;

The person commits drug-related criminal activity or violent criminal activity; or

The person currently owes rent or other amounts to ~~OHA-PHA~~ or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.

The PHA will notify the family of its decision in writing within 10 business days of receiving a request for a live-in aide, including all required documentation related to the request.

PART II: BASIC ELIGIBILITY CRITERIA

3-II.A. INCOME ELIGIBILITY AND TARGETING

Income Limits

HUD establishes income limits for all areas of the country and publishes them annually in the *Federal Register*. They are based upon estimates of median family income with adjustments for family size. The income limits are used to determine eligibility for the program and for income targeting purposes as discussed in this section.

Definition of Income Limits [24 CFR 5.603(b)]

Low-income family. A family whose annual income does not exceed 80 percent of the median income for the area, adjusted for family size.

Very low-income family. A family whose annual income does not exceed 50 percent of the median income for the area, adjusted for family size.

Extremely low-income family. A family whose annual income does not exceed 30 percent of the median income for the area, adjusted for family size.

Area median income is determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30, 50, or 80 percent of the median income for an area if HUD finds that such variations are necessary because of unusually high or low family incomes.

Using Income Limits for Eligibility [24 CFR 982.201 and Notice PIH 2023-27]

Income limits are used for eligibility only at admission. Income eligibility is determined by comparing the annual income of an applicant to the applicable income limit for their family size. Income and net family assets of household members are excluded when determining income eligibility; however, household members are considered for purposes of unit size and subsidy standards. In order to be income eligible, an applicant family must be one of the following:

- A *very low-income* family
- A *low-income* family that has been "continuously assisted" under the 1937 Housing Act. A family is considered to be continuously assisted if the family is already receiving assistance under any 1937 Housing Act program at the time the family is admitted to the HCV program [24 CFR 982.4; 24 CFR 982.201(b)]

PHA Policy

The PHA will consider a family to be continuously assisted if the family was leasing a unit under any 1937 Housing Act program at the time they were selected from the PHA's waiting list.

- A low-income family that qualifies for voucher assistance as a non-purchasing household living in HOPE 1 (public housing homeownership), HOPE 2 (multifamily housing homeownership) developments, or other HUD-assisted multifamily homeownership programs covered by 24 CFR 248.173

- A low-income or moderate-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract on eligible low-income housing as defined in 24 CFR 248.101.
- A low-income family is eligible for assistance under VASH [FR Notice 8/13/24]. See Chapter 19 of this policy for more information.

HUD permits the PHA to establish additional categories of low-income families that may be determined eligible. The additional categories must be consistent with the PHA plan and the consolidated plans for local governments within the PHA's jurisdiction.

PHA Policy

The PHA has not established any additional categories of eligible low-income families.

Using Income Limits for Targeting [24 CFR 982.201]

At least 75 percent of the families admitted to OHA's program during a OHA fiscal year must be extremely low-income families. HUD may approve exceptions to this requirement if OHA demonstrates that it has made all required efforts but has been unable to attract an adequate number of qualified extremely low-income families.

Families continuously assisted under the 1937 Housing Act and families living in eligible low-income housing that are displaced as a result of prepayment of a mortgage or voluntary termination of a mortgage insurance contract are not counted for income targeting purposes.

3-II.B. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5, Subpart E]

Housing assistance is available only to individuals who are U.S. citizens, U.S. nationals (herein referred to as citizens and nationals), or noncitizens that have eligible immigration status. At least one family member must be a citizen, national, or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance.

All applicant families must be notified of the requirement to submit evidence of their citizenship status when they apply. Where feasible, and in accordance with the PHA's Limited English Proficiency Plan, the notice must be in a language that is understood by the individual if the individual is not proficient in English.

Declaration [24 CFR 5.508]

HUD requires each family member to declare whether the individual is a citizen, a national, or an eligible noncitizen, except those members who elect not to contend that they have eligible immigration status. Those who elect not to contend their status are considered to be ineligible noncitizens. For citizens, nationals and eligible noncitizens the declaration must be signed personally by the head, spouse, cohead, and any other family member 18 or older, and by a parent or guardian for minors. The family must identify in writing any family members who elect not to contend their immigration status (see Ineligible Noncitizens below). No declaration is required for live-in aides, foster children, or foster adults.

U.S. Citizens and Nationals

In general, citizens and nationals are required to submit only a signed declaration that claims their status. However, HUD regulations permit the PHA to request additional documentation of their status, such as a passport.

PHA Policy

Family members who declare citizenship or national status will not be required to provide additional documentation unless the PHA receives information indicating that an individual's declaration may not be accurate.

Eligible Noncitizens

In addition to providing a signed declaration, those declaring eligible noncitizen status must sign a verification consent form and cooperate with PHA efforts to verify their immigration status as described in Chapter 7. The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

Lawful residents of the Marshall Islands, the Federated States of Micronesia, and Palau, together known as the Freely Associated States, or FAS, are eligible for housing assistance under section 141 of the Compacts of Free Association between the U.S. Government and the Governments of the FAS [Public Law 106-504].

Ineligible Noncitizens

Those noncitizens who do not wish to contend their immigration status are required to have their names listed on a noncontending family members listing, signed by the head, spouse, or cohead (regardless of citizenship status), indicating their ineligible immigration status. OHA is not required to verify a family member's ineligible status and is not required to report an individual's unlawful presence in the U.S. to the United States Citizenship and Immigration Services (USCIS).

Providing housing assistance to noncitizen students is prohibited [24 CFR 5.522]. This prohibition extends to the noncitizen spouse of a noncitizen student as well as to minor children who accompany or follow to join the noncitizen student. Such prohibition does not extend to the citizen spouse of a noncitizen student or to the children of the citizen spouse and noncitizen student. Such a family is eligible for prorated assistance as a mixed family.

Mixed Families

A family is eligible for assistance as long as at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered *mixed families*. Such families will be given notice that their assistance will be prorated, and that they may request a hearing if they contest this determination. See Chapter 6 for a discussion of how rents are prorated, and Chapter 16 for a discussion of informal hearing procedures.

Ineligible Families [24 CFR 5.514(d), (e), and (f)]

A PHA may elect to provide assistance to a family before the verification of the eligibility of the individual or one family member [24 CFR 5.512(b)]. Otherwise, no individual or family may be assisted prior to the affirmative establishment by OHA that the individual or at least one family member is eligible. Verification of eligibility for this purpose occurs when the individual or family members have submitted documentation to OHA in accordance with program requirements [24 CFR 5.512(a)].

PHA Policy

The PHA will not provide assistance to a family before the verification of at least one family member.

When a PHA determines that an applicant family does not include any citizens, nationals, or eligible noncitizens, following the verification process, the family will be sent a written notice within 10 business days of the determination.

The notice will explain the reasons for the denial of assistance, that the family may be eligible for proration of ~~assistance, and assistance and~~ will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS) or to request an informal hearing with the PHA. The informal hearing with the PHA may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process. The notice must also inform the applicant family that assistance may not be delayed until the conclusion of the USCIS appeal process, but that it may be delayed pending the completion of the informal hearing process.

Informal hearing procedures are contained in Chapter 16.

Timeframe for Determination of Citizenship Status [24 CFR 5.508(g)]

For new occupants joining the assisted family OHA must verify status at the first interim or regular reexamination following the person's occupancy, whichever comes first.

If an individual qualifies for a time extension for the submission of required documents, OHA must grant such an extension for no more than 30 days [24 CFR 5.508(h)].

Each family member is required to submit evidence of eligible status only one time during continuous occupancy.

PHA Policy

The PHA will verify the citizenship status of applicants at the time other eligibility factors are determined.

3-IL.C. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and 5.218, Notice PIH 2018-24]

The applicant and all members of the applicant's household must disclose the complete and accurate social security number (SSN) assigned to each household member, and the documentation necessary to verify each SSN. If a child under age 6 has been added to an applicant family within 6 months prior to voucher issuance, an otherwise eligible family may be admitted to the program and must disclose and document the child's SSN within 90 days of the effective date of the initial HAP contract. A detailed discussion of acceptable documentation is provided in Chapter 7.

Note: These requirements do not apply to noncitizens who do not contend eligible immigration status

~~In addition, each participant who has not previously disclosed an SSN has previously disclosed an SSN that HUD or the SSA determined was invalid or has been issued a new SSN must submit their complete and accurate SSN and documentation required to verify the SSN at the time of the next interim or annual reexamination or recertification. Participants aged 62 or older as of January 31, 2010, whose determination of eligibility was begun before January 31, 2010, are exempt from this requirement and remain exempt even if they move to a new assisted unit.~~

The PHA must deny assistance to an applicant family if they do not meet the SSN disclosure, and documentation and requirements contained in 24 CFR 5.216.

3-IL.D. 3-IL.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230, 24 CFR 5.232, and HCV GB, p. 5-13]

HUD requires each adult family member, and the head of household, spouse, or cohead, regardless of age, to sign form HUD-9886, Authorization for the Release of Information/Privacy Act Notice, the form HUD-52675 Debts Owed to Public Housing Agencies and Terminations, and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements. ~~The consent form remains effective until the family is denied assistance, assistance is terminated, or the family provides written notification to revoke consent.~~

The PHA must deny admission to the program if any member of the applicant family fails to sign and submit the consent forms for obtaining information in accordance with 24 CFR 5, Subparts B and F [24 CFR 982.552(b)(3) and 24 CFR 5.232(a)].

Upon the PHA's HOTMA 102/104 compliance date, the following on revocation of consent is added:

However, this does not apply if the applicant or participant, or any member of their family, revokes their consent with respect to the ability of the PHA to access financial records from financial institutions, unless the PHA establishes a policy that revocation of consent to access financial records will result in denial of admission or termination of assistance [24 CFR 5.232(c)].

PHA Policy

The PHA has established a policy that revocation of consent to access financial records will result in denial of admission.

3-III.E. STUDENTS ENROLLED IN INSTITUTIONS OF HIGHER EDUCATION [24 CFR 5.612 and FR Notice 4/10/06, FR Notice 9/21/16]

Section 327 of Public Law 109-115 and the implementing regulation at 24 CFR 5.612 established ~~new~~ restrictions on the eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education.

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, and does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the student's eligibility must be examined along with the income eligibility of the student's parents. In these cases, both the student and the student's parents must be income eligible for the student to receive HCV assistance. If, however, a student in these circumstances is determined independent from his/her parents in accordance with OHA policy, the income of the student's parents will not be considered in determining the student's eligibility.

The ~~new~~-law does not apply to students who reside with parents who are applying to receive HCV assistance. It is limited to students who are seeking assistance on their own, separately from their parents.

Definitions

In determining whether and how the ~~new~~-eligibility restrictions apply to a student, the PHA will rely on the following definitions [FR Notice 4/10/06, FR Notice 9/21/16]

Dependent Child

In the context of the student eligibility restrictions, *dependent child* means a dependent child of a student enrolled in an institution of higher education. The dependent child must also meet the definition of *dependent* in 24 CFR 5.603, which states that the dependent must be a member of the assisted family, other than the head of household or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student. Foster children and foster adults are not considered dependents.

Independent Student

PHA Policy

OHA will consider a student “independent” from his or her parents and the parents’ income will not be considered when determining the student’s eligibility if the following four criteria are all met:

- The individual is of legal contract age under state law.
- The individual has established a household separate from his/her parents for at least one year prior to application for occupancy or the individual meets the U.S. Department of Education’s definition of independent student.

To be considered an *independent student* according to the Department of Education, a student must meet one or more of the following criteria:

- The individual is at least 24 years old by December 31 of the award year for which aid is sought
- The individual is an orphan, in foster care or a ward of the court or was an orphan, in foster care or a ward of the court at any time when the individual was 13 years of age or older.
- The individual is, or was immediately prior to attaining the age of majority, an emancipated minor, or legal guardianship as determined by a court of competent jurisdiction in the individual state of legal residence.
- The individual is a veteran of the U.S. Armed Forces or is currently serving on active duty in the Armed Forces for than training purposes.
- The individual a graduate or professional student
- The individual is married
- The individual has one or more legal dependents other than a spouse (for example, dependent children or an elderly dependent parent

- The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth, or as an unaccompanied, at risk of homelessness and self-supporting by:
 - A local educational agency homeless liaison
 - The director of a program funded under subtitle B of title VI of the McKinney-Bento Homeless Assistance Act or a designee of the director.
 - A financial aid administrator
- The individual is a student for whom a financial aid administrator makes a documented determination of independence by reason of unusual circumstances.
- The individual was not claimed as a dependent by his/her parents pursuant to IRS regulations, as demonstrated on the parents' most recent tax forms.
- ~~as demonstrated on the parents' most recent tax forms.~~
- The individual provides a certification of the amount of financial assistance that will be provided by his/her parents. This certification must be signed by the individual providing the support and must be submitted even if no assistance is being provided.

If the PHA determines that an individual meets the definition of a *vulnerable youth*, such a determination is all that is necessary to determine that the person is an *independent student* for the purpose of using only the student's income for determining eligibility for assistance.

The PHA will verify that a student meets the above criteria in accordance with the policies in Section 7-II.E

Institution of Higher Education

The PHA will use the statutory definition under section 102 of the Higher Education Act of 1965 to determine whether a student is attending an *institution of higher education* (see Exhibit 3-2).

Parents

PHA Policy

For purposes of student eligibility restrictions, the definition of *parents* includes biological or adoptive parents, stepparents (as long as they are currently married to the biological or adoptive parent), and guardians (e.g., grandparents, aunt/uncle, godparents, etc).

Person with Disabilities

The PHA will use the statutory definition under section 3(b)(3)(E) of the 1937 Act to determine whether a student is a *person with disabilities* (see Exhibit 3-1)

Veteran

PHA Policy

A *veteran* is a person who served in the active military, naval, or air service and who was discharged or released from such service under conditions other than dishonorable.

Vulnerable Youth

PHA Policy

A *vulnerable youth* is individual who meets the U.S. Department of Education's definition of *independent student* in paragraphs (b), (c), or (h), as adopted in Section II of FR Notice 9/21/16:

- The individual is an orphan, in foster care, or a ward of the court, or was an orphan, in foster care, or ward of the court at any time when the individual was 13 years of age or older
- The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's state of legal residence
- The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth, or as unaccompanied, at risk of homelessness, and self-supporting by:

A local educational agency homeless liaison

The director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act or a designee of the director

A financial aid administrator

Determining Student Eligibility

If a student is applying for assistance on his/her own, apart from his/her parents, the PHA must determine whether the student is subject to the eligibility restrictions contained in 24 CFR 5.612. If the student is subject to those restrictions, the PHA must ensure that: (1) the student is individually eligible for the program, (2) either the student is independent from his/her parents or the student's parents are income eligible for the program, and (3) the "family" with which the student is applying is collectively eligible for the program.

PHA Policy

For any student who is subject to the 5.612 restrictions, the PHA will:

Follow its usual policies in determining whether the student individually and the student's "family" collectively are eligible for the program

Determine whether the student is independent from his/her parents in accordance with the definition of *independent student* in this section

Follow the policies below, if applicable, in determining whether the student's parents are income eligible for the program

If the PHA determines that the student, the student's parents (if applicable), or the student's "family" is not eligible, the PHA will send a notice of denial in accordance with the policies in Section 3-III.F, and the applicant family will have the right to request an informal review in accordance with the policies in Section 16-III.B.

Determining Parental Income Eligibility

PHA Policy

For any student who is subject to the 5.612 restrictions and who does not satisfy the definition of *independent student* in this section, the PHA will determine the income eligibility of the student's parents as follows:

If the student's parents are married and living together, the PHA will obtain a joint income declaration and certification of joint income from the parents.

If the student's parent is widowed or single, the PHA will obtain an income declaration and certification of income from that parent.

If the student's parents are divorced or separated, the PHA will obtain an income declaration and certification of income from each parent.

If the student has been living with one of ~~his/her~~*their* parents and has not had contact with or does not know where to contact ~~his/her~~*their* other parent, the PHA will require the student to submit a certification under penalty of perjury describing the circumstances and stating that the student does not receive financial assistance from the other parent. the PHA will then obtain an income declaration and certification of income from the parent with whom the student has been living or had contact.

In determining the income eligibility of the student's parents, the PHA will use the income limits for the jurisdiction in which the parents live.

3-II.F. EIV SYSTEM SEARCHES [EIV FAQs: EIV System Training 9/30/20; and Notice PIH 2023-27)]

Existing Tenant Search

Prior to admission to the program, the PHA must search for all household members using the EIV Existing Tenant Search module. The PHA must review the reports for any SSA matches involving another PHA or a multifamily entity and follow up on any issues identified. The PHA must provide the family with a copy of the Existing Tenant Search results if requested. At no time may any family member receive duplicative assistance.

If the tenant is a new admission to the PHA, and a match is identified at a multifamily property, the PHA must report the program admission date to the multifamily property and document the notification in the tenant file. The family must provide documentation of move-out from the assisted unit, as applicable.

PHA Policy

The PHA will contact the other PHA or owner identified in the report to confirm that the family has moved out of the unit and obtain documentation of current tenancy status, including a form HUD-50058 or 50059, as applicable, showing an end of participation. The PHA will only approve assistance contingent upon the move-out from the currently occupied assisted unit.

Debts Owed to PHAs and Terminations

All adult household members must sign the form HUD-52675 Debts Owed to Public Housing and Terminations. Prior to admission to the program, PHA must search for each adult family member in the Debts Owed to PHAs and Terminations module.

If a current or former tenant disputes the information in the module, the tenant should contact PHA or other PHA directly in writing to dispute the information and provide any documentation that supports the dispute. If PHA determines that the disputed information is incorrect, PHA will update or delete the record from EIV. Former tenants may dispute debt and termination information for a period of up to three years from the end of participation date in the program.

PHA Policy

The PHA will require each adult household member to sign the form HUD-52675 once at the eligibility determination. Any new members added to the household after admission will be required to sign the form HUD-52675 prior to being added to the household.

The PHA will search the Debts Owed to PHAs and Terminations module as part of the eligibility determination for new households and as part of the screening process for any household members added after the household is admitted to the program. If any information on debts or terminations is returned by the search, the PHA will determine if this information warrants a denial in accordance with the policies in Part III of this chapter.

Income and Income Validation Tool (IVT) Reports

For each new admission, OHA is required to review the EIV Income and IVT Reports to confirm and validate family reported income within 120 days of the IMS/PIC submission date of the new admission. OHA must print and maintain copies of the EIV Income and IVT reports in the tenant file

~~and resolve any discrepancies with the family within 60 days of the EIV Income or IVT report dates.~~

EIV Income Report

For each new admission, the PHA is required to review income information in EIV to confirm and validate family reported income within 120 days after the admission information is transmitted to HUD. The PHA must print and maintain copies of the reports in the tenant file and resolve any discrepancies with the family.

PART III: DENIAL OF ASSISTANCE

3-III.A. OVERVIEW

A family that does not meet the eligibility criteria discussed in Parts I and II, must be denied assistance. A PHA may deny assistance for an applicant because of the family's action or failure to act as described in 24 CFR 982.552 or 982.553. In this section we will discuss other situations and circumstances in which denial of assistance is mandatory for the PHA, and those in which denial of assistance is optional for the PHA.

~~In addition, HUD authorizes OHA to deny assistance based on certain types of current or past behaviors of family members. OHA is authorized to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the HCV program. This authority assists OHA in complying with HUD requirements and OHA policies to deny assistance to applicants who are engaging in or have engaged in certain criminal activities. In order to obtain access to the records, OHA must require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903]. All household members age 18 or older will be subject to a criminal background check. OHA may deny assistance based on its review of the criminal background check.~~

~~In this section we will discuss other situations and circumstances in which denial of assistance is mandatory for OHA, and those in which denial of assistance is optional for OHA. While the regulations state that the PHA must prohibit admission for certain types of criminal activity and give the PHA the option to deny for other types of previous criminal history, more recent HUD rules and OGC guidance must also be taken into consideration when determining whether a particular individual's criminal history merits denial of admission.~~

When considering any denial of admission, PHAs may not use arrest records as the basis for the denial. Further, HUD does not require the adoption of "One Strike" policies and reminds PHAs of their obligation to safeguard the due process rights of applicants and tenants [Notice PIH 2015-19].

HUD's Office of General Counsel issued a memo on April 4, 2016, regarding the application of Fair Housing Act standards to the use of criminal records. This memo states that a PHA violates the Fair Housing Act when their policy or practice has an unjustified discriminatory effect, even when the PHA had no intention to discriminate. Where a policy or practice that restricts admission based on criminal history has a disparate impact on a particular race, national origin, or other protected class, that policy or practice is in violation of the Fair Housing Act if it is not necessary to serve a substantial, legitimate, nondiscriminatory interest of the PHA, or if that interest could be served by another practice that has a less discriminatory effect [OGC Memo 4/4/16]. HUD codified this stance on disparate impact and discriminatory effects in a final rule dated March 31, 2023. In doing so, HUD also standardized its long-practiced three-step approach to assessing burdens of proof.

PHAs who impose blanket prohibitions on any person with any conviction record, no matter when the conviction occurred, what the underlying conduct entailed, or what the convicted person has done since then will be unable to show that such policy or practice is necessary to achieve a substantial, legitimate, nondiscriminatory interest. Even a PHA with a more tailored policy or practice that excludes individuals with only certain types of convictions must still prove that its policy is necessary. To do this, the PHA must show that its policy accurately distinguishes between criminal conduct that indicates a demonstrable risk to resident safety and property and criminal conduct that does not.

Forms of Denial [24 CFR 982.552(a)(2); HCV GB, p. 5-35]

Denial of assistance includes any of the following:

- Not placing the family's name on the waiting list
- Denying or withdrawing a voucher
- Not approving a request for tenancy or refusing to enter into a HAP contract
- Refusing to process a request for or to provide assistance under portability procedures.

**Prohibited Reasons for Denial of Program Assistance
[24 CFR 982.202(b), 24 CFR 5.2005 (B)]**

HUD rules prohibit denial of assistance to the program based on any of the following criteria:

- Age, disability, race, color, religion, sex, ~~or national origin~~ ~~familial status, sexual orientation, gender identity, or marital status.~~ (See Chapter 2 for additional information about fair housing and equal opportunity policies.)
- Where a family lives prior to admission to the program
- Where the family will live with assistance under the program. Although eligibility is not affected by where the family will live, there may be restrictions on the family's ability to move outside PHA's jurisdiction under portability (See Chapter 10)
- Whether members of the family are unwed parents, recipients of public assistance, or children born out of wedlock
- Whether the family includes children
- Whether a family decides to participate in a family self-sufficiency program
- Whether or not a qualified applicant is or has been a victim of domestic violence, dating violence sexual assault, stalking, or human trafficking if the applicant is otherwise qualified for assistance (See section 3-III.G.)

Commented [TC5]: This was not in the Nan McKay version

3-III.B. MANDATORY DENIAL OF ASSISTANCE [24 CFR 982.553(a) and 24 CFR 982.552(b)(6)]

HUD requires the PHA to deny assistance in the following cases:

- Any member of the household has been evicted from federally assisted housing in the last three years for drug-related criminal activity. HUD permits, but does not require, the PHA to admit an otherwise-eligible family if the household member has completed a PHA-approved drug rehabilitation program or the circumstances which led to eviction no longer exist (e.g., the person involved in the criminal activity no longer lives in the household).

PHA Policy

The PHA will admit an otherwise-eligible family who was evicted from federally assisted housing within the past three years for drug-related criminal activity if the PHA is able to verify that the household member who engaged in the criminal activity has completed a supervised drug rehabilitation program approved by the PHA, or the person who committed the crime is no longer living in the household.

- The PHA determines that any household member is currently engaged in the use of illegal drugs.

PHA Policy

Currently engaged in is defined as any use of illegal drugs during the previous three months.

- The PHA has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

PHA Policy

In determining reasonable cause, the PHA will consider all credible evidence, including but not limited to, any record of convictions, arrests, or evictions of household members related to the use of illegal drugs or the abuse of alcohol. A record or records of arrest will not be used as the sole basis of determining reasonable cause. The PHA will also consider evidence from treatment providers or community-based organizations providing services to household members.

PHA Policy

~~If any household member has even been convicted of drug-related criminal activity for the production or manufacturing of methamphetamine in any location, not just federally assisted housing, the family will be denied.~~

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

- Any household member is subject to a lifetime registration requirement under a state sex offender registration program.
- Any member of the family fails to sign and submit consent forms for obtaining information.
- The family does not meet the restrictions on net assets and real property ownership as required by 24 CFR 5.618.

Upon the PHA's HOTMA 102/104 compliance date, the following section on the asset limitation is added. The asset limitation does not apply until the PHA's HOTMA compliance date.

3-III.C. RESTRICTION ON ASSISTANCE BASED ON ASSETS [24 CFR 5.618]

There are two circumstances under which a family is ineligible to receive assistance based on asset ownership.

First, assistance may not be provided to any family if the family's net assets exceed the HUD-published asset limitation amount (adjusted annually by HUD).

- This amount is listed in HUD's current year Inflation-Adjusted Values tables
- \$100,000 for 2024, \$103,200 for 2025

Second, the family has real property that is suitable for occupancy by the family as a residence and the family has:

- A present ownership interest in the real property; and
- A legal right to reside in the real property; and
- The effective legal authority to sell (based on state or local laws of the jurisdiction where the property is located) the real property.

The PHA does not have the discretion not to enforce or provide limited enforcement of the asset limitation at admission. However, the real property restriction does not apply in the following circumstances:

- Any property for which the family is receiving assistance for a manufactured home under 24 CFR 982.620 or under the HCV Homeownership program;
- Any property that is jointly owned by a member of the family and at least one non-household member who does not live with the family, if the non-household member resides at the jointly owned property;
- Any family that is offering the property for sale; or
- Any person who is a victim of domestic violence, dating violence, sexual assault, or stalking.
 - When a family asks for an exception because a family member is a victim of domestic violence, dating violence, sexual assault, or stalking, the PHA must comply with all the confidentiality requirements under VAWA. The PHA must accept a self-certification from the family member, and the restrictions on requesting documentation under VAWA apply.

A property is considered suitable for occupancy unless the family demonstrates that it:

- Does not meet the disability-related needs for all members of the family (e.g., physical accessibility requirements, disability-related need for additional bedrooms, proximity to accessible transportation, etc.);

- Is not sufficient for the size of the family;

PHA Policy

The PHA defines *not sufficient for the size of the family* as being overcrowded based on space standards in Chapter 8 of this policy.

- Is geographically located so as to be a hardship for the family (e.g., the distance or commuting time between the property and the family's place of work or school would be a hardship to the family, as determined by the PHA or owner);

PHA Policy

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

- Is not safe to reside in because of the physical condition of the property (e.g., property's physical condition poses a risk to the family's health and safety and the condition of the property cannot be easily remedied); or
- Is not a property that a family may reside in under the state or local laws of the jurisdiction where the property is located.

If a family meets one of the above exceptions, the real property is not automatically excluded from the calculation of net family assets. Unless the real property is specifically excluded from net family assets as described in 24 CFR 5.603 and Chapter 6 of this policy, it will be included in net family assets. If the value of that real property brings the net family assets above the HUD-published asset limitation amount, the family is out of compliance with the asset limitation.

See Chapter 7 for information on verifying net family assets for purposes of the asset limitation.

3-III.D. OTHER PERMITTED REASONS FOR DENIAL OF ASSISTANCE

HUD permits, but does not require the PHA to deny assistance for the reasons discussed in this section.

Criminal Activity [24 CFR 982.553]

HUD permits, but does not require, the PHA to deny assistance if the PHA determines that any household member is currently engaged in or has engaged in during a reasonable time before the family would receive assistance, certain types of criminal activity.

PHA Policy

~~OHA may deny assistance to an applicant if OHA determines that any member of the applicant's household has engaged in the following criminal activity:~~

The PHA will ~~not~~ deny assistance if the PHA determines that any household member is currently engaged in or has engaged in the following types of criminal activity:

- *Drug-related criminal activity*, defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug [24 CFR 5.100].
- *Violent criminal activity*, defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage [24 CFR 5.100].
- Criminal activity that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity.

Immediate vicinity means within a three-block radius of the premises.

If any household member is currently engaged in or has engaged in any of the following criminal activities, within the past three years, the family will be denied assistance.

- Criminal sexual conduct, including but not limited to sexual assault, incest, open and gross lewdness, or child abuse; or
- Criminal activity that may threaten the health or safety of property owners and management staff, and persons performing contract administration functions or other responsibilities on behalf of the PHA (including a PHA employee or an OHA contractor, subcontractor, or agent).

Evidence of such criminal activity includes, but is not limited to:

- Any conviction for drug-related or violent criminal activity within the past three years.
- Records of arrests for drug-related or violent criminal activity within the past three years, although a record or records of arrest will not be used as the sole basis for the denial or proof that the applicant engaged in disqualifying criminal activity.

In making its decision to deny assistance, the PHA will consider the factors discussed in Section 3-III.F and 3-III.G. Upon consideration of such factors, ~~the PO~~OHA may, on a case-

by-case basis, decide not to deny assistance.

~~OHA's review of criminal background will consider crimes within the past five years but will take into account the age and severity of crimes. More serious crimes will have a longer look-back period and will be given greater weight. Less serious crimes will have a shorter look-back period and will be given less weight. OHA has established written Criminal Background Check Procedures that specify the look-back periods and weights accorded to specific crimes.~~

~~OHA's Criminal Background Check Procedures are provided to every applicant at the time they receive an application. OHA's Criminal Background Check Procedures are attached see Exhibit 3-3 at the end of this chapter.~~

Previous Behavior in Assisted Housing [24 CFR 982.552(c)]

HUD authorizes the PHA to deny assistance based on the family's previous behavior in assisted housing:

The PHA **will not** deny assistance to an otherwise eligible family because the family previously failed to meet its obligations under the Family Self-Sufficiency (FSS) program [24 CFR 982.552(c)]

PHA Policy

The PHA **will** deny assistance to an applicant family if:

- Any member of the family is withdrawn from the Section 8 wait list within the last 6 months.
- Any member of the family was terminated from the Section 8 program within the last 6 months.
- The family does not provide information that the PHA or HUD determines is necessary in the administration of the program.
- The family does not provide complete and true information to the PHA.
- Any family member has been evicted from federally assisted housing in the last three years.
- Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.
- The family owes rent or other amounts to any PHA in connection with Section 8 or other public housing assistance under the 1937 Act, unless the family repays the full amount of the debt prior to being selected from the waiting list.
- If the family has not reimbursed the PHA for any amounts the PHA paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease, unless the family repays the full amount of the debt prior to being selected from the waiting list.

The family has breached the terms of a repayment agreement entered into with the PHA, unless the family repays the full amount of the debt covered in the repayment agreement prior to being selected from the waiting list.

When denying admission due to family debts as shown in HUD's EIV system, the PHA will provide the family with a copy of the EIV Debt Owed to PHA and Termination report.

If the family wishes to dispute the information in the report, the family must contact the PHA that entered the information in EIV in writing, explaining why EIV information is disputed. The family must also provide a copy of the letter and all applicable verification to the PHA to support the family's claim. The PHA will consider the information provided by the family prior to issuing a notice of denial.

- A family member has engaged in or threatened violent or abusive behavior toward PHA personnel.

Abusive or violent behavior includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to deny assistance, the PHA will consider the factors discussed in Section 3-III.F and 3-III.G. Upon consideration of such factors, the PHA may, on a case-by-case basis, decide not to deny assistance.

3-III.E. SCREENING

Screening for Eligibility

The PHA is authorized to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the HCV program. This authority assists PHA in complying with HUD requirements and PHA policies to deny assistance to applicants who are engaging in or have engaged in certain criminal activities. In order to obtain access to the records, the PHA must require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903].

PHA Policy

The PHA will perform a criminal background check through local law enforcement for all household members aged 18 or older.

If the results of the criminal background check indicate that there may be past criminal activity, but the results are inconclusive, The PHA may deny assistance based on its review of the criminal background check. The PHA may also request a fingerprint card and information from the National Crime Information center (NCIC).

While a PHA has regulatory authority to use criminal conviction records for the purpose of applicant screening for admission, there is no corresponding authority to use these records to check for criminal and illegal drug activity by participants, and therefore, PHA's may not use records for this purpose.

PHAs are required to perform criminal background checks necessary to determine whether any household member is subject to a lifetime registration requirement under a state sex offender program in the state where the housing is located, as well as in any other state where a household member is known to have resided [24 CFR 982.553(a)(2)(i)].

PHA Policy

The PHA will use the Dru Sjodin National Sex Offender database to screen applicants for admission.

Additionally, PHAs must ask whether the applicant, or any member of the applicant's household, is subject to a lifetime registered sex offender registration requirement in any state [Notice PIH 2012-28].

If the PHA proposes to deny assistance based on a criminal record or on lifetime sex offender registration information, the PHA must notify the household of the proposed action and must provide the subject of the record and the applicant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to a denial of admission. [24 CFR 5.903(f) and 5.905(d)].

Screening for Suitability as a Tenant [24 CFR 982.307]

The PHA has no liability or responsibility to the owner for the family's behavior or suitability for tenancy. The PHA has the authority to conduct additional screening to determine whether an applicant is likely to be a suitable tenant.

PHA Policy

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

The owner is responsible for screening and selection of the family to occupy the owner's unit. The PHA must inform the owner that screening and selection for tenancy is the responsibility of the owner. An owner may consider a family's history with respect to factors such as: payment of rent and utilities, caring for a unit and premises, respecting the rights of other residents to the peaceful enjoyment of their housing, criminal activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy.

HUD requires the PHA to provide prospective owners with the family's current and prior address (as shown in PHA records) and the name and address (if known) of the owner at the family's current and prior addresses. HUD permits the PHA to provide owners with additional information, as long as families are notified that the information will be provided, and the same type of information is provided to all owners.

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

PHA Policy

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

3-III.F. CRITERIA FOR DECIDING TO DENY ASSISTANCE

Evidence [24 CFR 982.553(c)]

PHA Policy

The PHA will use the concept of the preponderance of the evidence as the standard for making all admission decisions.

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. Preponderance of the evidence is not determined by the number of witnesses or documents, but by the greater weight of all evidence.

Consideration of Circumstances [24 CFR 982.552(c)(2)]

HUD authorizes ~~the POHA~~ to consider all relevant circumstances when deciding whether to deny assistance based on a family's past history except in the situations for which denial of assistance is mandatory (see Section 3-III.B).

PHA Policy

~~In determining whether to deny or terminate assistance, OHA will consider all relevant circumstances such as:~~

The PHA will consider the following facts and circumstances prior to making its decision.

- The seriousness of the case, especially with respect to how it would affect other residents' safety or property
- The effects that denial of assistance may have on other members of the family who were not involved in the action or failure to act
- The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or (as discussed further in section 3-III.H) a victim of domestic violence, dating violence, sexual assault, stalking or human trafficking.
- The length of time since the violation occurred, including the age of the individual at the time of the conduct, as well as the family's recent history and the likelihood of favorable conduct in the future.
- In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully. ~~The POHA~~ will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

While a record or records of arrest will not be used as the sole basis for denial, an arrest may trigger an investigation to determine whether the applicant actually engaged in disqualifying criminal activity. As part of its investigation, the PHA may obtain the police report associated with the arrest and consider the reported circumstances of the arrest. The PHA may also consider:

- Any statements made by witnesses or the applicant not included in the police report
- Whether criminal charges were filed
- Whether, if filed, criminal charges were abandoned, dismissed, not prosecuted, or ultimately resulted in an acquittal
- Any other evidence relevant to determining whether or not the applicant engaged in disqualifying activity

Evidence of criminal conduct will be considered if it indicates a demonstrable risk to safety and/or property

In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully

The PHA will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

Removal of a Family Member's Name from the Application [24 CFR 982.552(c)(2)(ii)]

Should the PHA's screening process reveal that an applicant's household includes an individual subject to state lifetime registered sex offender registration; the PHA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the PHA must deny admission to the family [Notice PIH 2012-28].

For other criminal activity, the PHA may, at its discretion, permit the family to exclude the culpable family members as a condition of eligibility. [24 CFR 982.552(c)(2)(ii)].

PHA Policy

As a condition of receiving assistance, a family may agree to remove the culpable family member from the applications. In such instances, the head of household must certify that the family member will not be permitted to visit, stay as a guest, or reside in the assisted unit.

After admission to the program, the family must present evidence of the former family member's current address upon PHA request.

The application will be denied if the person to be removed is the spouse of the head of household.

The family must provide documentation satisfactory to the PHA demonstrating that the family member does not reside with the assisted family.

Reasonable Accommodation [24 CFR 982.552(c)(2)(iv) & 24 CFR Part 8]

If the family includes a person with disabilities, the PHA's decision concerning denial of admission is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

PHA Policy

~~OHA will determine whether alternative measures are appropriate as a reasonable accommodation.~~

If a family indicates that the behavior of a family member with a disability is the reason for the proposed denial of assistance, upon the family's request, the PHA will determine whether the behavior is related to the stated disability. If so, upon the family's request, the PHA will determine whether admitting the family as a reasonable accommodation is appropriate. The PHA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of assistance. See Chapter 2 for a discussion of reasonable accommodation.

3-III.F. NOTICE OF ELIGIBILITY OR DENIAL [24 CFR 982.554(a)]

If the family is eligible for assistance, [the PHA](#) will notify the family in writing and schedule [an applicant a-tenant](#) briefing, as discussed in Chapter 5.

If the PHA determines that a family is not eligible for the program for any reason, the family must be notified promptly. The notice must describe: (1) the reasons for which assistance has been denied, (2) the family's right to an informal review, and (3) the process for obtaining the informal review [24 CFR 982.554 (a)]. See Chapter 16, for informal policies and procedures.

PHA Policy

The family will be notified of a decision to deny assistance in writing within 10 business days of the determination.

~~OHA will provide written notice within 10 business days of the determination that includes:~~

- ~~• The reasons for which assistance has been denied.~~
- ~~• The family's right to an informal review, and the process for obtaining the informal review [24 CFR 982.554 (a)]. See Chapter 16, for informal review policies and procedures.~~
- ~~• HUD's VAWA forms: Notice of Occupancy Rights (HUD form 5380) and the VAWA self-certification form (HUD form 5382).~~

~~If the PHA uses a criminal record or sex offender registration information obtained under 24CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the PHA can move to deny the application. In addition, a copy of the record must be provided to the subject of the record [24 CFR 5.903(f) and 5.905(d)]. The PHA must give the family an opportunity to dispute the accuracy and relevance of that record, in the informal review process in accordance with program requirements. [24 CFR 982.553(d).~~

PHA Policy

~~If based on a criminal record or sex offender registration information, an applicant family appears to be ineligible, the PHA will notify the family in writing of the proposed denial and provide a copy of the record to the applicant and to the subject of the record. The family will be given 10 business days to dispute the accuracy and relevance of the information. If the family does not contact the PHA to dispute the information within the 10-day period, the PHA will proceed with issuing the notice of denial of admission. A family that does not exercise their right to dispute the accuracy of the information prior to issuance of the official denial letter will still be given the opportunity to do so as a part of the informal review process.~~

Notice requirements related to denying assistance to noncitizens are contained in Section 3-II.B.

Notice policies related to denying admission to applicants who may be victims of domestic violence, dating violence, sexual assault, stalking or human trafficking are contained in Section 3-III.H.

3-III.G. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, STALKING AND HUMAN TRAFFICKING

The Violence against Women Act ~~of 2013~~ (VAWA) and the HUD regulation at 24 CFR 5.2005(b) prohibit ~~PHAs from denying an applicant~~ ~~denial of~~ admission to the HCV program “on the basis ~~or as a direct result of the fact~~ that the applicant is or has been a victim of domestic violence, dating violence, sexual assault or stalking, if the applicant otherwise qualifies for assistance or admission.”

~~Section 16-IX of this plan contains OHA’s VAWA requirements and policies.~~

- Although the VAWA 2022 statute does not specifically include human trafficking in the list of victims protected under VAWA, in 2022, HUD began including human trafficking as part of the list of victims protected under VAWA (as seen in Notices PIH 2022-06, PIH 2022-22, and PIH 2022-24). In the absence of a final rule implementing VAWA 2022 and to mirror HUD’s recent usage, this policy includes human trafficking in addition to domestic violence, dating violence, sexual assault and stalking anywhere such a list appears.

Definitions of key terms used in VAWA are provided in section 16-IX of this plan, where general VAWA requirements and policies pertaining to notification, documentation, and confidentiality are also located.

Notification

~~VAWA 2013 expanded notification requirements to include the obligation for PHAs provide applicants who are denied assistance with a VAWA Notice of Occupancy Rights (HUD form 5380) and the domestic violence certification form (HUD-5382) at the time the applicant is denied. requires PHAs to provide applicants who are denied assistance with a VAWA Notice of Occupancy Rights (form HUD-5380) and a domestic violence certification form (HUD-5382) at the time the applicant is denied.~~

PHA Policy

The PHA acknowledges that a victim of domestic violence, dating violence, sexual assault, stalking or human trafficking may have an unfavorable history (e.g., a poor credit history, poor rental history, a record of previous damage to an apartment, a prior arrest record) due to adverse factors that would warrant denial under the PHA policies.

While the PHA is not required to identify whether adverse factors that resulted in the applicant’s denial are a result of domestic violence, dating violence, sexual assault, stalking, or human trafficking, the applicant may inform the PHA that their status as a victim is directly related to the grounds for the denial. The PHA will request that the applicant provide enough information to allow the PHA to make an objectively reasonable determination, based on all circumstances, whether the adverse factor is a direct result of their status as a victim.

The PHA will include in its notice of denial the VAWA information described in section 16-IX.C of this plan as well as including a copy of the form HUD-5382. The PHA will request in writing that an applicant wishing to claim protection under VAWA notify the OHA within 14 business days.

Documentation

Victim Documentation [24 CFR 5.2007]

PHA Policy

If an applicant claims the protection against denial of assistance that VAWA provides to victims of domestic violence, dating violence, sexual assault, stalking or human trafficking, OHA will request in writing that the applicant provide documentation supporting the claim in accordance with section 16-IX.D of this plan.

Perpetrator Documentation

PHA Policy

If the perpetrator of the abuse is a member of the applicant family, the applicant must provide additional documentation consisting of one of the following:

A signed statement (1) requesting that the perpetrator be removed from the application and (2) certifying that the perpetrator will not be permitted to visit or to stay as a guest in the assisted unit

Documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation or treatment. The documentation must be signed by an employee or agent of a domestic violence service provider or by a medical or other knowledgeable professional from whom the perpetrator has sought or is receiving assistance in addressing the abuse. The signer must attest under penalty of perjury to his or her belief that the rehabilitation was successfully completed or is progressing successfully. The victim and perpetrator must also sign or attest to the documentation.

Time Frame for Submitting Documentation

The applicant must submit the required documentation with her or his request for an informal review (see section 16-III.D) or must request an extension in writing at that time.

PHA Confidentiality Requirements [24 CFR 5.2007(a)(1)(v)]

All information provided to the PHA regarding domestic violence, dating violence, sexual assault or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence and may neither be entered into any shared database nor provided to any related entity, except to the extent that the disclosure (a) is requested or consented to by the individual in writing, (b) is required for use in an eviction proceeding, or (c) is otherwise required by applicable law.

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, the PHA will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

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EXHIBIT 3-1: DETAILED DEFINITIONS RELATED TO DISABILITIES

Person with Disabilities [24 CFR 5.403]

The term *person with disabilities* means a person who has any of the following types of conditions:

- Has a disability, as defined in 42 U.S.C. Section 423(d)(1)(A), which reads:

Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; *or*

In the case of an individual who has attained the age of 55 and is blind (within the meaning of “blindness” as defined in section 416(i)(1) of this title), inability by reason of such blindness to engage in substantial gainful activity, requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.
- Has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act of 2000 [42 U.S.C.15002(8)], which defines developmental disability in functional terms as follows:

(A) In General

The term “developmental disability” means a severe, chronic disability of an individual that:

- (i) is attributable to a mental or physical impairment or combination of mental and physical impairments;
- (ii) is manifested before the individual attains age 22;
- (iii) is likely to continue indefinitely;
- (iv) results in substantial functional limitations in 3 or more of the following areas of major life activity: (I) Self-care, (II) Receptive and expressive language, (III) Learning, (IV) Mobility, (V) Self-direction, (VI) Capacity for independent living, (VII) Economic self-sufficiency; and
- (v) reflects the individual’s need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

(B) Infants and Young Children

An individual from birth to age 9, inclusive, who has a substantial developmental delay or specific congenital or acquired condition, may be considered to have a developmental disability without meeting 3 or more of the criteria described in clauses (i) through (v) of subparagraph (A) if the individual, without services and supports, has a high probability of meeting those criteria later in life.

Has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live ~~independently,~~
~~and~~independently and is of such a nature that the ability to live independently could be improved by more suitable housing conditions.

- People with the acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS are not excluded from this definition.
- A person whose disability is based solely on any drug or alcohol dependence does not qualify as a person with disabilities for the purposes of this program.
- For purposes of reasonable accommodation and program accessibility for persons with disabilities, the term person with disabilities refers to an individual with handicaps.

Individual with Handicaps [24 CFR 8.3]

Individual with handicaps means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment. The term does not include any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents the individual from participating in the program or activity in question, or whose participation, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others. As used in this definition, the phrase:

- (1) Physical or mental impairment includes:
 - (a) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or
 - (b) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.
- (2) *Major life activities* means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.
- (3) Has a record of such an impairment means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.
- (4) *Is regarded as having an impairment* means:
 - (a) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by a recipient as constituting such a limitation;
 - (b) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment; or
 - (c) Has none of the impairments defined in paragraph (1) of this section but is treated by a recipient as having such an impairment.

EXHIBIT 3-2: DEFINITION OF INSTITUTION OF HIGHER EDUCATION
[20 U.S.C. 1001 and 1002]

Eligibility of Students for Assisted Housing Under Section 8 of the U.S. Housing Act of 1937; Supplementary Guidance; Notice [Federal Register, April 10, 2006]

Institution of Higher Education shall have the meaning given this term in the Higher Education Act of 1965 in 20 U.S.C. 1001 and 1002.

Definition of “Institution of Higher Education” From 20 U.S.C. 1001

- (a) Institution of higher education. For purposes of this chapter, other than subchapter IV and part C of subchapter I of chapter 34 of Title 42, the term “institution of higher education” means an educational institution in any State that
 - (1) Admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate;
 - (2) Is legally authorized within such State to provide a program of education beyond secondary education;
 - (3) Provides an educational program for which the institution awards a bachelor’s degree or provides not less than a 2-year program that is acceptable for full credit toward such a degree;
 - (4) Is a public or other nonprofit institution; and
 - (5) Is accredited by a nationally recognized accrediting agency or association, or if not so accredited, is an institution that has been granted pre-accreditation status by such an agency or association that has been recognized by the Secretary for the granting of pre-accreditation status, and the Secretary has determined that there is satisfactory assurance that the institution will meet the accreditation standards of such an agency or association within a reasonable time.
- (b) Additional institutions included. For purposes of this chapter, other than subchapter IV and part C of subchapter I of chapter 34 of Title 42, the term “institution of higher education” also includes—
 - (1) Any school that provides not less than a 1-year program of training to prepare students for gainful employment in a recognized occupation and that meets the provision of paragraphs (1), (2), (4), and (5) of subsection (a) of this section; and
 - (2) A public or nonprofit private educational institution in any State that, in lieu of the requirement in subsection (a)(1) of this section, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.
- (c) List of accrediting agencies. For purposes of this section and section 1002 of this title, the Secretary shall publish a list of nationally recognized accrediting agencies or associations that the Secretary determines, pursuant to subpart 2 of part G of subchapter IV of this chapter, to be reliable authority as to the quality of the education or training offered.

Definition of “Institution of Higher Education” From 20 U.S.C. 1002

- (a) Definition of institution of higher education for purposes of student assistance programs
 - (1) Inclusion of additional institutions. Subject to paragraphs (2) through (4) of this subsection, the term “institution of higher education” for purposes of subchapter IV of

this chapter and part C of subchapter I of chapter 34 of title 42 includes, in addition to the institutions covered by the definition in section 1001 of this title—

- (A) A proprietary institution of higher education (as defined in subsection (b) of this section);
- (B) A postsecondary vocational institution (as defined in subsection (c) of this section); and
- (C) Only for the purposes of part B of subchapter IV of this chapter, an institution outside the United States that is comparable to an institution of higher education as defined in section 1001 of this title and that has been approved by the Secretary for the purpose of part B of subchapter IV of this chapter.

(2) Institutions outside the United States

- (A) In general. For the purpose of qualifying as an institution under paragraph (1)(C), the Secretary shall establish criteria by regulation for the approval of institutions outside the United States and for the determination that such institutions are comparable to an institution of higher education as defined in section 1001 of this title (except that a graduate medical school, or a veterinary school, located outside the United States shall not be required to meet the requirements of section 1001 (a)(4) of this title). Such criteria shall include a requirement that a student attending such school outside the United States is ineligible for loans made, insured, or guaranteed under part B of subchapter IV of this chapter unless—

- (i) In the case of a graduate medical school located outside the United States—

- (I)(aa) At least 60 percent of those enrolled in, and at least 60 percent of the graduates of, the graduate medical school outside the United States were not persons described in section 1091(a)(5) of this title in the year preceding the year for which a student is seeking a loan under part B of subchapter IV of this chapter; and

- (bb) At least 60 percent of the individuals who were students or graduates of the graduate medical school outside the United States or Canada (both nationals of the United States and others) taking the examinations administered by the Educational Commission for Foreign Medical Graduates received a passing score in the year preceding the year for which a student is seeking a loan under part B of subchapter IV of this chapter; or

- (II) The institution has a clinical training program that was approved by a State as of January 1, 1992; or

- (ii) In the case of a veterinary school located outside the United States that does not meet the requirements of section 1001(a)(4) of this title, the institution's students complete their clinical training at an approved veterinary school located in the United States.

(B) Advisory panel

- (i) In general. For the purpose of qualifying as an institution under paragraph (1)(C) of this subsection, the Secretary shall establish an advisory panel of medical experts that shall—

- (I) Evaluate the standards of accreditation applied to applicant foreign medical schools; and

- (II) Determine the comparability of those standards to standards for accreditation applied to United States medical schools.
- (ii) Special rule if the accreditation standards described in clause (i) are determined not to be comparable, the foreign medical school shall be required to meet the requirements of section 1001 of this title.
- (C) Failure to release information. The failure of an institution outside the United States to provide, release, or authorize release to the Secretary of such information as may be required by subparagraph (A) shall render such institution ineligible for the purpose of part B of subchapter IV of this chapter.
- (D) Special rule. If, pursuant to this paragraph, an institution loses eligibility to participate in the programs under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, then a student enrolled at such institution may, notwithstanding such loss of eligibility, continue to be eligible to receive a loan under part B while attending such institution for the academic year succeeding the academic year in which such loss of eligibility occurred.
- (3) Limitations based on course of study or enrollment. An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution—
- (A) Offers more than 50 percent of such institution's courses by correspondence, unless the institution is an institution that meets the definition in section 2471 (4)(C) of this title;
- (B) Enrolls 50 percent or more of the institution's students in correspondence courses, unless the institution is an institution that meets the definition in such section, except that the Secretary, at the request of such institution, may waive the applicability of this subparagraph to such institution for good cause, as determined by the Secretary in the case of an institution of higher education that provides a 2-or 4-year program of instruction (or both) for which the institution awards an associate or baccalaureate degree, respectively;
- (C) Has a student enrollment in which more than 25 percent of the students are incarcerated, except that the Secretary may waive the limitation contained in this subparagraph for a nonprofit institution that provides a 2-or 4-year program of instruction (or both) for which the institution awards a bachelor's degree, or an associate's degree or a postsecondary diploma, respectively; or
- (D) Has a student enrollment in which more than 50 percent of the students do not have a secondary school diploma or its recognized equivalent, and does not provide a 2-or 4-year program of instruction (or both) for which the institution awards a bachelor's degree or an associate's degree, respectively, except that the Secretary may waive the limitation contained in this subparagraph if a nonprofit institution demonstrates to the satisfaction of the Secretary that the institution exceeds such limitation because the institution serves, through contracts with Federal, State, or local government agencies, significant numbers of students who do not have a secondary school diploma or its recognized equivalent.
- (4) Limitations based on management. An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if—
- (A) The institution, or an affiliate of the institution that has the power, by contract or

ownership interest, to direct or cause the direction of the management or policies of

the institution, has filed for bankruptcy, except that this paragraph shall not apply to a nonprofit institution, the primary function of which is to provide health care educational services (or an affiliate of such an institution that has the power, by contract or ownership interest, to direct or cause the direction of the institution's management or policies) that files for bankruptcy under chapter 11 of title 11 between July 1, 1998, and December 1, 1998; or

(B) The institution, the institution's owner, or the institution's chief executive officer has been convicted of, or has pled nolo contendere or guilty to, a crime involving the acquisition, use, or expenditure of funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, or has been judicially determined to have committed fraud involving funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42.

(5) Certification. The Secretary shall certify an institution's qualification as an institution of higher education in accordance with the requirements of subpart 3 of part G of subchapter IV of this chapter.

(6) Loss of eligibility. An institution of higher education shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution is removed from eligibility for funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42 as a result of an action pursuant to part G of subchapter IV of this chapter.

(b) Proprietary institution of higher education

(1) Principal criteria. For the purpose of this section, the term "proprietary institution of higher education" means a school that—

(A) Provides an eligible program of training to prepare students for gainful employment in a recognized occupation;

(B) Meets the requirements of paragraphs (1) and (2) of section 1001 (a) of this title;

(C) Does not meet the requirement of paragraph (4) of section 1001 (a) of this title;

(D) Is accredited by a nationally recognized accrediting agency or association recognized by the Secretary pursuant to part G of subchapter IV of this chapter;

(E) Has been in existence for at least 2 years; and

(F) Has at least 10 percent of the school's revenues from sources that are not derived from funds provided under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, as determined in accordance with regulations prescribed by the Secretary.

(2) Additional institutions. The term "proprietary institution of higher education" also includes a proprietary educational institution in any State that, in lieu of the requirement in paragraph (1) of section 1001 (a) of this title, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

(c) Postsecondary vocational institution.

(1) Principal criteria. For the purpose of this section, the term "postsecondary vocational institution" means a school that—

(A) Provides an eligible program of training to prepare students for gainful employment

in a recognized occupation;

- (B) Meets the requirements of paragraphs (1), (2), (4), and (5) of section 1001 (a) of this title; and
 - (C) Has been in existence for at least 2 years.
- (2) Additional institutions. The term “postsecondary vocational institution” also includes an educational institution in any State that, in lieu of the requirement in paragraph (1) of section 1001 (a) of this title, admits as regular student’s, persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

Chapter 4

APPLICATIONS, WAITING LIST AND TENANT SELECTION

INTRODUCTION

When a family wishes to receive assistance under the HCV program, the family must submit an application that provides the PHA with the information needed to determine the family's eligibility. HUD requires the PHA to place all families that apply for assistance on a waiting list. When HCV assistance becomes available, the PHA must select families from the waiting list in accordance with HUD requirements and PHA policies as stated in the administrative plan and the annual plan.

The PHA is required to adopt clear policies and procedures for accepting applications, placing families on the waiting list, and selecting families from the waiting list, and must follow these policies and procedures consistently. The actual order in which families are selected from the waiting list can be affected if a family has certain characteristics designated by HUD or the PHA that justify their selection. Examples of this are the selection of families for income targeting and the selection of families that qualify for targeted funding.

HUD regulations require that all families have an equal opportunity to apply for and receive housing assistance, and that the PHA affirmatively further fair housing goals in the administration of the program [24 CFR 982.53, HCV GB p. 4-1]. Adherence to the selection policies described in this chapter ensures that the PHA will be in compliance with all relevant fair housing requirements, as described in Chapter 2.

This chapter describes HUD and PHA policies for taking applications, managing the waiting list and selecting families for HCV assistance. The Omaha Housing Authority (OHA) will be referred to as the Public Housing Authority (PHA) or simply as the PHA throughout the Administrative Plan. The policies outlined in this chapter are organized into three sections, as follows:

Part I: The Application Process. This part provides an overview of the application process, and discusses how applicants can obtain and submit applications. It also specifies how the PHA will handle the applications it receives.

Part II: Managing the Waiting List. This part presents the policies that govern how the PHA's waiting list is structured, when it is opened and closed, and how the public is notified of the opportunity to apply for assistance. It also discusses the process OHA will use to keep the waiting list current.

Part III: Selection for HCV Assistance. This part describes the policies that guide the PHA in selecting families for HCV assistance as such assistance becomes available. It also specifies how in-person interviews will be used to ensure that OHA has the information needed to make a final eligibility determination.

PART I: THE APPLICATION PROCESS

4-I.A. OVERVIEW

This part describes the PHA policies for making applications available, accepting applications making preliminary determinations of eligibility, and the placement of applicants on the waiting list. This part also describes the PHA's obligation to ensure the accessibility of the application process to elderly persons, people with disabilities, and people with limited English proficiency (LEP).

4-I.B. APPLYING FOR ASSISTANCE [HCV GB, pp. 4-11 – 4-16, Notice PIH 2009-36]

Any family that wishes to receive HCV assistance must apply for admission to the program. HUD permits the PHA to determine the format and content of HCV applications, as well how such applications will be made available to interested families and how applications will be accepted by the PHA. The PHA must include Form HUD-92006, Supplement to Application for Federally Assisted Housing, as part of the PHA's application.

PHA Policy

Depending upon the length of time that applicants may need to wait to receive assistance, the PHA may use a one-or two-step application process.

A one-step process will be used when it is expected that a family will be selected from the waiting within 60 days of the date of application. At application, the family must provide all ~~of the~~ information necessary to establish family eligibility and level of assistance.

A two-step process will be used when it is expected that a family will not be selected from the waiting list for at least 90 days from the date of application. Under the two-step application process, the PHA initially will require families to provide only the information needed to make an initial assessment of the family's eligibility and to determine the family's placement on the waiting list. The family will be required to provide all ~~of the~~ information necessary to establish family eligibility and level of assistance when the family is selected from the waiting list.

Completed applications must be returned to the PHA by mail, email, by fax, or submitted in person during normal business hours. Applications must be complete in order to be accepted by the PHA for processing. If an application is incomplete, the PHA will notify the family of the additional information required.

4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS

Elderly and Disabled Populations [24 CFR 8 and HCV GB, pp. 4-11 – 4-13]

The PHA must take steps to ensure that the application process is accessible to those people who might have difficulty complying with the normal, standard PHA application process. This could include people with disabilities, certain elderly individuals, as well as persons with limited English proficiency (LEP). The PHA must provide reasonable accommodation to the needs of individuals with disabilities. The application-taking facility and the application process must be fully accessible, or the PHA must provide an alternate approach that provides full access to the application process. Chapter 2 provides a full discussion of the PHA's policies related to providing reasonable accommodations for people with disabilities.

Limited English Proficiency

PHAs are required to take reasonable steps to ensure equal access to their programs and activities by persons with limited English proficiency [24 CFR 1]. Chapter 2 provides a full discussion on the PHA's policies related to ensuring access to people with limited English proficiency (LEP).

4-I.D. PLACEMENT ON THE WAITING LIST

The PHA must review each complete application received and make a preliminary assessment of the family's eligibility. The PHA must accept applications from families for whom the list is open unless there is good cause for not accepting the application (such as denial of assistance) for the grounds stated in the regulations [24 CFR 982.206(b)(2)]. Where the family is determined to be ineligible, the PHA must notify the family in writing [24 CFR 982.201(f)]. Where the family is not determined to be ineligible, the family will be placed on a waiting list of applicants.

No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list [24 CFR 982.202(c)].

Ineligible for Placement on the Waiting List

PHA Policy

If the PHA can determine from the information provided that a family is ineligible, the family will not be placed on the waiting list. Where a family is determined to be ineligible, the PHA will send written notification of the ineligibility determination within 10 business days of receiving a complete application. The notice will specify the reasons for ineligibility and will inform the family of its right to request an informal review and explain the process for doing so (see Chapter 16).

Eligible for Placement on the Waiting List

PHA Policy

The PHA will send written and email notification of the preliminary eligibility determination within 10 business days of receiving a complete application.

Placement on the waiting list does not indicate that the family is, in fact, eligible for assistance. A final determination of eligibility will be made when the family is selected from the waiting list.

~~Applicants will be placed on the waiting list according to the preferences for which the family is qualified and then by the date and time of their complete application. For short term wait list openings, OHA may instead use random selection to select applications and to assign wait list position.~~

Applicants will be placed on the waiting list using a lottery system. Once each application has been randomly assigned a number, the applications will be placed on the waiting list in order of the assigned numbers and according to the PHA preference(s).

PART II: MANAGING THE WAITING LIST

4-II.A. OVERVIEW

The PHA must have policies regarding various aspects of organizing and managing the waiting list of applicant families. This includes opening the list to new applicants, closing the list to new applicants, notifying the public of waiting list openings and closings, updating waiting list information, purging the list of families that are no longer interested in or eligible for assistance, as well as conducting outreach to ensure a sufficient number of applicants.

In addition, HUD imposes requirements on how a PHA may structure its waiting list and how families must be treated if they apply for assistance from a PHA that administers more than one assisted housing program.

4-II.B. ORGANIZATION OF THE WAITING LIST [24 CFR 982.204 and 205]

The PHA's HCV waiting list must be organized in such a manner to allow the PHA to accurately identify and select families for assistance in the proper order, according to the admissions policies described in this plan.

The waiting list must contain the following information for each applicant listed:

- Applicant name;
- Family unit size;
- Date and time of application;
- Qualification for any local preference;
- Racial or ethnic designation of the head of household.

HUD requires the PHA to maintain a single waiting list for the HCV program unless it serves more than one county or municipality. Such PHAs are permitted, but not required, to maintain a separate waiting list for each county or municipality served.

PHA Policy

The PHA will maintain a single waiting list for the HCV program.

HUD directs that a family that applies for assistance from the HCV program must be offered the opportunity to be placed on the waiting list for any public housing, project-based voucher or moderate rehabilitation program the PHA operates if 1) the other programs' waiting lists are open, and 2) the family is qualified for the other programs.

HUD permits, but does not require, that PHAs maintain a single merged waiting list for their public housing, Section 8, and other subsidized housing programs.

A family's decision to apply for, receive, or refuse other housing assistance must not affect the family's placement on the HCV waiting list, or any preferences for which the family may qualify.

PHA Policy

The PHA will not merge the HCV waiting list with the waiting list for any other program the PHA operates.

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

Closing the Waiting List

A PHA is permitted to close the waiting list if it has an adequate pool of families to use its available HCV assistance. Alternatively, the PHA may elect to continue to accept applications only from certain categories of families that meet particular preferences or funding criteria.

PHA Policy

The PHA will provide public notice at least 10 days before closing any waiting list. The waiting list will be closed once the total number of applications to be accepted, as outlined in the public notice for the opening, is reached.

Reopening the Waiting List

If the waiting list has been closed, it will not be reopened until the PHA publishes notice in local newspapers of general circulation, minority media, and other suitable media outlets. The notice must comply with HUD fair housing requirements and must specify who may apply, and where and when applications will be received.

PHA Policy

The PHA will announce the reopening of the waiting list at least 7-10 business days prior to the date applications will first be accepted. If the list is only being reopened for certain categories of families, this information will be contained in the notice.

OHA will give public notice by publishing the relevant information in suitable media outlets, including, but not limited to:

Omaha World-Herald

Omaha Star

El Perico

OHA's website

American Classified

4-II.D. FAMILY OUTREACH [HCV GB, pp. 4-2 to 4-4]

The PHA must conduct outreach as necessary to ensure that the PHA has a sufficient number of applicants on the waiting list to use the HCV resources it has been allotted.

Because HUD requires the PHA to admit a specified percentage of extremely low-income families to the program (see Chapter 4, Part III), the PHA may need to conduct special outreach to ensure that an adequate number of such families apply for assistance [HCV GB, p. 4-20 to 4-21].

PHA outreach efforts must comply with fair housing requirements. This includes:

- Analyzing the housing market area and the populations currently being served to identify underserved populations
- Ensuring that outreach efforts are targeted to media outlets that reach eligible populations that are underrepresented in the program
- Avoiding outreach efforts that prefer or exclude people who are members of a protected class

PHA outreach efforts must be designed to inform qualified families about the availability of assistance under the program. These efforts may include, as needed, any of the following activities:

- Submitting press releases to local newspapers, including minority newspapers
- Developing informational materials and flyers to distribute to other agencies
- Providing application forms to other public and private agencies that serve the low income population
- Developing partnerships with other organizations that serve similar populations, including agencies that provide services for persons with disabilities

PHA Policy

The PHA will monitor the characteristics of the population being served and the characteristics of the population as a whole in the PHA's jurisdiction. Targeted outreach efforts will be undertaken if a comparison suggests that certain populations are being underserved.

4-II.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES

PHA Policy

While the family is on the waiting list, the family must immediately inform the PHA of changes in contact information, including current residence, mailing address, and phone number. The changes must be submitted in the OHA web portal. ~~in writing.~~

4-II.F. UPDATING THE WAITING LIST [24 CFR 982.204]

HUD requires the PHA to establish policies to use when removing applicant names from the waiting list.

Purging the Waiting List

The decision to withdraw an applicant family that includes a person with disabilities from the waiting list is subject to reasonable accommodation. If the applicant did not respond to a OHA request for information or updates, and OHA determines that the family did not respond because of the family member's disability, OHA must reinstate the applicant family to their former position on the waiting list [24 CFR 982.204(c)(2)].

PHA Policy

The waiting list will be updated as necessary to ensure that all applicant information remains current and timely.

To update the waiting list, the Public Housing Authority (PHA) will send a request via first-class mail or email to each family on the waiting list. This request will determine if the family continues to be interested in and qualifies for the program. The update request will be sent to the last address or email that the PHA has on record for the family. It will also provide a deadline for the family's response and notify them that failure to respond will result in their removal from the waiting list.

The family's response must be submitted through the online portal or in writing. Responses can be delivered in person, by mail, by email, or by fax. All responses should be postmarked or received by the PHA no later than 15 business days from the date of the PHA letter.

If the notice is returned by the post office without a forwarding address, the applicant will be removed from the waiting list without further notice. If the notice is returned with a forwarding address, it will be re-sent to that new address. The family will then have 15 business days from the date the letter is re-sent to respond.

If a family is removed from the waiting list for failure to respond, the PHA may reinstate the family if it is determined that the lack of response was due to an error by the PHA, circumstances beyond the family's control, a family member's disability, or as a direct result of being a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, including any adverse effects resulting from such abuse.

Removal from the Waiting List

PHA Policy

If at any time an applicant family is on the waiting list, the PHA determines that the family is not eligible for assistance (see Chapter 3), the family will be removed from the waiting list.

If a family is removed from the waiting list because the PHA has determined the family is not eligible for assistance, a notice will be sent to the family's address of record as well as to any alternate address provided on the initial application. The notice will state the reasons the family was removed from the waiting list and will inform the family how to request an informal review regarding the PHA's decision (see Chapter 16) [24 CFR 982.201(f)].

PART III: SELECTION FOR HCV ASSISTANCE

4-III.A. OVERVIEW

As vouchers become available, families on the waiting list must be selected for assistance in accordance with the policies described in this part.

The order in which families receive assistance from the waiting list depends on the selection method chosen by the PHA. The source of HCV funding also may affect the order in which families are selected from the waiting list.

The PHA must maintain a clear record of all information required to verify that the family is selected from the waiting list according to the PHA's selection policies [24 CFR 982.204(b) and 982.207(e)].

4-III.B. SELECTION AND HCV FUNDING SOURCES

Special Admissions [24 CFR 982.203]

HUD may award funding for specifically named families living in specified types of units (e.g., a family that is displaced by demolition of public housing; a non-purchasing family residing in a HOPE 1 or 2 projects). In these cases, the PHA may admit families that are not on the waiting list, or without considering the family's position on the waiting list. The PHA must maintain records showing that such families were admitted with special program funding.

The PHA administers Tenant Protection Vouchers and Enhanced Vouchers. These vouchers are provided by HUD specifically for families residing in a HUD-assisted subsidized housing project who may be displaced by housing conversion actions (for example, if an owner of a HUD-subsidized housing project opts out of its contract). Tenant Protection Vouchers and Enhanced Vouchers are tenant-based assistance. In general, the PHA's tenant-based HCV policies apply to special admission vouchers made available for families as the result of housing conversion actions. Enhanced vouchers have unique requirements, including increased payment standards. Families may not apply directly to the PHA to receive this assistance, and The PHA maintains separate waiting lists for this assistance. This assistance is provided only to specific families identified by HUD.

Targeted Funding [24 CFR 982.204(e)]

HUD may award funding for a specified category of families on the waiting list. This is referred to as "targeted funding" because the voucher is targeted to a specific population and has specific selection criteria. The PHA must use this funding only to assist the families within the specified category. When a voucher becomes available that is funded by a specific targeted funding program, The PHA may skip families that do not qualify for the program. Within this category of families, the order in which such families are assisted is determined according to the policies provided in Section 4-III.C.

The following are targeted funding programs, each of which has specific selection criteria and program requirements.

Mainstream Voucher Program

The Mainstream Voucher Program provides housing assistance targeted to nonelderly persons with disabilities.

For purposes of eligibility for Mainstream voucher assistance, HUD uses the definition of “person with disabilities” at 24 CFR 5.403, which is the same definition of “person with disabilities” used for eligibility and deductions, and which is provided in Exhibit 3-1 at the end of Chapter 3.

- The PHA has an existing stock of Mainstream vouchers. Eligibility for these vouchers is limited to “disabled families” in which the head of household, spouse, or co-head is a nonelderly person with disabilities, as defined in Section 3-I.I.

The PHA may pursue application for additional Mainstream vouchers. Under new HUD program rules, eligibility for these vouchers is expanded to include any family that includes a non-elderly person with disabilities. The non-elderly person with disabilities does not have to be the head of household, spouse, or co-head.

Persons may submit applications at any time the PHA’s HCV waiting list is open and accepting new applications. All applicants will be placed on the PHA’s HCV tenant-based waiting list in accord with the PHA’s routine procedures, including local preferences. When a Mainstream voucher becomes available, the PHA will select the next applicant on its waiting list that meets the eligibility criteria for Mainstream voucher assistance.

Family Unification Program, including youths aging out of foster care

HUD’s Family Unification Program (FUP) program is targeted to assist two populations:

- Families for whom the lack of adequate housing is a primary factor in (1) the imminent placement of the family’s child/children in out-of-home care, or (2) delay of discharge of the child/children to the family from out-of-home care;
- Youth aged 18 to 24 who left foster care or will leave foster care within the near future and are homeless or at risk of becoming homeless. In accord with HUD rules, FUP voucher assistance for youths aging out of foster care is limited to 36 months.

At present, the PHA does not receive HUD FUP funding. The PHA may pursue application for FUP voucher funding. FUP program requirements include the following:

Persons may receive FUP assistance only by referral from the DHHS public child welfare agency. Following referral, persons will be placed on the HCV tenant-based waiting list in accordance with routine procedures, including local preferences. When a FUP voucher becomes available, it will be offered to the next applicant on its waiting list that meets the eligibility criteria for FUP voucher assistance.

Veteran Assisted Supportive Housing (VASH)

This program for homeless veterans combines HUD voucher assistance with case management and clinical services provided by the Department of Veterans Affairs (VA). Eligibility is limited to homeless veterans and their families. Persons may receive VASH assistance only by referral from VA case managers. Persons may not apply for VASH assistance directly through the PHA. When a VASH voucher becomes available, the PHA will coordinate with VA case managers for referral to receive assistance.

The PHA will administer its VASH assistance in accord with HUD VASH rules and regulations, which significantly differ from other HCV program rules. Per HUD rules, the PHA's local preferences do not apply to VASH assistance. In addition, many of the PHA's policies for screening, criminal background checks, and denial of assistance are waived under HUD VASH rules.

HOME Tenant-Based Rental Assistance

The HOME Tenant-Based Rental Assistance provides up to 24 months in rental assistance to households that have completed a transitional housing program for the homeless or supportive services program. Persons may receive HOME assistance only by referral from approved transitional housing and supportive housing programs. Persons may not apply for HOME rental assistance directly through the PHA. The PHA administers its HOME rental assistance program in accord with program rules, which may differ from the PHA's HCV policies.

Upon completion of the 24-month period of assistance, HOME TBRA participants who have maintained housing and who are able to meet all eligibility criteria for the HCV program, including the criminal background check, are awarded an HCV voucher. At the PHA's discretion, the PHA may award an HCV voucher to a HOME TBRA participant at an alternate time. This includes cases when a household with HOME TBRA assistance wishes to move to a unit for which voucher assistance must be ported to a different housing authority that does not administer the HOME TBRA program. In every case, a HOME TBRA participant must meet all eligibility criteria for the HCV program, including the criminal background check.

HUD Moderate Rehabilitation Program

The PHA administers project-based voucher assistance for designated properties previously rehabilitated under HUD's moderate rehabilitation program. Applicants are referred to the PHA from the properties waiting list. Once the property determines the family meets the properties screening criteria the applicant is referred to the PHA determination of eligibility. The PHA will screen applicants for eligibility to mod rehab assisted housing units based on mod rehab program guidelines. The PHA administers its mod rehab assistance in accord with HUD program rules, which may differ from the PHA's HCV policies.

Relocation Admissions

Background: The PHA may undertake demolition, disposition, conversion, or redevelopment activities that may require relocation of current residents of public housing or tax credit units owned by the PHA or Housing in Omaha (HIO). Whenever possible, the PHA will apply for Tenant Protection Vouchers (TPVs)—either Relocation TPVs or Replacement TPVs, as appropriate—so that the PHA may provide HCV voucher assistance as a comparable housing option to families subject to relocation. TPVs are considered “special admissions,” and thereby voucher assistance may be provided without opening the wait list, according to “Special Admissions” policies at the beginning of this Section 4-III.B. However, there is no guarantee that HUD will fund 100% of the TPVs needed for the number of families who desire HCV assistance for relocation. In addition, the time required for HUD approval of TPV funding may delay relocation or may limit the relocation options the PHA can offer at the time relocation begins. This policy regarding Relocation Admissions is intended to clarify how the PHA may use its existing HCV voucher stock when needed to cover potential gaps in TPV funding.

HUD Regulations Relevant to OHA’s Relocation Admissions Policies:

- Special admissions permit admission to the HCV program outside the waiting list but are limited to cases when HUD awards voucher funding targeted to families living in specific units, such as TPVs. 24 CFR 982.203.
- Except for special admissions, participants must be selected from the PHA waiting list. The PHA must select participants from the waiting list in accordance with the admission policies in the PHA administrative plan. 24 CFR 982.204(a).
- When the PHA opens a waiting list, the PHA must give public notice that families may apply for tenant-based assistance. 24 CFR 982.206(a)(1).
- The PHA may adopt criteria defining what families may apply for assistance under a public notice. 24 CFR 982.206(b). The public notice must state any limitations on who may apply for available slots in the program. 24 CFR 982.206(a)(3).
- The PHA may establish a system of local preferences for selection of families admitted to the program. PHA selection preferences must be described in the PHA administrative plan. 24 CFR 982.207(a).

PHA Policies for Relocation Admissions:

The PHA at its discretion may open its HCV wait list to accept applications for Relocation Admissions, limited to families who are residents of specified units owned by the PHA or HIO and who are subject to relocation due to the PHA’s demolition, disposition, conversion, or redevelopment activities, as follows:

- Wait list openings for Relocation Admissions will occur only for specified units potentially affected by demolition, disposition, conversion, or redevelopment actions that have been approved by OHA’s Board of Commissioners.
- The PHA will provide public notice of such wait list opening, as provided in Section 4-II.C.
- The public notice will state limitations on who may submit applications.
- Families who apply for HCV assistance under the Relocation Admissions policies must meet the same eligibility, income limits, and the PHA’s screening requirements as regular admissions to the PHA’s HCV Program.

- Families who apply for HCV assistance under the PHA's Relocation Admissions receive an absolute preference above any other applicants on the HCV wait list, as provided in Section 4-III.C, "Local Preferences."
- When HUD TPV funding is granted, the PHA may determine to close its wait list for regular HCV vouchers. Remaining families subject to relocation who desire voucher assistance as a relocation option will be provided TPV vouchers administered in accord with HUD requirements and the PHA's procedures for TPVs, as provided in Section 4-III.B, "Special Admissions." However, if the TPV funding does not provide sufficient vouchers to serve all families who desire voucher assistance for relocation, the PHA may determine to continue to accept applications in order to provide HCV voucher assistance to the remaining families.
- When the TPV funding is Relocation TPVs, the PHA will carefully plan its wait list opening and use of existing HCV stock to minimize loss of housing subsidies available in the community.

The PHA may open its HCV wait list to accept applications for Relocation Admissions limited to families who formerly were residents of public housing scattered site units approved for disposition under OHA's Section 32 Homeownership Program in October 2018 and who received a 90-day notice dated on or about March 1, 2019. OHA had not applied for TPVs in this disposition application, and OHA had not yet implemented changes to this Administrative Plan facilitating use of the PHA's HCV voucher stock for relocation. The PHA wishes to provide equal housing opportunities to all families subject to relocation under its Section 32 Homeownership Program. The families specified in this paragraph, already relocated, will be offered a time- limited opportunity to apply for and lease-up with HCV voucher assistance, if they desire.

Regular HCV Funding

Regular HCV funding may be used to assist any eligible family on the waiting list. Families are selected from the waiting list according to the policies provided in Section 4-III.C.

4-III.C. SELECTION METHOD

This section describes the method for selecting applicant families from the waiting list, including the system of admission preferences that the PHA will use [24 CFR 982.202(d)].

Local Preferences [24 CFR 982.207; HCV p. 4-16]

PHAs are permitted to establish local preferences, and to give priority to serving families that meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits the PHA to establish other local preferences, at its discretion. Any local preferences established must be consistent with the PHA plan and the consolidated plan and must be based on local housing needs and priorities that can be documented by generally accepted data sources. The PHA may change these preferences to respond to changes in local housing needs or emergency housing situations. In addition, the PHA may establish temporary preferences in accord with HUD and local priorities.

- a. In the event of a local, regional, or national disaster, OHA staff with the approval of OHA Board of Commissioners may determine criteria by which households who are victims of a disaster may qualify for a temporary preference.
- b. A preference will be provided for persons or households that reside in buildings that are owned or operated by OHA or a legal affiliate, as defined in state law, and which building have been approved for demolition or disposition by the Board of Commissioners and/or the Department of Housing and Urban Development.
- c. The PHA will offer a preference to any family that has been terminated from its HCV program due to insufficient program funding.

The PHA will verify all preference claims at the time they are made. Staff will re-verify a preference claim at the time of selection from the waiting list. Applicant families must still meet the preference eligibility criteria at time of selection from the waitlist in order to be offered a voucher at that time. If a family fails to qualify for any criteria that affected the order in which it was selected from the waiting list, the family will be returned to its original position on the waiting list. The PHA will notify the family in writing that it has been returned to the waiting list, and will specify the reasons for it.

An applicant may qualify for more than one preference. An applicant will be assigned the total sum of points for all preferences for which the applicant is qualified.

The PHA will first assist families that have been terminated from the HCV program due to insufficient funding.

OHA's preferences are summarized below:

Relocation Admissions (as described in Section 4-III.B)	Absolute
HOME TBRA participants at expiration of TBRA (as described in Section 4-II.B)	Absolute
Homeless individuals and families (with verification from a MACCH agency)	100 points
Emergency Housing Voucher participants- who Meet Specific Criteria: Families that were over leased criteria: Families that are currently leased under the EHV program that OHA has determined are leased over the original allocation. Refer to the EHV addendum. ~~This preference is limited to five (5) households. This preference is limited to exact number of households over leased.~~	Absolute
Nonelderly Persons with Disabilities who Meet Specific Housing Criteria: Families that include one or more nonelderly adults with disabilities who meet one of the following housing criteria: - Transitioning out of institutional and other segregated settings - At serious risk of institutionalization - Currently experiencing homeless - At risk of experiencing homelessness - Previously experienced homelessness and is currently a client in a permanent supportive housing or rapid rehousing project These terms are defined below. This preference is limited to fifteen (15) households.	100 Points

Preferences for Nonelderly Persons with Disabilities who Meet Specific Housing Criteria

This preference is limited to fifteen (15) households.

This preference is developed in accord with requirements for the Mainstream Voucher Program, but is not limited to Mainstream vouchers.

The PHA will accept referrals from MACCH agencies, but the PHA cannot limit eligibility for this preference to persons referred by a MACCH agency. The PHA must permit applicants to apply directly to PHA without going through a MACCH agency.

The PHA will require verification that the applicant satisfies the criteria of this preference.

The following are definitions specific to this preference:

Eligible family: A family composed of one or more non-elderly person with disabilities, which may include additional members who are not non-elderly persons with disabilities. A family where the sole member is an emancipated minor is not an eligible family.

Non-elderly person with disabilities: A person 18 years of age or older and less than 62 years of age, and who:

- Has a disability, as defined in 42 U.S.C. 423;
- Is determined, pursuant to HUD regulations, to have a physical, mental, or emotional impairment that:
 - Is expected to be of long-continued and indefinite duration;
 - Substantially impedes his or her ability to live independently, and
 - Is of such a nature that the ability to live independently could be improved by more suitable housing conditions; or
- Has a developmental disability as defined in 42 U.S.C. 6001.

Institutional or other segregated settings include, but are not limited to: (1) congregate settings populated exclusively or primarily with individuals with disabilities; (2) congregate settings characterized by regimentation in daily activities, lack of privacy or autonomy, policies limiting visitors, or limits on individuals' ability to engage freely in community activities and to manage their own activities of daily living; or (3) settings that provide for daytime activities primarily with other individuals with disabilities.

At serious risk of institutionalization: Includes an individual with a disability who as a result of a public entity's failure to provide community services or its cut to such services will likely cause a decline in health, safety, or welfare that would lead to the individual's eventual placement in an institution. This includes individuals experiencing lack of access to supportive services for independent living, long waiting lists for or lack of access to housing combined with community-based services, individuals currently living under poor housing conditions or homeless with barriers to geographic mobility, and/or currently living alone but requiring supportive services for independent living. A person cannot be considered at serious risk of institutionalization unless the person has a disability. An individual may be designated as at serious risk of institutionalization either by a health and human services agency, by a community-based organization, or by self-identification.

Persons currently experiencing homelessness means:

(1) An individual or family who lacks a fixed, regular, adequate nighttime residence, meaning:

- An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
- An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, State, or local government programs for low-income individuals); or
- An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;

(2) An individual or family who will imminently lose their primary nighttime residence, provided that:

- The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
- No subsequent residence has been identified; and
- The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing;

(3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:

- Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)), or section 725 of the McKinney- Vento Homeless Assistance Act (42 U.S.C. 11434a);
- Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;
- Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and
- Can be expected to continue in such status for an extended period of time because of chronic disabilities; chronic physical health or mental health conditions; substance addiction; histories of domestic violence or childhood abuse (including neglect); the presence of a child or youth with a disability; or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or

(4) Any individual or family who:

- Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, human trafficking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either

taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;

- Has no other residence; and
- Lacks the resources or support networks, e.g., family, friends, and faith-based or other social networks, to obtain other permanent housing.

At risk of experiencing homeless: An individual or family who:

(i) Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the “Homeless” definition in this section; and

(ii) Meets one of the following conditions:

- Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
- Is living in the home of another because of economic hardship;
- Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days of the date of application for assistance;
- Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by federal, State, or local government programs for low-income individuals;
- Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons, or lives in a larger housing unit in which there reside more than 1.5 people per room, as defined by the U.S. Census Bureau;
- Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or
- Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness.

Permanent supportive housing means permanent housing in which voluntary supportive services are provided to assist homeless persons with a disability to live independently.

Rapid rehousing means time-limited housing assistance in which supportive services are provided to assist homeless persons rapidly connect to and maintain permanent housing.

Income Targeting Requirement [24 CFR 982.201(b)(2)]

HUD requires that extremely low-income (ELI) families make up at least 75% of the families admitted to the HCV program during the PHA's fiscal year. ELI families are those with annual incomes at or below 30% of the area median income. To ensure this requirement is met, a PHA may skip non-ELI families on the waiting list in order to select an ELI family.

Low income families admitted to the program that are "continuously assisted" under the 1937 Housing Act [24 CFR 982.4(b)], as well as low-income or moderate-income families admitted to the program that are displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing, are not counted for income targeting purposes [24 CFR 982.201(b)(2)(v)].

PHA Policy

The PHA will monitor progress in meeting the ELI requirement throughout the fiscal year. Extremely low-income families will be selected ahead of other eligible families on an as needed basis to ensure the income targeting requirement is met.

Order of Selection

The PHA system of preferences may select families based on local preferences according to the date and time of application or by a random selection process (lottery) [24 CFR 982.207(c)]. If a PHA does not have enough funding to assist the family at the top of the waiting list, it is not permitted to skip down the waiting list to a family that it can afford to subsidize when there are not sufficient funds to subsidize the family at the top of the waiting list [24 CFR 982.204(d) and (e)].

PHA Policy

Families will be selected from the waiting list based on the targeted funding or selection preference(s) for which they qualify, and in accordance with the PHA's hierarchy of preferences, if applicable. Within each targeted funding or preference category, families will be selected on a first-come, first-served basis according to the date and time their complete application is received by the PHA.

Documentation will be maintained by the PHA as to whether families on the list qualify for and are interested in targeted funding. If a higher placed family on the waiting list is not qualified or not interested in targeted funding, there will be a notation maintained so that the PHA does not have to ask higher placed families each time targeted selections are made.

Applicants will be placed on the waiting list according to their preference status. Among applicants with equal preference status, the waiting list will be organized by date and time.

Short-term: families will be selected from the waiting list on a first-come, first-served basis according to the date and time their complete application is received by OHA.

Families that qualify for a specified category of program funding (targeted funding) may be selected from the waiting list ahead of higher placed families that do not qualify for the targeted funding.

However, within any targeted funding category, applicants will be selected on a first-come, first-served basis according to the date and time their completed application is received

Random selection: families will be selected from the waiting list in numerical order based on the numbers that were assigned to each application, by lottery, at the time the applications were placed on the waiting list.

Families that qualify for a specified category of program funding (targeted funding) may be selected from the waiting list ahead of higher placed families that do not qualify for the targeted funding. However, within any targeted funding category, applicants will be selected in numerical order based on the numbers that were assigned to each application, by lottery, at the time the applications were placed on the waiting list.

OHA's method for organizing the waiting list will be announced in the public notice of the waiting list opening.

4-III.D. NOTIFICATION OF SELECTION

When a family has been selected from the waiting list, the PHA must notify the family. [24 CFR 982.554(a)]

PHA Policy

The PHA will notify the family by first class mail, email or web portal when it is selected from the waiting list. The notice will inform the family of the following:

- Date, time, and location of the scheduled application interview, including any procedures for rescheduling the interview
- Who is required to attend interview
- All documents that must be provided at the interview, including information about what constitutes acceptable documentation.

If a notification letter is returned to the PHA with no forwarding address, the family will be removed from the waiting list. A notice of denial (see Chapter 3) will be sent to the family's address of record, as well as to any known alternate address.

4-III.E. THE APPLICATION INTERVIEW

HUD recommends that the PHA obtain the information and documentation needed to make an eligibility determination through a private interview [HCV GB, pg. 4-16]. Being invited to attend an interview does not constitute admission to the program.

Assistance cannot be provided to the family until all SSN documentation requirements are met. However, if the PHA determines that an applicant family is otherwise eligible to participate in the program, the family may retain its place on the waiting list for a period of time determined by the PHA. (Notice PIH 2012-10).

Reasonable accommodation will be made for persons with disabilities who are unable to attend an interview due to their disability.

PHA Policy

Any applicant that arrives more than 15 minutes after their scheduled appointment time will not be seen.

Families selected from the waiting list are required to participate in an eligibility interview.

All family members 18 years of age or older are required to attend the interview.

The interview will be conducted only if the head of household or spouse/cohead provides acceptable documentation of legal identity. (Chapter 7 provides a discussion of proper documentation of legal identity). If the family representative does not provide the required documentation at the time of the interview, they will be required to provide it within 10 business days.

Pending disclosure and documentation of social security numbers, the PHA will allow the family to retain its place on the waiting list for 180 days. If not, all household members have disclosed their SSNs at the next time the PHA is issuing vouchers, the PHA will issue a voucher to the next eligible application family on the waiting list.

The family must provide the information necessary to establish the family's eligibility and determine the appropriate level of assistance, as well as completing required forms, providing required signatures, and submitting required documentation. If any materials are missing, the PHA will provide the family with a written list of items that must be submitted.

Any required documents or information that the family is unable to provide at the interview must be provided within 10 business days of the interview (Chapter 7 provides details about longer submission deadlines for particular items, including documentation of Social Security numbers and eligible noncitizen status). If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial (See Chapter 3).

An advocate, interpreter, or other assistant may assist the family with the application

and the interview process. The family and the PHA must execute a certification attesting to the role and assistance of the third-party in the application interview process.

Interviews will be conducted in English. For limited English proficient (LEP) applicants, the PHA will provide translation services in accordance with the PHA's LEP plan.

If the family is unable to attend a scheduled interview, the family should contact the PHA in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend a scheduled interview, the PHA will send another notification letter with a new interview appointment time. Applicants who fail to attend two scheduled interviews without PHA approval will be denied assistance based on the family's failure to supply information needed to determine eligibility. A notice of denial will be issued in accordance with policies contained in Chapter 3.

4-III.F. COMPLETING THE APPLICATION PROCESS

The PHA must verify all information provided by the family (see Chapter 7). Based on verified information, the PHA must make a final determination of eligibility (see Chapter 3) and must confirm that the family qualified for any special admission, targeted admission, or selection preference that affected the order in which the family was selected from the waiting list.

OHA Policy

If OHA determines that the family is ineligible, OHA will send written notification of the ineligibility determination within 10 business days of the determination. The notice will specify the reasons for ineligibility and will inform the family of its right to request an informal review (Chapter 16).

If a family fails to qualify for any criteria that affected the order in which it was selected from the waiting list (e.g. targeted funding, extremely low-income), the family will be returned to its original position on the waiting list. The PHA will notify the family in writing that it has been returned to the waiting list and will specify the reasons for it.

If OHA determines that the family is eligible to receive assistance, OHA will invite the family to attend a briefing in accordance with the policies in Chapter 5.

Chapter 5

BRIEFINGS AND VOUCHER ISSUANCE

INTRODUCTION

This chapter explains the briefing and voucher issuance process. When a family is determined to be eligible for the Housing Choice Voucher (HCV) program, The PHA must ensure that the family fully understands the way the program operates and the family's obligations under the program. This is accomplished through both an oral briefing and provision of a briefing packet containing the HUD-required documents and other information the family needs to know in order to lease a unit under the program. Once the family is fully informed of the program's requirements, The PHA issues the family a voucher. The voucher includes the unit size for which the family qualifies based on The PHA's subsidy standards, as well as the issue and expiration date of the voucher. The voucher is the document that authorizes the family to begin its search for a unit and limits the amount of time the family has to successfully locate an acceptable unit.

The Omaha Housing Authority (OHA) will be referred to as the Public Housing Authority (PHA) or simply as the PHA throughout the Administrative Plan.

This chapter describes HUD regulations and PHA policies related to these topics in two parts:

Part I: Briefings and Family Obligations. This part details the program's requirements for briefing families orally, and for providing written materials describing the program and its requirements. It includes a particular focus on the family's obligations under the program.

Part II: Subsidy Standards and Voucher Issuance. This part discusses OHA's standards for determining how many bedrooms a family of a given composition qualifies for, which in turn affects the amount of subsidy the family can receive. It also discusses the policies that dictate how vouchers are issued, and how long families have to locate a unit.

PART I: BRIEFINGS AND FAMILY OBLIGATIONS

5-I.A. OVERVIEW

HUD regulations require the POHA to conduct mandatory briefings for applicant families who qualify for a voucher. The briefing provides a broad description of owner and family responsibilities, explains the POHA's procedures, and includes instructions on how to lease a unit. This part describes how oral briefings will be conducted, specifies what written information will be provided to families, and lists the family's obligations under the program. The PHA must take reasonable steps to ensure meaningful access by persons with Limited English proficiency.
~~families, and lists the family's obligations under the program. The PHA must take reasonable steps to ensure meaningful access by persons with Limited English proficiency.~~

5-I.B. BRIEFING [24 CFR 982.301]

Notification of Briefing

Prior to issuance of a voucher, PHA must give the family an oral briefing and provide the family with a briefing packet containing written information about the program. Families may be briefed in individual face-to-face meetings, through group briefing sessions, or via remote briefing sessions.

PHA Policy

Families will be notified of their eligibility for assistance at the time they are invited to a briefing. The notice will be sent by first class mail and will also be sent by email if the family has provided a valid email address to PHA.

The notice will advise the family of the type of briefing, who is required to be present at the briefing, and the date and time of the briefing. The notice will also inform the family of any additional requirements for in-person or remote briefings as addressed in relevant policy elsewhere in this section.

If the notice is returned by the post office with no forwarding address, the applicant will be denied, and their name will not be placed back on the waiting list. If the notice is returned by the post office with a forwarding address, the notice will be sent to the address indicated.

In-Person Briefings

At the briefing, the PHA must ensure effective communication in accordance with Section 504 requirements (Section 504 of the Rehabilitation Act of 1973) and ensure that the briefing site is accessible to individuals with disabilities. For a more thorough discussion of accessibility requirements, refer to Chapter 2.

PHA Policy

In-person briefings will generally be conducted in group meetings. At the family's written request, the POHA may provide an individual briefing.

Generally, all members 18 years of age and older the head of the household isare required to attend the briefing. If the head of household is unable to attend, the head of household

must provide a written request to designate another adult to attend the briefing. The PHA must approve prior to the briefing.

In-Person Briefings

Families that attend group briefings and still need individual assistance will be referred to an appropriate PHA staff person.

Briefings will be conducted in English. For limited English proficient (LEP) applicants, the PHA will provide interpretation services in accordance with the PHA's LEP plan (See Chapter 2).

Attendance

PHA Policy

Applicants who fail to attend a scheduled in-person briefing will be scheduled for another briefing automatically. The PHA will notify the family of the date and time of the second scheduled briefing. Applicants who fail to attend two scheduled briefings, without prior PHA approval, will be denied assistance (see Chapter 3).

Remote Briefings [Notice PIH 2020-32]

Remote briefings may be conducted over the phone, via video conferencing, or through other virtual platforms.

PHA Policy

The PHA has the sole discretion to require that briefings be conducted remotely in case of local, state, or national physical distancing orders, and in cases of inclement weather or natural disaster. If the PHA schedules a remote briefing, the PHA will conduct a face-to-face briefing upon request of the applicant as a reasonable accommodation for a person with a disability if safety and health concerns can be reasonably addressed.

In addition, the PHA will conduct a briefing remotely upon request of the applicant as a reasonable accommodation for a person with a disability, if an applicant does not have childcare or transportation that would enable them to attend the briefing, or if the applicant believes an in-person briefing would create an undue health risk. The PHA will consider other reasonable requests for a remote briefing on a case-by-case basis.

Accessibility Requirements for Persons with Disabilities and LEP Individuals

As with in-person briefings, the platform for conducting remote briefings must be accessible and the briefing conducted in accordance with Section 504 and accessibility requirements. This includes ensuring any information, websites, emails, digital notifications, and other virtual platforms are accessible for persons with vision, hearing, and other disabilities. Further, providing effective communication in a digital context may require the use of individualized auxiliary aids or services, such as audio description, captioning, sign language and other types of interpreters, keyboard accessibility, accessible documents, screen reader support, and transcripts. Auxiliary aids or services must be provided in accessible formats, in a timely manner, and in such a way to protect the privacy and independence of the individual.

If no method of conducting a remote briefing is available that appropriately accommodates an individual's disability, the PHA may not hold against the individual his or her inability to participate in the remote briefing, and the PHA should consider whether postponing the remote briefing to a later date is appropriate or whether there is a suitable alternative.

Due to the individualized nature of disability, the appropriate auxiliary aid or service necessary, or reasonable accommodation, will depend on the specific circumstances.

Limited English Proficiency (LEP) requirements also apply to remote briefings, including the use of interpretation services and document translation. See Chapter 2 for a more thorough discussion of accessibility and LEP requirements, all of which apply in the context of remote briefings.

Conducting Remote Briefings

The PHA must ensure that the lack of technology or inability to use technology for remote briefings does not pose a disadvantage to families that may not be apparent to the PHA. The PHA must ensure that the family has appropriate technological access in order to fully participate in the remote briefing.

PHA Policy

At least 10 business days prior to scheduling the remote briefing, the PHA will provide written notification via first class mail and/or email to families participating in the briefing to advise of technological requirements and to request the family notify the PHA of any known barriers. If any family does not respond within five business days, or if the written notification is returned by the post office or the email is rejected, the PHA will contact the family by telephone to identify potential technological barriers and to determine which technology resources are accessible to the family. The PHA will resolve any barriers using the guidance in Section 6 of Notice PIH 2020-32, including offering the family the opportunity to attend an in-person briefing or have a one-on-one briefing over the phone, as appropriate.

The PHA will conduct remote briefings via a video conferencing platform when available. If applicants are unable to adequately access the video conferencing platform, the briefing will be conducted by telephone conferencing call-in. If the family is unable to adequately access the telephone conferencing call-in, the remote briefing will be postponed, and an in-person alternative or one-on-one briefing over the phone will be provided.

The PHA will provide login information and/or conferencing call-in information and an electronic copy of the briefing packet via email at least five business days before the briefing. The PHA will provide a paper copy of the briefing packet upon family request, and may reschedule the briefing to allow adequate time for the family to receive the physical briefing packet.

The PHA will ensure that all electronic information stored or transmitted as part of the briefing meets the requirements for accessibility for persons with disabilities and persons with LEP, and is secure, including ensuring personally identifiable information (PII) is protected.

The PHA will ensure that families who participate in remote briefings have the opportunity to ask questions as part of the briefing.

If families lose connectivity during any remote briefing or otherwise feel they were unable to access information presented during the briefing, the family may request a one-on-one briefing over the phone or in person with the PHA.

Oral Briefing [24 CFR 982.301(a)]

Each briefing must provide information on the following subjects:

- How the Housing Choice Voucher program works;
- Family and owner responsibilities;
- Where the family can lease a unit, including renting a unit inside or outside the PHA's jurisdiction and any information on selecting a unit that HUD provides;
- An explanation of how portability works. ~~The PHA may not discourage the family from choosing to live anywhere in the PHA jurisdiction or outside the PHA jurisdiction under portability, unless otherwise expressly authorized by statute, regulation, PIH Notice, or court order;~~
- The PHA must inform the family of how portability may affect the family's assistance through screening, subsidy standards, payment standards, and any other elements of the portability process which may affect the family's assistance; and
- An explanation of the ~~The~~ advantages of areas that do not have a high concentration of low-income families.; ~~and~~
- ~~For families receiving welfare-to-work vouchers, a description of any local obligations of a welfare-to-work family and an explanation that failure to meet the obligations is grounds for denial of admission or termination of assistance.~~

The PHA may not discourage the family from choosing to live anywhere in the PHA's jurisdiction or outside the PHA's jurisdiction under portability, unless otherwise expressly authorized by statute, regulation, PIH Notice, or court order.

~~In briefing a family that includes a person with disabilities,~~ The PHA must ~~also~~ take appropriate steps to ensure effective communication in accordance with 24 CFR 8.6 and 28 CFR part 35, subpart E, and must provide information on the reasonable accommodation process.

Briefing Packet [24 CFR 982.301(b)]; New HCV GB, *Housing Search and Leasing*, p. 7]

Documents and information provided in the briefing packet must include the following:

- The term of the voucher, voucher suspensions, and the PHA's policies on any extensions of the term. If the PHA allows extensions, the packet must explain how the family can request an extension.
- A description of the method used to calculate the housing assistance payment for a family, including how the PHA determines the payment standard for a family and how the PHA determines total tenant payment for a family, ~~and information on the payment standard and utility allowance schedule.~~
- An explanation of how the PHA determines the maximum allowable rent for an assisted unit.
- Where the family may lease a unit and an explanation of how portability works, including information on how portability may affect the family's assistance through screening, subsidy standards, payment standards, and any other elements of the portability process that may affect the family's assistance.
- The HUD-required tenancy addendum, which must be included in the lease.
- The form the family must use to request approval of tenancy, and an explanation ~~description of the procedure for how to requesting approval for a tenancy.~~
- A statement of the PHA policy on providing information about families to prospective owners.
- The PHA subsidy standards ~~including when and how exceptions are made~~ and when the PHA will consider granting exceptions as allowed by 24 CFR 982.4024(b)(8), and when exceptions are required as a reasonable accommodation for persons with disabilities under Section 504, the Fair Housing Act, or the Americans with Disabilities Act (ADA).
- Materials (e.g., brochures) on how to select a unit and any additional information on selecting a unit that HUD provides (e.g., HUD brochure entitled, "A Good Place to Live").
- Information on federal, state and local equal opportunity laws, the contact information for the Section 504 coordinator, ~~and a copy of the housing discrimination complaint form, including information on how to complete the form and file a fair housing complaint~~ and information on how to request a reasonable accommodation or modification (including information on requesting exception payment standards as a reasonable accommodation) under Section 504, the Fair Housing Act, or the Americans with Disabilities Act (ADA).
- A list of landlords known to the PHA who may be willing to lease a unit to the family or other resources (e.g., newspapers, organizations, online search tools) known to the PHA that may assist the family in locating a unit. PHAs must ensure that the list of landlords or other resources covers areas outside of poverty or minority concentration.
- Notice that if the family includes a person with disabilities, ~~the family may request a list of available accessible units known to the PHA~~ the PHA is subject to requirements under 24 CFR 8.28(a)(3) to provide a current listing of accessible units known to the PHA, and if necessary, other assistance in locating an available unit.

- ~~The family obligations under the program, including any obligations of a welfare-to-work family, and any obligations of other special programs if the family is participating in one of those programs.~~

~~The grounds on which the PHA may terminate assistance for a participant family because of family action or failure to act.~~

- PHA informal hearing procedures including when the PHA is required to offer a participant family the opportunity for an informal hearing, and how to request the hearing.
- An explanation of the advantages of moving to an area that does not have a high concentration of low-income families, which may include access to accessible and high-quality housing, transit, employment opportunities, educational opportunities, recreational facilities, public safety stations, retail services, and health services.
- The HUD pamphlet on lead-based paint entitled, "Protect Your Family from Lead in Your Home." [24 CFR 35.88].

If the PHA is located in a metropolitan area, the following additional information must be included in the briefing packet in order to receive full points under SEMAP Indicator 7, Expanding Housing Opportunities [24 CFR 985.3(g)]:

- Maps showing areas with housing opportunities outside areas of poverty or minority concentration, both within its jurisdiction and its neighboring jurisdiction
- Information about the characteristics of these areas including job opportunities, schools, transportation, and other services
- An explanation of how portability works, including a list of portability contact persons for neighboring PHAs with names, addresses, and telephone numbers

Additional Items to Be Included in the Briefing Packet

In addition to items required by the regulations, PHAs may wish to include supplemental materials to help explain the program to both participants and owners [HCV GB p. 8-7, Notice PIH 2017-12].

PHA Policy

The PHA will provide the following additional materials in the briefing packet:

[The grounds on which the PHA may terminate assistance for a participant family because of family action or failure to act](#)

[Requirements for notifying the PHA of any changes in income or family composition](#)

~~The HUD pamphlet on lead-based paint entitled *Protect Your Family from Lead in Your Home*~~

Information on how to fill out and file a housing discrimination complaint form

The form HUD-5380 domestic violence certification form and the form HUD-5382 notice of occupancy rights, which contains information on VAWA protections for victims of domestic violence, dating violence, sexual assault, and stalking

“Is Fraud Worth It?” (form HUD-1141-OIG), which explains the types of actions a family must avoid and the penalties for program abuse

“What You Should Know about EIV,” a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2017-12

Commented [TC1]: This was already listed in the above section.

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5-I.C. FAMILY OBLIGATIONS

Obligations of the family are described in the housing choice voucher (HCV) regulations and on the voucher itself. These obligations include responsibilities the family is required to fulfill, as well as prohibited actions. OHA must inform families of these obligations during the oral briefing, and the same information must be included in the briefing packet. When the family's unit is approved and the HAP contract is executed, the family must meet those obligations in order to continue participating in the program. Violation of any family obligation may result in termination of assistance, as described in Chapter 12.

Time Frames for Reporting Changes Required by Family Obligations

POHA Policy

Unless otherwise noted below, when family obligations require the family to respond to a request or notify the POHA of a change, notifying the POHA of the request or change within 10 business days is considered prompt notice.

When a family is required to provide notice to the POHA, the notice must be in writing.

Family Obligations [24 CFR 982.551]

The family obligations of the voucher are listed as follows:

- The family must supply any information that the POHA or HUD determines to be necessary, including submission of required evidence of citizenship or eligible immigration status.
- The family must supply any information requested by the POHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
- The family must disclose and verify social security numbers and sign and submit consent forms for obtaining information.
- Any information supplied by the family must be true and complete.
- The family ~~is responsible for any~~ is responsible for any deficiencies under the National Standards for the Physical Inspection of Real Estate (NSPIRE) may be held responsible for a breach of housing quality standards caused by the family's failure to pay tenant-provided utilities or appliances, or damages to the dwelling unit or premises beyond ordinary ~~normal~~ wear and tear caused by any member of the household or guest.

PHA Policy

Damages beyond ordinary ~~normal~~ wear and tear will be considered to be damages which could be assessed against the security deposit under state law or in court practice.

- The family must allow the PHA to inspect the unit at reasonable times and after reasonable notice, as described in Chapter 8 of this plan.

- The family must not commit any serious or repeated violation of the lease.

PHA Policy

The PHA will determine if a family has committed serious or repeated violations of the lease based on available evidence, including but not limited to, a court-ordered eviction or an owner's notice to evict, police reports, and affidavits from the owner, neighbors, or other credible parties with direct knowledge.

Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, living or housekeeping habits that cause damage to the unit or premises, and criminal activity. Generally, the criterion to be used will be whether or not the reason for the eviction was the fault of the tenant or guests. Any incidents of, or criminal activity related to, domestic violence, dating violence, sexual assault, stalking or human trafficking will not be construed as serious or repeated lease violations by the victim [24 CFR 5.2005(c)(1)].

- The family must notify the PHA and the owner before moving out of the unit or terminating the lease.

PHA Policy

The family must comply with lease requirements regarding written notice to the owner. The family must provide written notice to the PHA²s at the same time the owner is notified.

- The family must promptly give the PHA a copy of any owner eviction notice.
- The family must use the assisted unit for residence by the family. The unit must be the family's only residence.
- The composition of the assisted family residing in the unit must be approved by the PHA. The family must promptly notify the PHA in writing of the birth, adoption, or court-awarded custody of a child. The family must request PHA approval to add any other family member as an occupant of the unit.

PHA Policy

The request to add a family member must be submitted in writing and approved prior to the person moving into the unit. The PHA will determine eligibility of the new member in accordance with the policies in Chapter 3.

- The family must promptly notify the PHA in writing if any family member no longer lives in the unit.
- If ~~the PHA~~ has given approval, a foster child or a live-in aide may reside in the unit. ~~The PHA~~ has the discretion to adopt reasonable policies concerning residency by a foster child or a live-in aide, and to define when PHA consent may be given or denied. For policies related to the request and approval/disapproval of foster children, foster adults, and live-in aides, see Chapter 3 (sections I.K and I.M), and Chapter 11 (section II.B).

- The family must not sublease the unit, assign the lease, or transfer the unit.

PHA Policy

Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.

- The family must supply any information requested by the PHA to verify that the family is living in the unit or information related to family absence from the unit.
- The family must promptly notify the PHA when the family is absent from the unit.

PHA Policy

Notice is required under this provision only when all family members will be absent from the unit for an extended period. An extended period is defined as any period greater than 30 calendar days. Written notice must be provided to the POHA at the start of the extended absence.

- The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease [Form HUD-52646, Voucher].
- The family must not own or have any interest in the unit, (other than in a cooperative and owners of a manufactured home leasing a manufactured home space).
- Family members must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program. (See Chapter 14, Program Integrity for additional information).
- Family members must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for HUD and PHA policies related to drug-related and violent criminal activity.
- Members of the household must not engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for a discussion of HUD and PHA policies related to alcohol abuse.
- An assisted family or member of the family must not receive HCV program assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.
- A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, ~~sisters~~sister, or brother of any member of the family, unless the PHA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities. [Form HUD-52646, Voucher]

PART II: SUBSIDY STANDARDS AND VOUCHER ISSUANCE

5-II.A. OVERVIEW

The PHA must establish subsidy standards that determine the number of bedrooms needed for families of different sizes and compositions. This part presents the policies that will be used to determine the family unit size (also known as the voucher size) a particular family should receive, and the policies that govern making exceptions to those standards. ~~The PHA~~ must also establish policies related to the issuance of the voucher, to the voucher term, and to any extensions of the voucher term.

5-II.B. DETERMINING FAMILY UNIT (VOUCHER) SIZE [24 CFR 982.402]

For each family, The PHA determines the appropriate number of bedrooms under the PHA's subsidy standards and enters the family unit size on the voucher that is issued to the family. The family unit size does not dictate the size of unit the family must actually lease, nor does it determine who within a household will share a bedroom/sleeping room.

The following requirements apply when the PHA determines family unit size:

- The subsidy standards must provide for the smallest number of bedrooms needed to house a family without overcrowding.
- ~~The subsidy standards must be consistent with space requirements under the housing quality standards 24 CFR 5.703.~~
- ~~The subsidy standards must be consistent with space requirements under the housing quality standards.~~
- The subsidy standards must be applied consistently for all families of like size and composition.
- A child who is temporarily away from the home because of placement in foster care is considered a member of the family in determining the family unit size.
- A family that consists of a pregnant woman (with no other persons) must be treated as a two-person family.
- Any live-in aide (approved by the PHA to reside in the unit to care for a family member who is disabled or is at least 50 years of age) must be counted in determining the family unit size;
- Unless a live-in-aide resides with a family, the family unit size for any family consisting of a single person must be either a zero- or one-bedroom unit, as determined under the PHA's subsidy standards.

PHA Policy

The PHA does not determine who shares a bedroom/sleeping room, but there must be at least one person per bedroom on the Voucher. The PHA's subsidy standards for determining voucher size shall be applied in a manner consistent with Fair Housing guidelines.

For Subsidy Standards, an adult is a person 18 years of age or older.

Generally, the PHA will assign one bedroom for each two persons within the household, except in the following circumstances:

- Persons of the opposite ~~sex~~ gender (other than spouses, and children under age 5) will be allocated separate bedrooms.
- Live-in aides will be allocated a separate bedroom.
- Single person families will be allocated one bedroom.
- Generally, the PHA assigns one bedroom to two people within the following guidelines:
 - Persons of different generations, persons of the opposite ~~sex~~ gender (other than spouses), and unrelated adults should be allocated a separate bedroom.
 - Foster children will be included in determining unit size.
 - Live-in attendants will generally be provided a separate bedroom. No additional bedrooms are provided for the attendants' family.
 - Space may be provided for a child who is away at school but who lives with the family during school recesses.
 - Space will not be provided for a family member, other than a spouse, who will be absent most of the time, such as a member who is away in the military.
 - Adults of different generations will have separate bedrooms.
 - Children of the same ~~sex~~ gender will share a bedroom regardless of age difference.
 - A newborn child will share a bedroom with a single head-of-household and/or parent of said child until that child is two (2) years of age.

The PHA will reference the following chart in determining the appropriate voucher size for a family:

Voucher Size	Persons in Household (Minimum – Maximum)
0 Bedroom	1-1
1 Bedroom	1-2
2 Bedrooms	2-4
3 Bedrooms	3-6
4 Bedrooms	4-8
5 Bedrooms	6-10
6 Bedrooms	8-12

5-II.C. EXCEPTIONS TO SUBSIDY STANDARDS

In determining family unit size for a particular family, the PHA may grant an exception to its established subsidy standards if ~~the~~ POHA determines that the exception is justified by the age, sex, health, handicap, or relationship of family members or other personal circumstances [24 CFR 982.402(b)(8)]. Reasons may include, but are not limited to:

- A need for an additional bedroom for medical equipment
- A need for a separate bedroom for reasons related to a family member's disability, medical or health condition

For a single person who is not elderly, disabled, or a remaining family member, an exception cannot override the regulatory limit of a zero or one bedroom [24 CFR 982.402(b)(8)].

PHA Policy

The PHA will consider granting an exception for any of the reasons specified in the regulation: the age, sex, health, handicap, or relationship of family members or other personal circumstances.

The family must request any exception to the subsidy standards in writing, [which will include email](#). The request must explain the need or justification for a larger family unit size, and must include appropriate documentation. Requests based on health-related reasons must be verified by a knowledgeable professional source (e.g., doctor or health professional), unless the disability and the disability-related request for accommodation is readily apparent or otherwise known. The family's continued need for an additional bedroom due to special medical equipment must be re-verified at annual reexamination.

The PHA will notify the family of its determination within 10 business days of receiving the family's request. If a participant family's request is denied, the notice will inform the family of their right to request an informal hearing.

5-II.D. VOUCHER ISSUANCE [24 CFR 982.302]

When a family is selected from the waiting list (or as a special admission as described in Chapter 4), or when a participant family wants to move to another unit, OHA issues a Housing Choice Voucher, form HUD-52646. This chapter deals only with voucher issuance for applicants. For voucher issuance associated with moves of program participants, please refer to Chapter 10.

The voucher is the family's authorization to search for housing. It specifies the unit size for which the family qualifies and includes both the date of voucher issuance and date of expiration. It contains a brief description of how the program works and explains the family obligations under the program. The voucher is evidence that ~~the POHA~~ has determined the family to be eligible for the program, and that ~~the POHA~~ expects to have money available to subsidize the family if the family finds an approvable unit. However, ~~the POHA~~ does not have any liability to any party by the issuance of the voucher, and the voucher does not give the family any right to participate in the PHA's housing choice voucher program [Voucher, form HUD-52646]

~~A voucher can be issued to an applicant family only after the PHA has determined that the family is eligible for the program based on verification of information received within the 60-120 days prior to issuance [24 CFR 982.201(e)] and after the family has attended an oral briefing [HCV 8-1]. The PHA must issue the family a voucher within 60 days of determining the family eligible [24 CFR 982.201(e)]. The income documentation must be dated within 120 days of when it was received by the PHA. However, for fixed-income sources, including Social Security benefits, the documentation must be dated within the appropriate benefit year.~~

PHA Policy

Vouchers will be issued to eligible applicants immediately following the mandatory briefing.

The PHA should have sufficient funds to house an applicant before issuing a voucher. If funds are insufficient to house the family at the top of the waiting list, the PHA must wait until it has adequate funds before it calls another family from the list [HCV GB p. 8-10].

PHA Policy

Prior to issuing any vouchers, the PHA will determine whether it has sufficient funding in accordance with the policies in Part VIII of Chapter 16.

If the PHA determines that there is insufficient funding after a voucher has been issued, the PHA may rescind the voucher and place the affected family back on the waiting list.

5-II.E. VOUCHER TERM AND EXTENSIONS

Voucher Term [24 CFR 982.303]

The initial term of a voucher must be at least 60 calendar days. The initial term must be stated on the voucher [24 CFR 982.303(a)].

PHA Policy

The initial voucher term will be ~~60~~ 120 calendar days.

The family must submit a Request for Tenancy Approval and proposed lease within the ~~60~~ 120-day period.

The PHA will only grant extensions based upon circumstances mentioned below.

Extension beyond 120 days is subject to PHA approval to accommodate a Reasonable Accommodation request.

Extensions of Voucher Term [24 CFR 982.303(b)]

The PHA has the authority to grant extensions of search time, to specify the length of an extension, and to determine the circumstances under which extensions will be granted. There is no limit on the number of extensions that the PHA can approve. Discretionary policies related to extension and expiration of search time must be described in the PHA's administrative plan [24 CFR 982.54].

PHAs must approve additional search time if needed as a reasonable accommodation to make the program accessible to and usable by a person with disabilities. The extension period must be reasonable for the purpose.

The family must be notified in writing of the PHA's decision to approve or deny an extension. The PHA's decision to deny a request for an extension of the voucher term is not subject to informal review [24 CFR 982.554(c)(4)].

PHA Policy

The PHA will approve additional extensions only in the following circumstances:

It is necessary as a reasonable accommodation for a person with disabilities.

It is necessary due to reasons beyond the family's control, as determined by OHA. Following is a list of extenuating circumstances that PHA may consider in making its decision. The presence of these circumstances does not guarantee that an extension will be granted:

Serious illness or death in the family

Other family emergency

Obstacles due to employment

Whether the family has already submitted requests for tenancy approval that were not approved by the PHA

Whether family size or other special circumstances make it difficult to find a suitable unit

Commented [TC3]: This comment is in the Nan MacKay version - "The PHA will automatically approve one 30-day extension upon written request from the family." Do we want to add that before this sentence?

Commented [PS4R3]: No extension family receives the full allowable search time

Any request for an additional extension must include the reason(s) an additional extension is necessary. The PHA may require the family to provide documentation to support the request or obtain verification from a qualified third party.

All requests for extensions to the voucher term must be made in writing and submitted to the PHA prior to the expiration date of the voucher (or extended term of the voucher).

The PHA will decide whether to approve or deny an extension request within 10 business days of the date the request is received, and will immediately provide the family written notice of its decision.

Suspensions of Voucher Term [24 CFR 982.303(c)]

The PHA must provide for suspension of the initial or any extended term of the voucher from the date the family submits a request for PHA approval of the tenancy until the date PHA notifies the family in writing whether the request has been approved or denied.

Expiration of Voucher Term

Once a family's housing choice voucher term (including any extensions) expires, the family is no longer eligible to search for housing under the program. If the family still wishes to receive assistance, the PHA may require that the family reapply, or may place the family on the waiting list with a new application date but without requiring reapplication. Such a family does not become ineligible for the program on the grounds that it was unable to locate a unit before the voucher expired [HCV GB p. 8-13].

PHA Policy

If an applicant family's voucher term or extension expires before the PHA has approved a tenancy, ~~the PHA~~ will require the family to reapply for assistance.

Within 10 business days after the expiration of the voucher term or any extension, the PHA will notify the family in writing that the voucher term has expired and that the family may reapply when the waiting list is open in order to be placed on the waiting list.

Chapter 6.-B.

INCOME AND SUBSIDY DETERMINATIONS UNDER HOTMA 102/104

[24 CFR Part 5, Subparts E and F; 24 CFR 982]

INTRODUCTION

This chapter is applicable upon the PHA's HOTMA 102/104 compliance date. Prior to this date, the PHA will follow policies as outlined in Chapter 6.-A. of the model policy.

The Omaha Housing Authority (OHA) will be referred to as the Public Housing Authority (PHA) or simply as the PHA throughout the Administrative Plan.

A family's income determines eligibility for assistance and is also used to calculate the family's payment and the PHA's subsidy. The PHA will use the policies and methods described in this chapter to ensure that only eligible families receive assistance and that no family pays more or less than its obligation under the regulations. This chapter describes HUD regulations and PHA policies related to these topics in three parts as follows:

Part I: Annual Income. HUD regulations specify the sources of income which are excluded from the family's annual income. These requirements and PHA policies for calculating annual income are found in Part I.

Part II: Assets. HUD regulations specify the types of assets which are excluded from a family's annual income. These requirements and PHA policies for calculating income from assets are found in Part II.

Part III: Adjusted Income. Once annual income has been established, HUD regulations require the PHA to subtract from annual income any of five mandatory deductions for which a family qualifies and allow the PHA to adopt additional permissive deductions. These requirements and PHA policies for calculating adjusted income are found in Part III.

Part IV: Calculating Family Share and PHA Subsidy. This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining PHA subsidy and required family payment.

PART I: ANNUAL INCOME

6-I.A. OVERVIEW- [24 CFR 5.609]

Annual income includes:

- All amounts, not specifically excluded in 24 CFR 5.609(b);
- All amounts received from all sources (other than those specifically excluded in 24 CFR 5.609(b)) by each member of the family who is 18 years of age or older or is the head of household or spouse;
- Unearned income (other than those sources specifically excluded in 24 CFR 5.609(b)) by or on behalf of each dependent who is under 18 years of age; and
- Imputed returns of an asset based on the current passbook savings rate, as determined by HUD, when the value of net family assets exceeds the HUD-published threshold amount (adjusted annually and published in HUD's Inflation-Adjusted Values tables) and the actual returns from a given asset cannot be calculated.

In addition to this general definition, the regulations at 24 CFR 5.609(b) provide a comprehensive listing of all sources of income that are excluded from annual income. -Note, unlike in previous versions of the regulations, the current regulations governing annual income do not list sources of income that are to be included. -Instead, HUD relies on the definition of excluded income under 24 CFR 5.609(b) to provide the scope of what is included. -To that end, generally, all income is included unless it is specifically excluded by regulation.

Annual income includes “all amounts received,” not the amount that a family may be legally entitled to receive but did not receive. For example, a family's child support or alimony income must be based on payments received, not the amounts to which the family is entitled by court or agency orders. However, when a family member's wages or benefits are garnished, levied, or withheld to pay restitution, child support, tax debt, student loan debt, or other applicable debts, the PHA must use the gross amount of the income, prior to the reduction, to determine a family's annual income [Notice PIH 2023-27].

Annual income also includes all actual anticipated income from assets (provided the income is not otherwise excluded) even if the asset itself is excluded from net family assets [Notice PIH 2023-27]. 24 CFR 5.603(b)(1) describes HUD regulations for treating specific types of income and assets. The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:

- ~~___~~ *—Annual Income Full Definition (Exhibit 6-1)
- ~~___~~ *—Treatment of Family Assets (Exhibit 6-2)
- ~~___~~ *—The Effect of Welfare Benefit Reduction (Exhibit 6-3)

Sections 6-I.-B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the ~~purposes~~ purpose of determining annual income. Verification requirements for annual income are discussed in Chapter 7.

6-I.B. HOUSEHOLD COMPOSITION AND INCOME

Overview

Income received by all family members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in family composition in accordance with HUD regulations and PHA policies in Chapter 11. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations.

Summary of Income Included and Excluded by Person	
Live-in aides	Income from all sources (both earned and unearned) is excluded [24 CFR 5.609(b)(8)].
Foster child or foster adult	Income from all sources (both earned and unearned) is excluded [24 CFR 5.609(b)(8)].
Head, spouse, or cohead Other adult family members	All sources of income not specifically excluded by the regulations are included [24 CFR 5.609(a)].
Minors	Earned income of children under 18 years of age is excluded [24 CFR 5.609(b)(3)]. All sources of unearned income, except those specifically excluded by the regulations, are included [24 CFR 5.609(a)].
Full-time students 18 years of age or older (not head, spouse, or cohead)	Earned income in excess of the dependent deduction is excluded [24 CFR 5.609(b)(14)]. All sources of unearned income, except those specifically excluded by the regulations, are included.

Temporarily Absent Family Members

The current regulations governing annual income do not specifically address temporarily absent family members. The regulations also do not define “temporarily” or “permanently” absent or specify a timeframe associated with a temporary versus a permanent absence.

PHA Policy

Unless specifically excluded by the regulations, the income of all family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit.

Generally, an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member.

Generally, an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

PHA Policy

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to the PHA indicating that the student has established a separate household, or the family declares that the student has established a separate household.

Absences Due to Placement in Foster Care

Children temporarily absent from the home as a result of placement in foster care (as confirmed by the state child welfare agency) are considered members of the family [24 CFR 5.403].

PHA Policy

If a child has been placed in foster care, the PHA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will continue to be counted as a family member.

Absent Head, Spouse, or Cohead

PHA Policy

An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

Family Members Permanently Confined for Medical Reasons

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted [HCV GB, p. 5-22].

PHA Policy

The PHA will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

When an individual who has been counted as a family member is determined permanently absent, the family is eligible for the medical expense deduction only if the remaining head, spouse, or cohead qualifies as an elderly person or a person with disabilities.

Joint Custody of Dependents

PHA Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family 50 percent or more of the time.

When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the PHA will make the determination based on available documents such as court orders, school records, or an IRS return showing which family has claimed the child for income tax purposes.

Caretakers for a Child

PHA Policy

The approval of a caretaker is at the owner and PHA's discretion and subject to the owner and PHA's screening criteria. If neither a parent nor a designated guardian remains in a household receiving HCV assistance, the PHA will take the following actions.

- (1) If a responsible agency has determined that another adult is to be brought into the assisted unit to care for a child for an indefinite period, the designated caretaker will not be considered a family member until a determination of custody or legal guardianship is made.
- (2) If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will be treated as a visitor for 90 days. After the 90 days has elapsed, the caretaker will be considered a family member unless information is provided that would confirm that the caretaker's role is temporary. In such cases the PHA will extend the caretaker's status as an eligible visitor.
- (3) At any time that custody or guardianship legally has been awarded to a caretaker, the housing choice voucher will be transferred to the caretaker.
- (4) During any period that a caretaker is considered a visitor, the income of the caretaker is not counted in annual income and the caretaker does not qualify the family for any deductions from income.

6-I.C. CALCULATING ANNUAL INCOME

The methodology used for calculating income differs depending on whether income is being calculated at initial occupancy, interim reexamination, or at annual reexamination. However, income from assets is always anticipated regardless of certification type.

Anticipating Annual Income [24 CFR 5.609(c)(1)]

At initial occupancy and for an interim reexamination of family income, the PHA is required to use anticipated income (current income) for the upcoming 12-month period following the new admission or interim reexamination effective date. Policies related to verifying income are found in Chapter 7.

PHA Policy

When the PHA cannot readily anticipate income based upon current circumstances (e.g., in the case of temporary, sporadic, or variable employment, seasonal employment, unstable working hours, or suspected fraud), the PHA will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income.

Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to the PHA to show why the historic pattern does not represent the family's anticipated income.

In all cases, the family file will be documented with a clear record of the reason for the decision, and a clear audit trail will be left as to how the PHA annualized projected income.

Known Changes in Income

If the PHA verifies an upcoming increase or decrease in income at admission or interim reexamination, annual income will be projected by applying each income amount to the appropriate part of the 12-month period.

Example: An employer reports that a full-time employee who has been receiving \$8/hour will begin to receive \$8.25/hour in the eighth week after the effective date of the new admission or interim reexamination. In such a case the PHA would calculate annual income as follows: $(\$8/\text{hour} \times 40 \text{ hours} \times 7 \text{ weeks}) + (\$8.25 \times 40 \text{ hours} \times 45 \text{ weeks})$.

The family may present information that demonstrates that implementing a change before its effective date would create a hardship for the family. In such cases the PHA will calculate annual income using current circumstances and then, should the change in income require the PHA to conduct an interim reexamination, conduct an interim reexamination in accordance with PHA policy in Chapter 11.

Calculating Annual Income at Annual Reexamination [24 CFR.609(c)(2); Notice PIH 2023-27]

At annual reexamination, except where the PHA uses a streamlined income determination, PHAs must first determine the family's income for the previous 12-month period and use this amount as the family income for annual reexaminations; however, adjustments to reflect current income must be made. Any change of income since the family's last annual reexamination, including those that did not meet the threshold to process an interim reexamination of family income in accordance with PHA policies in Chapter 11 and HUD regulations, must be considered. If, however, there have been no changes to income, then the amount of income calculated for the previous 12-month period is the amount that will be used to determine the family's rental assistance. Income from assets is always anticipated, irrespective of the income examination type. Policies related to conducting annual reexaminations are located in Chapter 11.

6-I.D. EARNED INCOME

Wages and Related Compensation [24 CFR 5.609(a); Notice PIH 2023-27]

The earned income of each member of the family who is 18 years of age or older, or who is the head of household or spouse/cohead regardless of age, is included in annual income. Income received as a day laborer or seasonal worker is also included in annual income, even if the source, date, or amount of the income varies [24 CFR 5.609 (b)(24)].

Earned income means income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits [24 CFR 5.100].

A *day laborer* is defined as an individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future [24 CFR 5.603(b)]. Income earned as a day laborer is not considered nonrecurring income.

A *seasonal worker* is defined as an individual who is hired into a short-term position (e.g., for which the customary employment period for the position is six months or fewer) and the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the particular employer or industry [24 CFR 5.603(b)]. Some examples of seasonal work include employment limited to holidays or agricultural seasons. Seasonal work may include but is not limited to employment as a lifeguard, ballpark vendor, or snowplow driver [Notice PIH 2023-27]. Income earned as a seasonal worker is not considered nonrecurring income.

PHA Policy

The PHA will include in annual income the full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation.

For persons who regularly receive bonuses or commissions, the PHA will verify and then average amounts received for the two years preceding admission or interim reexamination. If only a one-year history is available, the PHA will use the prior year amounts. In either case the family may provide, and the PHA will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, the PHA will count only the amount estimated by the employer. The file will be documented appropriately.

Military Pay

All regular pay, special pay and allowances of a member of the Armed Forces are counted except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(b)(11)].

Earnings of a Minor [24 CFR 5.609(b)(3)]

A minor is a member of the family, other than the head of household or spouse, who is under 18 years of age. Employment income earned by minors is not included in annual income. All other sources of unearned income, except those specifically excluded by the regulations, are included.

Earned Income of Full-Time Students [24 CFR 5.609(b)(14)]

The earned income of a dependent full-time student in excess of the amount of the dependent deduction is excluded from annual income. All sources of unearned income, except those specifically excluded by the regulations, are included.

A family member other than the head of household or spouse/cohead is considered a full-time student if they are attending school or vocational training on a full-time basis [24 CFR 5.603(b)]. To be considered “full-time,” a student must be considered “full-time” by an educational institution with a degree or certificate program [HCV GB, p. 5-29].

6-I.E. EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES [24 CFR 5.617; Streamlining Final Rule (SFR) Federal Register 3/8/16; Notice PIH 2023-27]

HOTMA removed the statutory authority for the EID. The EID is available only to families that are eligible for and participating on the program as of December 31, 2023, or before; no new families may be added on or after January 1, 2024. If a family is receiving the EID prior to or on the effective date of December 31, 2023, they are entitled to the full amount of the benefit for a full 24-month period. The policies below are applicable only to such families. No family will still be receiving the EID after December 31, 2025. The EID will sunset on January 1, 2026, and the PHA policies below will no longer be applicable as of that date or when the last qualifying family exhausts their exclusion period, whichever is sooner.

Calculation of the Disallowance

Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with their "baseline income." The family member's baseline income is their income immediately prior to qualifying for the EID. The family member's baseline income remains constant throughout the period that they are participating in the EID.

Calculation Method

Initial 12-Month Exclusion

During the initial exclusion period of 12 consecutive months, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded.

PHA Policy

The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.

Second 12-Month Exclusion

During the second exclusion period of 12 consecutive months, the PHA must exclude at least 50 percent of any increase in income attributable to employment or increased earnings.

PHA Policy

During the second 12-month exclusion period, the PHA will exclude 100 percent of any increase in income attributable to new employment or increased earnings.

Lifetime Limitation

The EID has a two-year (24-month) lifetime maximum. The two-year eligibility period begins at the same time that the initial exclusion period begins and ends 24 months later. During the 24-month period, an individual remains eligible for EID even if they begin to receive assistance from a different housing agency, move between public housing and Section 8 assistance, or have breaks in assistance. The EID will sunset on January 1, 2026. In no circumstances will a family member's exclusion period continue past January 1, 2026.

6-I.F. BUSINESS AND SELF-EMPLOYMENT INCOME [24 CFR 5.609(b)(28); Notice PIH 2023-27]

Annual income includes “net income from the operation of a business or profession. *Net income* is gross income minus business expenses that allows the business to operate. *Gross income* is all income amounts received into the business, prior to the deduction of business expenses.

Expenditures for business expansion or amortization of capital indebtedness may not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. 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.”

PHA Policy

To determine business expenses that may be deducted from gross income, the PHA will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described herein.

Independent Contractors

Income received as an independent contractor is included in annual income, even if the source, date, or amount of the income varies [24 CFR 5.609 (b)(24)].

An *independent contractor* is defined as an individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done [24 CFR 5.603(b)]. This may include individuals such as third-party delivery and transportation service providers and “gig workers” like babysitters, landscapers, rideshare drivers, and house cleaners. Income earned as an independent contractor is not considered nonrecurring income.

Business Expansion

HUD regulations do not permit the PHA to deduct from gross income expenses for business expansion.

PHA Policy

Business expansion is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations. For example, purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business would be considered a business expansion. Similarly, the purchase of a property by a hair care business to open at a second location would be considered a business expansion.

Capital Indebtedness

HUD regulations do not permit the PHA to deduct from gross income the amortization of capital indebtedness.

PHA Policy

Capital indebtedness is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means the PHA will allow as a business expense interest, but not principal, paid on capital indebtedness.

Negative Business Income

If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.

Withdrawal of Cash or Assets from a Business

HUD regulations require the PHA to include in annual income the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a family member for cash or assets invested in the business by the family.

PHA Policy

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of an assisted family provided an up-front loan of \$2,000 to help a business get started, the PHA will not count as income any withdrawals from the business up to the amount of this loan until the loan has been repaid. Investments do not include the value of labor contributed to the business without compensation.

Co-owned Businesses

PHA Policy

If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family's share of the income is lower than its share of ownership, the family must document the reasons for the difference.

Assets Owned by a Business Entity

If a business entity (e.g., limited liability company or limited partnership) owns the asset, then the family's asset is their ownership stake in the business, not some portion of the business's assets. However, if the family holds the assets in their own name (e.g., they own one-third of a restaurant) rather than in the name of a business entity, then the percentage value of the asset owned by the family is what is counted toward net family assets (e.g., one-third of the value of the restaurant) [Notice PIH 2023-27].

6-I.G. STUDENT FINANCIAL ASSISTANCE [FR Notice 2/14/23 and Notice PIH 2023-27]

Introduction

The treatment of student financial assistance depends on the HUD program, student/household characteristics, and the type of financial assistance received by the student. For public housing residents, all income received under Title IV of the HEA must be excluded from income. Other student financial assistance may be included depending on the students actual covered costs to For Section 8 programs, including HCV, however, for over 10 years HUD appropriations have included a provision that for Section 8 students who are age 23 and under and without dependent children, any amounts received in excess of tuition and any other required fees and charges must be considered income. Under HOTMA, HUD has interpreted this limitation to apply when the student is the head of household or spouse, but not when the student resides with their parents [71 FR 18146].

For any funds from a year where HUD's appropriations continue to include this Section 8 student financial assistance limitation, if the student does not reside with their parents is the head of household, cohead, or spouse, and is under the age of 23 or without dependent children, then both the assistance received under Title IV HEA and other student financial assistance received by the student is included as income to the extent that it exceeds the total of tuition and any other required fees and charges.

In contrast, student financial assistance received by a Section 8 student who is the head of household, spouse, or cohead, and is over the age of 23 with dependent children, or a student who resides with their parents in a Section 8 unit, is governed by the HOTMA student rule, which is described below.

During years in which an appropriations act does not contain this Section 8 student financial assistance limitation (or any other such limitation), then the determination of student financial assistance for all Section 8 students defaults to the methodology for public housing.

HOTMA Student Financial Assistance Requirements [24 CFR 5.609(b)(9)]

The regulations under HOTMA distinguish between two categories of student financial assistance paid to both full-time and part-time students. The first category is any assistance to students under section 479B of the Higher Education Act of 1965 (Title IV of the HEA) which must be excluded from the family's annual income [24 CFR 5.609(b)(9)(i)]. Examples of assistance under title IV of the HEA include:

- Federal Pell Grants;
- Teach Grants;
- Federal Work Study Programs;
- Federal Perkins Loans;
- Income earned in employment and training programs under section 134 of the Workforce Innovation and Opportunity Act (WIOA); or

- Bureau of Indian Affairs/Education student assistance programs
 - The Higher Education Tribal Grant
 - The Tribally Controlled Colleges or Universities Grant Program

The second category is any other grant-in-aid, scholarship, or other assistance amounts an individual receives for the actual covered costs charged by the institute of higher education (not otherwise excluded by the Federally mandated income exclusions)[24 CFR 5.609(b)(9)(ii)]. Other student financial assistance received by the student that, either by itself or in combination with HEA assistance, exceeds the actual covered costs is included in income.

Actual covered costs are defined as the actual costs of:

- Tuition, books, and supplies;
 - Including supplies and equipment to support students with learning disabilities or other disabilities
- Room and board; and
- Other fees required and charged to a student by the education institution.

For a student who is not the head of household or spouse/cohead, actual covered costs also include the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

Further, to qualify, other student financial assistance must be expressly:

- For tuition, book, supplies, room and board, or other fees required and charged to the student by the educational institution;
- To assist a student with the costs of higher education; or
- To assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the educational institution and not residing in an assisted unit.

The student financial assistance may be paid directly to the student or to the educational institution on the student's behalf. However, any student financial assistance paid to the student must be verified by the PHA.

The financial assistance must be a grant or scholarship received from:

- The Federal government;
- A state, tribal, or local government ;
- A private foundation registered as a nonprofit;
- A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or
- An institution of higher education.

Student financial assistance, does not include:

- Financial support provided to the student in the form of a fee for services performed; (e.g., a work study or teaching fellowship that is not excluded under section 479B of the Higher Education Act HEA);
- Gifts, including gifts from family or friends; or
- Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under the HEA, exceeds the actual covered costs of the student.

Calculating Income from Student Financial Assistance [HOTMA Student Financial Assistance Resource Sheet; Notice PIH 2023-27]

There are two steps required as part of the calculation for Section 8 students. First, determine the student's relationship to the household, age, and whether they have dependent children. Second, calculate whether any excess student financial assistance should be included in the family's income.

If the student does not live with their parents and is the head of household, cohead, or spouse, and is 23 or younger or does not have dependent children, then Title IV HEA assistance is considered when determining the student's total financial aid amount. Subtract the total tuition plus required fees and charges from the total student financial assistance (Title IV HEA assistance and any other student financial assistance). If the total tuition plus required fees and charges is zero or exceeds the amount of total financial assistance from all sources, then no student financial assistance is included in annual income. Any amount of student financial assistance that exceeds the total tuition plus required fees and charges must be included in annual income.

If the student either lives with their parents or is over 23 with dependent children, then the calculation will use the HOTMA methodology for calculating financial assistance, which always begins with deducting the assistance received under 479B of the HEA from the total actual covered costs, because the 479B assistance is intended to pay the student's actual covered costs. When a student receives assistance from both Title IV of the HEA and from other sources, the assistance received under Title IV of the HEA must be applied to the student's actual covered costs first and then other student financial assistance is applied to any remaining actual covered costs. Once actual costs are covered, any remaining student financial assistance is considered income.

PHA Policy

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

Example 1

- Tuition and required fees and charges: \$20,000
- Title IV HEA assistance: \$10,000
- Other student financial assistance: \$15,000
- Total student financial assistance: $\$10,000 + \$15,000 = \$25,000$
- Included income: $\$25,000$ in financial assistance - $\$20,000$ tuition and required fees = $\$5,000$

If a student is head, spouse, or cohead, and is over 23 with dependent children or lives with their parents, the following applies:

If a student only receives financial assistance under Title IV of the HEA and does not receive any other student financial assistance, the PHA will exclude the full amount of the assistance received under Title IV from the family's annual income. The PHA will not calculate actual covered costs in this case.

If the student does not receive any assistance under Title IV of the HEA but does receive assistance from another source, the PHA will first calculate the actual covered costs to the student in accordance with 24 CFR 5.609(b)(ii). The PHA will then subtract the total amount of the student's financial assistance from the student's actual covered costs. The PHA will include any amount of financial assistance in excess of the student's actual covered costs in the family's annual income.

Example 1

- Actual covered costs: \$20,000
- Other student financial assistance: \$25,000
- Excluded income: \$20,000 (\$25,000 in financial assistance - \$20,000 in actual covered costs)
- Included income: \$5,000

When a student receives assistance from both Title IV of the HEA and from other sources, the PHA will first calculate the actual covered costs to the student in accordance with 24 CFR 5.609(b)(ii). The assistance received under Title IV of the HEA will be applied to the student's actual covered costs first and then the other student financial assistance will be applied to any remaining actual covered costs.

If the amount of assistance excluded under Title IV of the HEA equals or exceeds the actual covered costs, none of the assistance included under other student financial assistance" would be excluded from income.

Example 2

- Actual covered costs: \$25,000
- Title IV HEA assistance: \$26,000
- Title IV HEA assistance covers the students entire actual covered costs.
- Other Student Financial Assistance: \$5,000
- Excluded income: The entire Title IV HEA assistance of \$26,000
- Included income: All other financial assistance of \$5,000

If the amount of assistance excluded under Title IV of the HEA is less than the actual covered costs, the PHA will exclude the amount of other student financial assistance up to the amount of the remaining actual covered costs.

Example 3

- Actual covered costs: \$22,000
- Title IV HEA assistance: \$15,000
- The remaining amount not covered by Title IV HEA assistance is \$7,000 (\$22,000 in actual covered costs - \$15,000 in Title IV HEA assistance).
- Other Student Financial Assistance: \$5,000
- \$7,000 in remaining actual covered costs - \$5,000 in other financial assistance
- Excluded income: \$15,000 entire amount of the Title IV HEA Assistance + \$5,000 in other financial assistance
- Included income: \$0

Example 4

- Actual covered costs: \$18,000
- Title IV HEA Assistance: \$15,000
- The remaining amount not covered by Title IV HEA assistance is \$3,000 (\$18,000 in actual covered costs - \$15,000 in Title IV HEA Assistance)
- Other student Financial Assistance: \$5,000
- When other student financial assistance is applied, financial assistance exceeds actual covered costs by \$2,000 (\$3,000 in actual covered costs - \$5,000 in other financial assistance).
- Included income: \$2,000 (the amount by which the financial aid exceeds the student's actual covered costs).

6-I.H. PERIODIC PAYMENTS

Periodic payments are forms of income received on a regular basis.

Income that will not be repeated beyond the coming year (i.e., the 12 months following the effective date of the certification), based on information provided by the family, is considered nonrecurring income and is excluded from annual income. Income that has a discrete end date and will not be repeated beyond the coming year is excluded from a family's annual income because it is nonrecurring income. For example, a family receives income from a guaranteed income program in their city that has a discrete beginning and end date. While the guaranteed income will be repeated in the coming year, it will end before the family's next annual reexamination. This income is fully excluded from annual income.

However, this does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly). Unemployment income and other types of periodic payments are not considered nonrecurring income, unless explicitly excluded from income under 25 CFR 5.609(b), and thus they are included in annual income.

Insurance payments and settlements for personal or property losses, including but not limited to payments under health insurance, motor vehicle insurance, and workers' compensation, are excluded from annual income. Any workers' compensation is always excluded from annual income, regardless of the frequency or length of the payments.

Lump-Sum Payments for the Delayed Start of a Periodic Payment [24 CFR 5.609(b)(16)]

Deferred periodic amounts from Supplemental Security Income (SSI) and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs (VA) disability benefits that are received in a lump sum amount or in prospective monthly amounts are excluded from annual income.

PHA Policy

The PHA will include in annual income lump sums received as a result of delays in processing periodic payments (other than those specifically excluded by the regulation), such as unemployment or welfare assistance.

When a delayed-start payment is received that is to be included and the family reports this during the period in which the PHA is processing an annual reexamination, the PHA will adjust the family's rent retroactively for the period the payment was intended to cover.

If the delayed-start payment is received outside of the time the PHA is processing an annual reexamination, then the PHA will consider whether the amount meets the threshold to conduct an interim reexamination. If so, the PHA will conduct an interim in accordance with PHA policies in Chapter 11. If not, the PHA will consider the amount when processing the family's next annual recertification.

Retirement Accounts [24 CFR 5.609(b)(26); Notice PIH 2023-27]

Income received from any account under a retirement plan recognized as such by the IRS, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals is not considered actual income from assets.

However, any distribution of periodic payments from such accounts is included in annual income at the time they are received by the family.

An asset moved to a retirement account held by a member of the family is not considered to be an asset disposed of for less than fair market value.

Social Security Benefits [Notice PIH 2018-24]

The PHA is required to use the gross benefit amount to calculate annual income from Social Security benefits.

Annually in October, the Social Security Administration (SSA) announces the cost-of-living adjustment (COLA) by which federal Social Security and SSI benefits are adjusted to reflect the increase, if any, in the cost of living. The federal COLA does not apply to state-paid disability benefits. Effective the day after the SSA has announced the COLA, PHAs are required to factor in the COLA when determining Social Security and SSI annual income for all annual reexaminations and interim reexaminations of family income that have not yet been completed and will be effective January 1 or later of the upcoming year [Notice PIH 2023-27]. When a family member's benefits are garnished, levied, or withheld to pay restitution, child support, tax debt, student loan debt, or other debts, the PHA must use the gross amount of the income, prior to the reduction, to determine a family's annual income.

PHA Policy

Annual income includes "all amounts received," not the amount that a family may be legally entitled to receive but which they do not receive. When the SSA overpays an individual, resulting in a withholding or deduction from their benefit amount until the overpayment is paid in full, the PHA will use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount.

Alimony and Child Support

PHA Policy

The PHA will count all regular payments of alimony or child support awarded as part of a divorce or separation agreement unless the family certifies and the PHA verifies that the payments are not being made.

In order to verify that payments are not being made, the PHA will review child support payments over the last three months. If no payments have been made in the past three months and there are no lump sums, the PHA will not include alimony or child support in annual income.

If payments are being made regularly, the PHA will use the amount received during the last 12 months (excluding any lump sums received). If payments have been made for a period less than 12 months, the PHA will average all payments that have been made.

At new admission or interim recertification, if any lump sum payments were made in the past 12 months, the PHA will determine the likelihood of the family receiving another similar payment within the next 12 months before deciding whether or not this amount will be included in the calculation of annual income.

If the PHA determines and can appropriately verify that the family in all likelihood will not receive a similar payment, then the amount will not be considered when projecting annual income.

If the PHA determines that it is likely that the family will receive a similar payment and can appropriately verify it, the amount will be included when projecting annual income.

6-I.I. NONRECURRING INCOME [24 CFR 5.609(b)(24) and Notice PIH 2023-27]

Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income as nonrecurring income, even if the source, date, or amount of the income varies.

Income that has a discrete end date and will not be repeated beyond the coming year during the family's upcoming annual reexamination period will be excluded from a family's annual income as nonrecurring income. This exclusion does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly).

Income amounts excluded under this category may include, but are not limited to:

- Nonrecurring payments made to the family or to a third party on behalf of the family to assist with utilities;
- Payments for eviction prevention;
- Security deposits to secure housing;
- Payments for participation in research studies (depending on the duration); and
- General one-time payments received by or on behalf of the family.

Nonrecurring income that is excluded under the regulations includes:

- Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment [24 CFR 5.609(b)(24)(i)].
- Direct federal or state payments intended for economic stimulus or recovery [24 CFR 5.609(b)(24)(ii)].
- Amounts directly received by the family as a result of state refundable tax credits or state or federal tax refunds at the time they are received [24 CFR 5.609(b)(24)(iii) and (iv)].
- Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries) [24 CFR 5.609(b)(24)(v)].
- Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization [24 CFR 5.609(b)(24)(vi)]. When calculating annual income, PHAs are prohibited from assigning monetary value to such non-monetary in-kind donations received by the family [Notice PIH 2023-27]. Non-recurring, non-monetary in-kind donations from friends and family are excluded as non-recurring income. However, the value of regular in-kind donations (such as the value of groceries) received by friends and family are included.
- Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings [24 CFR 5.609(b)(24)(vii)].

6-I.J. WELFARE ASSISTANCE

Overview

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments.

Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615]

The PHA must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The full text of the regulation at 24 CFR 5.615 is provided as Exhibit 6-3. The requirements are summarized below. This rule applies only if a family was receiving HCV assistance at the time the sanction was imposed.

Covered Families

The families covered by 24 CFR 5.615 are those “who receive welfare assistance or other public assistance benefits (‘welfare benefits’) from a State or other public agency (‘welfare agency’) under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance” [24 CFR 5.615(b)]

Imputed Income

When a welfare agency imposes a sanction that reduces a family’s welfare income because the family commits fraud or fails to comply with the agency’s economic self-sufficiency program or work activities requirement, the PHA must include in annual income “imputed” welfare income. The PHA must request that the welfare agency provide the reason for the reduction of benefits and the amount of the reduction of benefits. The imputed welfare income is the amount that the benefits were reduced as a result of the sanction.

This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or (3) because a family member has not complied with other welfare agency requirements [24 CFR 5.615(b)(2)].

Offsets

The amount of the imputed welfare income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero [24 CFR 5.615(c)(4)].

6-I.K. STATE PAYMENTS TO ALLOW INDIVIDUALS WITH DISABILITIES TO LIVE AT HOME [24 CFR 5.609(b)(19)]

Payments made by or authorized by a state Medicaid agency (including through a managed care entity) or other state or federal agency to an assisted family to enable a member of the assisted family who has a disability to reside in the family's assisted unit are excluded.

Authorized payments may include payments to a member of the assisted family through state Medicaid-managed care systems, other state agencies, federal agencies or other authorized entities.

The payments must be received for caregiving services a family member provides to enable another member of the assisted family who has a disability to reside in the family's assisted unit. Payments to a family member for caregiving services for someone who is not a member of the assisted family (such as for a relative that resides elsewhere) are not excluded from income.

Furthermore, if the agency is making payments for caregiving services to the family member for an assisted family member and for a person outside of the assisted family, only the payments attributable to the caregiving services for the caregiver's assisted family member would be excluded from income.

6-I.L. CIVIL RIGHTS SETTLEMENTS [24 CFR 5.609(b)(25); FR Notice 2/14/23]

Regardless of how the settlement or judgment is structured, civil rights settlements or judgments, including settlements or judgments for back pay, are excluded from annual income. This may include amounts received because of litigation or other actions, such as conciliation agreements, voluntary compliance agreements, consent orders, other forms of settlement agreements, or administrative or judicial orders under the Fair Housing Act, Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act (Section 504), the Americans with Disabilities Act, or any other civil rights or fair housing statute or requirement.

While these civil rights settlement or judgment amounts are excluded from income, the settlement or judgment amounts will generally be counted toward the family's net family assets (e.g., if the funds are deposited into the family's savings account or a revocable trust under the control of the family or some other asset that is not excluded from the definition of *net family assets*). Income generated on the settlement or judgment amount after it has become a net family asset is not excluded from income. For example, if the family received a settlement or back pay and deposited the money in an interest-bearing savings account, the interest from that account would be income at the time the interest is received.

Furthermore, if a civil rights settlement or judgment increases the family's net family assets such that they exceed the HUD-published threshold amount (\$50,000 for 2024, and \$51,600 for 2025), then income will be imputed on the net family assets pursuant to 24 CFR 5.609(a)(2). If the imputed income, which HUD considers unearned income, increases the family's annual adjusted income by 10 percent or more, then an interim reexamination of income will be required unless the addition to the family's net family assets occurs within the last three months of the family's income certification period and the PHA or owner chooses not to conduct the examination.

6-I.M. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME [24 CFR 5.609(b); FR Notice 1/31/2024]

Other exclusions contained in 24 CFR 5.609(b) and FR Notice 1/31/24 that have not been discussed earlier in this chapter include the following:

- Payments received for the care of foster children or foster adults or state or tribal kinship or guardianship care payments [24 CFR 5.609(b)(4)].
- Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation [24 CFR 5.609(b)(5)]. However, periodic payments paid at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that are received in lieu of wages are included in annual income [Notice PIH 2023-27].
- Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member [24 CFR 5.609(b)(6)].
- Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled [24 CFR 5.609(b)(7)].
- Income and distributions from any Coverdell education savings account under Section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under Section 529 of such Code [24 CFR 5.609(b)(10)].
- Income earned by government contributions to, and distributions from, "baby bond" accounts created, authorized, or funded by federal, state, or local government [24 CFR 5.609(b)(10)].
- The special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(b)(11)].
- Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance [24 CFR 5.609(b)(17)]. This income exclusion applies only to veterans in need of regular aid and attendance and not to other beneficiaries of the payments, such as a surviving spouse [Notice PIH 2023-27].
- Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car) [24 CFR 5.609(b)(20)]. The loan borrower or co-borrower must be a member of the family for this income exclusion to be applicable [Notice PIH 2023-27].

- Payments received by tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other federal law [24 CFR 5.609(b)(21)]. Generally, payments received by tribal members in excess of the first \$2,000 of per capita shares are included in a family's annual income for purposes of determining eligibility. However, as explained in Notice PIH 2023-27, payments made under the Cobell Settlement, and certain per capita payments under the recent Tribal Trust Settlements, must be excluded from annual income.
- Replacement housing "gap" payments made in accordance with 49 CFR Part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another federally subsidized housing unit. Such replacement housing "gap" payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing "gap" payments [24 CFR 5.609(b)(23)].
- Income earned on amounts placed in a family's Family Self-Sufficiency account [24 CFR 5.609(b)(27)].
- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred e.g., special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program [24 CFR 5.609(i)(12)(ii)].
- 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) [(24 CFR 5.609(b)(12)(i)].
- Amounts received under a resident service stipend not to exceed \$200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development [24 CFR 5.609 I(12)(ii)].

Incremental earnings and benefits to any family member resulting from participation in qualifying training program funded by HUD or in qualifying federal, state, tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program unless those amounts are excluded under 24 CFR 5.609(b)(9)(i) [24 CFR 5.609(b)(12)(iv)].

PHA Policy

The PHA defines *training program* as “a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period of time. It is designed to lead to a higher level of proficiency, and it enhances the individual’s ability to obtain employment. It may have performance standards to measure proficiency. Training may include but is not limited to: (1) classroom training in a specific occupational skill, (2) on-the-job training with wages subsidized by the program, or (3) basic education” [expired Notice PIH 98-2, p. 3].

The PHA defines *incremental earnings and benefits* as the difference between (1) the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program and (2) the total amount of welfare assistance and earnings of the family member after enrollment in the program [expired Notice PIH 98-2, pp. 3–4].

In calculating the incremental difference, the PHA will use as the pre-enrollment income the total annualized amount of the family member’s welfare assistance and earnings reported on the family’s most recently completed HUD-50058.

End of participation in a training program must be reported in accordance with the PHA’s interim reporting requirements (see Chapter 11).

- 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 [24 CFR 5.609(b)(13)].
- Adoption assistance payments for a child in excess of the amount of the dependent deduction per adopted child [24 CFR 5.609(b)(15)].
- Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(b)(20)].
- Amounts that HUD is required by federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(b) apply. HUD will publish a notice in the *Federal Register* to identify the benefits that qualify for this exclusion. Updates will be published when necessary.

HUD publishes an updated list of these exclusions periodically. The most recent list of exclusions was published in the *Federal Register* on January 31, 2024. It includes:

- (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b)). This exclusion also applies to assets.
- (b) Benefits under Section 1780 of the Richard B. Russell School Lunch Act and Child Nutrition Act of 1966, including WIC and reduced-price lunches.
- (c) Payments, including for supportive services and reimbursement of out-of-pocket expenses, to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058). The exclusion also applies to assets.
 - Except, the exclusion does not apply when the Chief Executive Officer of the Corporation for National and Community Service determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage then in effect under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) or the minimum wage, under the laws of the State where such volunteers are serving, whichever is the greater (42 U.S.C. 5044(f)(1)).
- (d) Certain payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c)).
- (e) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 5506).
- (f) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f)(1)).
- (g) Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998 which was reauthorized as the Workforce Innovation and Opportunity Act of 2014 (29 U.S.C. 3241(a)(2)).
- (h) Deferred disability benefits from the Department of Veterans Affairs, whether received as a lump sum or in monthly prospective amounts.
- (i) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Section 6).
- (j) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b)).
- (k) A lump sum or periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled *Elouise Cobell et al. v. Ken Salazar et al.*, for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010.

- (l) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408). This exclusion does not include proceeds of gaming operations regulated by the Commission (25 U.S.C. 1407–1408).
- (m) Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056(f)).
- (n) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent Orange* product liability litigation, M.D.L. No. 381 (E.D.N.Y.). This exclusion also applies to assets.
- (o) Payments received under 38 U.S.C. 1833(c) to children of Vietnam veterans born with spinal bifida, children of women Vietnam veterans born with certain birth defects, and children of certain Korean and Thailand service veterans born with spinal bifida (42 U.S.C. 12637(d)).
- (p) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721). This exclusion also applies to assets.
- (q) The value of any childcare provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Childcare and Development Block Grant Act of 1990 (42 U.S.C. 9858q).
- (r) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)). This exclusion also applies to assets.
- (s) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433) This exclusion also applies to assets.
- (t) Amounts of student financial assistance funded under Title IV of the Higher Education Act of 1965j, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For Section 8 programs, only, any financial assistance in excess of amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income if the individual is over the age of 23 with dependent children (Pub. L. 109–115, section 327 (as amended)).
- (u) Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d)).
- (v) Any amount of crime victim compensation that provides medical or other assistance (or payment or reimbursement of the cost of such assistance) under the Victims of Crime Act of 1984 received through a crime victim assistance program, unless the total amount of assistance that the applicant receives from all such programs is sufficient to fully compensate the applicant for losses suffered as a result of the crime (34 U.S.C. 20102(c)).

- (w) Any amounts in an “individual development account” are excluded from assets and any assistance, benefit, or amounts earned by or provided to the individual development account are excluded from income, as provided by the Assets for Independence Act, as amended (42 U.S.C. 604(h)(4)).
- (x) Major disaster and emergency assistance received under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and comparable disaster assistance provided by states, local governments, and disaster assistance organizations. This exclusion also applies to assets.
- (y) Distributions from an ABLE account, distributions from and certain contributions to an ABLE account established under the ABLE Act of 2014 (Pub. L. 113–295.), as described in Notice PIH 2019–09 or subsequent or superseding notice is excluded from income and assets.
- (z) The amount of any refund (or advance payment with respect to a refundable credit) issued under the Internal Revenue Code is excluded from income and assets for a period of 12 months from receipt (26 U.S.C. 6409).
- (aa) Assistance received by a household under the Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021 (Pub. L. 116–260, section 501(j)), and the American Rescue Plan Act of 2021.
- (ab) Per capita payments made from the proceeds of Indian Tribal Trust Settlements listed in IRS Notice 2013-1 and 2013-55 must be excluded from annual income unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe’s private bank account in which the Tribe has deposited the settlement proceeds. Such amounts received in excess of the Tribal Trust Settlement are included in the gross income of the members of the Tribe receiving the per capita payments as described in IRS Notice 2013-1. The first \$2,000 of per capita payments are also excluded from assets unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe’s private bank account in which the Tribe has deposited the settlement proceeds (25 U.S.C. 117b(a), 25 U.S.C. 1407).
- (ac) Any amounts (i) not actually received by the family, (ii) that would be eligible for exclusion under 42 U.S.C. 1382b(a)(7), and (iii) received for service-connected disability under 38 U.S.C. Chapter 11 or dependency and indemnity compensation under 38 U.S.C. Chapter 13 (25 U.S.C. 4103(9)(C)) as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111–269 section 2) to the definition of income applicable to programs under the Native American Housing Assistance and Self-Determination Act (NAHASDA) (25 U.S.C. 4101 et seq.).

PART II: ASSETS

6-II.A. OVERVIEW

Annual income includes all actual anticipated income from assets (unless otherwise excluded by the regulations) even if the asset itself is excluded from net family assets [Notice PIH 2023-27].

The regulation at 24 CFR 5.603(b)(3) provides a list of items that are excluded from the calculation of net family assets. Note, unlike previous versions of the regulations, the current regulations do not list types of assets that are included in annual income. Instead, HUD relies on the definition of items excluded from assets to provide the scope of what is included. Exhibit 6-2 provides the regulatory definition of *net family assets*.

Optional policies for family self-certification of assets are found in Chapter 7. Policies related to the asset limitation may be found in [Chapters 3 and 12](#).

Income from assets is always anticipated, irrespective of the income examination type.

PHA Policy

The PHA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. The PHA will use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected, (2) it is not feasible to anticipate a level of income over 12 months, or (3) the PHA believes that past income is the best indicator of anticipated income. For example, if a family member owns real property that typically receives rental income, but the property is currently vacant, the PHA can take into consideration past rental income along with the prospects of obtaining a new tenant.

Any time current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases the family may present information and documentation to the PHA to show why the asset income determination does not represent the family's anticipated asset income.

6-II.B. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE [24 CFR 5.603(b)(2)]

PHAs must include the value of any business or family assets disposed of by an applicant or participant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application or reexamination, as applicable, in excess of the consideration received for the asset. An asset moved to a retirement account held by a member of the family is not considered to be an asset disposed of for less than fair market value [Notice PIH 2023-27].

The family must certify whether any assets have been disposed of for less than fair market value in the preceding two years.

Minimum Threshold

The *HCV Guidebook* permits the PHA to set a threshold below which assets disposed of for less than fair market value will not be counted [HCV GB, p. 5-27].

PHA Policy

The PHA will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than \$1,000.

Separation or Divorce

The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.

PHA Policy

All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

Foreclosure or Bankruptcy

Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

Asset Owned by a Business Entity

~~If a business entity (e.g., limited liability company or limited partnership) owns the asset, then the family's asset is their ownership stake in the business, not some portion of the business's assets. However, if the family holds the assets in their own name (e.g., they own one third of a restaurant) rather than in the name of a business entity, then the percentage value of the asset owned by the family is what is counted toward net family assets (e.g., one third of the value of the restaurant) [Notice PIH 2023-27].~~

Family Declaration

PHA Policy

Families must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. The PHA may verify the value of the assets disposed of if other information available to the PHA does not appear to agree with the information reported by the family.

6-II.C. ASSET INCLUSIONS AND EXCLUSIONS

Necessary and Non-Necessary Personal Property [24 CFR 5.603(b)(3)(i)]

All assets are categorized as either *real property* (e.g., land, a home) or *personal property*.

Personal property includes tangible items, like boats, as well as intangible items, like bank accounts.

The value of necessary items of personal property is excluded from the calculation of net family assets. Necessary items of personal property include a car used for commuting or medical devices.

HUD defines *necessary personal property* as items essential to the family for the maintenance, use, and occupancy of the premises as a home; or they are necessary for employment, education, or health and wellness. Necessary personal property includes more than merely items that are indispensable to the bare existence of the family. It may include personal effects (such as items that are ordinarily worn or utilized by the individual), items that are convenient or useful to a reasonable existence, and items that support and facilitate daily life within the family's home. Necessary personal property also includes items that assist a household member with a disability, including any items related to disability-related needs, or that may be required for a reasonable accommodation for a person with a disability. Necessary personal property does not include bank accounts, other financial investments, or luxury items. Items of personal property that do not qualify as necessary personal property are classified as non-necessary personal property.

The combined value of all **non-necessary** items of personal property is only included in annual income when the combined total value exceeds the HUD-published threshold amount (adjusted annually and published in HUD's current year Inflation-Adjusted Values tables). When the combined value of all non-necessary personal property does not exceed the HUD-published threshold amount, all non-necessary personal property is excluded from net family assets.

- The threshold amount is \$50,000 for 2024, and \$51,600 for 2025.

While not an exhaustive list, the following table from Notice PIH 2023-27 provides examples of necessary and non-necessary personal property.

Necessary Personal Property	Non-Necessary Personal Property
Car(s)/vehicle(s) that a family relies on for transportation for personal or business use (e.g., bike, motorcycle, skateboard, scooter) Furniture, carpets, linens, kitchenware Common appliances Common electronics (e.g., radio, television, DVD player, gaming system) Clothing Personal effects that are not luxury items (e.g., toys, books) Wedding and engagement rings Jewelry used in religious/cultural celebrations and ceremonies- Religious and cultural items Medical equipment and supplies Health care-related supplies Musical instruments used by the family- Personal computers, phones, tablets, and related equipment Professional tools of trade of the family, for example professional books Educational materials and equipment used by the family, including equipment to accommodate persons with disabilities- Equipment used for exercising (e.g., treadmill, stationary bike, kayak, paddleboard, ski equipment)	Recreational car/vehicle not needed for day-to-day transportation for personal or business use (campers, motorhomes, traveling trailers, all-terrain vehicles (ATVs)) Bank accounts or other financial investments (e.g., checking account, savings account, stocks/bonds) Recreational boat/watercraft Expensive jewelry without religious or cultural value, or which does not hold family significance- Collectibles (e.g., coins/stamps) Equipment/machinery that is not used to generate income for a business- Items such as gems/precious metals, antique cars, artwork, etc.

PHA Policy

In determining the value of non-necessary, non-financial personal property, the PHA will use the family's estimate of the value. The PHA may obtain an appraisal if there is reason to believe that the family's estimated value is off by \$50 or more. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal.

Checking and Savings Accounts [Notice PIH 2023-27]

HUD considers bank accounts as non-necessary items of personal property. Whether or not non-necessary personal property is counted toward net family assets depends on the combined value of all of the family's assets.

- When the combined value of net family assets is greater than ~~\$50,000~~ the HUD-published threshold amount, which is adjusted annually and listed in HUD's current year Inflation Adjusted Values tables (\$50,000 for 2024, and \$51,600 for 2025), ~~as adjusted by inflation~~, checking and/or savings accounts would be counted toward net family assets.
- When the combined value of all non-necessary personal property does not exceed ~~\$50,000~~ the HUD-published threshold amount, ~~as adjusted by inflation~~, all non-necessary personal property is excluded from net family assets. In this case, the value of the family's checking and/or savings accounts would not be considered when calculating net family assets.

However, actual income from checking and savings accounts is always included in a family's annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded.

ABLE Accounts [24 CFR 5.609(b)(10); Notice PIH 2019-09]

An Achieving a Better Life Experience (ABLE) account is a type of tax-advantaged savings account that an eligible individual can use to pay for qualified disability expenses. Section 103 of the ABLE Act mandates that an individual's ABLE account (specifically, its account balance, contributions to the account, and distributions from the account) is excluded when determining the designated beneficiary's eligibility and continued occupancy under certain federal means-tested programs. The PHA must exclude the entire value of the individual's ABLE account from the household's assets. Distributions from the ABLE account are also not considered income. However, all wage income received, regardless of which account the money is paid to, is included as income.

Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds [24 CFR 5.603(b)(1)]

HUD considers financial investments such as stocks and bonds non-necessary items of personal property. Whether non-necessary personal property is counted toward net family assets depends on the combined value of all of the family's assets.

- When the combined value of net family assets is greater than ~~\$50,000~~ the HUD-published threshold amount, which is adjusted annually and listed in HUD's Inflation Adjusted Values tables (\$50,000 for 2024, and \$51,600 for 2025), ~~as adjusted by inflation,~~ financial investments such as stocks and bonds are considered part of net family assets. In this case, the value of the family's ~~checking and/or savings accounts~~ financial investments such as stocks and bonds would be counted toward net family assets.
- When the combined value of all non-necessary personal property does not exceed ~~\$50,000, as adjusted by inflation~~ the HUD-published threshold amount, all non-necessary personal property is excluded from net family assets. In this case, the value of the family's financial investments such as stocks and bonds would not be considered when calculating net family assets.

However, actual income from financial accounts is always included in a family's annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded. When a stock issues dividends in some years but not others (e.g., due to market performance), the dividend is counted as the actual return when it is issued, but when no dividend is issued, the actual return is \$0. When the stock never issues dividends, the actual return is \$0.

PHA Policy

The PHA will include interest or dividends earned by investment accounts as actual income from assets even when the earnings are reinvested.

The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.

In determining the market value of an investment account, the PHA will use the value of the account on the most recent investment report.

Necessary and Non-Necessary Personal Property [24 CFR 5.603(b)(3)(i)]

All assets are categorized as either *real property* (e.g., land, a home) or *personal property*.

Personal property includes tangible items, like boats, as well as intangible items, like bank accounts.

The value of necessary items of personal property is excluded from the calculation of net family assets. Necessary items of personal property include a car used for commuting or medical devices.

HUD defines *necessary personal property* as items essential to the family for the maintenance, use, and occupancy of the premises as a home; or they are necessary for employment, education, or health and wellness. Necessary personal property includes more than merely items that are indispensable to the bare existence of the family. It may include personal effects (such as items that are ordinarily worn or utilized by the individual), items that are convenient or useful to a reasonable existence, and items that support and facilitate daily life within the family's home. Necessary personal property also includes items that assist a household member with a disability, including any items related to disability-related needs, or that may be required for a reasonable accommodation for a person with a disability. Necessary personal property does not include bank accounts, other financial investments, or luxury items. Items of personal property that do not qualify as necessary personal property are classified as non-necessary personal property.

The combined value of all **non-necessary** items of personal property is only included in annual income when the combined total value exceeds \$50,000 (adjusted annually by HUD). When the combined value of all non-necessary personal property does not exceed \$50,000, as adjusted by inflation, all non-necessary personal property is excluded from net family assets.

While not an exhaustive list, the following table from Notice PIH 2023-27 provides examples of necessary and non-necessary personal property.

Necessary Personal Property	Non-Necessary Personal Property
Car(s)/vehicle(s) that a family relies on for transportation for personal or business use (e.g., bike, motorcycle, skateboard, scooter) Furniture, carpets, linens, kitchenware Common appliances Common electronics (e.g., radio, television, DVD player, gaming system) Clothing Personal effects that are not luxury items (e.g., toys, books) Wedding and engagement rings Jewelry used in religious/cultural celebrations and ceremonies. Religious and cultural items Medical equipment and supplies Health care related supplies Musical instruments used by the family. Personal computers, phones, tablets, and related equipment Professional tools of trade of the family, for example professional books Educational materials and equipment used by the family, including equipment to accommodate persons with disabilities. Equipment used for exercising (e.g., treadmill, stationary bike, kayak, paddleboard, ski equipment)	Recreational car/vehicle not needed for day-to-day transportation for personal or business use (campers, motorhomes, traveling trailers, all-terrain vehicles (ATVs)) Bank accounts or other financial investments (e.g., checking account, savings account, stocks/bonds) Recreational boat/watercraft Expensive jewelry without religious or cultural value, or which does not hold family significance. Collectibles (e.g., coins/stamps) Equipment/machinery that is not used to generate income for a business. Items such as gems/precious metals, antique cars, artwork, etc.

PHA Policy

In determining the value of non-necessary personal property, the PHA will use the family's estimate of the value. The PHA may obtain an appraisal if there is reason to believe that the family's estimated value is off by \$50 or more. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal.

Lump-Sum Additions to Net Family Assets [24 CFR 5.609(b)(24(viii); Notice PIH 2023-27]

The regulations exclude income from lump-sum additions to family assets, including lottery or other contest winnings as a type of nonrecurring income.

In addition, lump sums from insurance payments, settlements for personal or property losses, and recoveries from civil actions or settlements based on claims of malpractice, negligence, or other breach of duty owed to a family member arising out of law that resulted in a member of the family becoming a family member with a disability are excluded from income.

Further, deferred periodic amounts from Supplemental Security Income (SSI) and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts are also excluded from income.

However, these amounts may count toward net family assets. The PHA must consider any actual or imputed returns from assets as income at the next applicable income examination. In the case where the lump sum addition to assets would lead to imputed income, which is unearned income, that increases the family's annual adjusted income by 10 percent or more, then the addition of the lump sum to the family's assets will trigger an immediate interim reexamination of income in accordance with Chapter 11. This reexamination of income must take place as soon as the lump sum is added to the family's net family assets unless the addition takes place in the last three months of family's income certification period and the PHA chooses not to conduct the examination.

For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income, see sections 6-I.H and 6-I.I.

PHA Policy

Any lump-sum receipts are only counted as assets if they are retained by a family in a form recognizable as an asset. [RHIIP FAQs]. For example, if the family receives a \$1,000 lump sum for lottery winnings, and the family immediately spends the entire amount, the lump sum will not be counted toward net family assets.

Jointly Owned Assets [Notice PIH 2023-27]

For assets owned jointly by the family and one or more individuals outside of the assisted family, the PHA must include the total value of the asset in the calculation of net family assets, unless:

- The asset is otherwise excluded;
- The family can demonstrate that the asset is inaccessible to them; or
- The family cannot dispose of any portion of the asset without the consent of another owner who refuses to comply.

If the family demonstrates that they can only access a portion of an asset, then only that portion's value is included in the calculation of net family assets for the family.

Any income from a jointly owned asset must be included in annual income, unless:

- The income is specifically excluded;
- The family demonstrates that they do not have access to the income from that asset; or
- The family only has access to a portion of the income from that asset.

If the family demonstrates that they can only access a portion of the income from an asset, then only that portion's value is included in the calculation of income from assets.

If an individual is a beneficiary who is entitled to access the account's funds only upon the death of the account's owner, and may not otherwise withdraw funds from an account, then the account is not an asset to the assisted family, and the family should provide proper documentation demonstrating that they are only a beneficiary on the account.

Trusts [24 CFR 5.609(b)(2) and 5.603(b)(4)]

A *trust* is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).

~~The following types of trust distributions are excluded from annual income:~~

- ~~• Distributions of the principal or corpus of the trust; and~~
- ~~• Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.~~

The basis for determining how to treat trusts relies on information about who has access to either the principal in the account or the income from the account. There are two types of trusts, *revocable* and *irrevocable*.

When the creator sets up an *irrevocable trust*, the creator has no access to the funds in the account.

~~Irrevocable trusts not under the control of any member of the family or household are not assets.~~ Typically, special needs trusts are considered irrevocable. Irrevocable trusts not under the control of any member of the family are excluded from net family assets. The value of the trust continues to be excluded from ~~is not included in~~ net family assets, so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household [24 CFR 5.603(b)(4)]. Further, where an irrevocable trust is excluded from net family assets, the PHA must not consider actual income earned by the trust (e.g., interest earned, rental income if property is held in the trust) for so long as the income from the trust is not distributed. ~~If the value of the trust is not considered part of the family's net assets, then distributions from the trust are treated as follows:~~

~~All distributions from the trust's principal are excluded from income.~~

- ~~• Distributions of income earned by the trust (i.e., interest, dividends, realized gains, or other earnings on the trust's principal), are included as income unless the distribution is used to pay for the health and medical expenses for a minor.~~

A *revocable trust* is a trust that the creator of the trust may amend or end (revoke). When there is a revocable trust, the creator has access to the funds in the trust account.

- A revocable trust that is under the control of the family is included in net family assets when the grantor is a member of the assisted family. If a revocable trust is included in the calculation of net family assets, then the actual income earned by the revocable trust is also included in the family's income. For example, interest earned or rental income if the property is held in the trust. The PHA must calculate imputed income on the revocable trust if net family assets are more than the HUD-published threshold amount, which is adjusted annually and listed in HUD's Inflation Adjusted Values tables (\$50,000 for 2024, and \$51,600 for 2025), and actual income from the trust cannot be calculated (e.g., if the trust is comprised of farmland that is not in use).
- A revocable trust that is not under the control of the family is excluded from net family assets. This happens when a member of the assisted family is the beneficiary of a revocable trust, but the grantor is not a member of the assisted family. In this case the beneficiary does not "own" the revocable trust, and the value of the trust is excluded from net family assets. For the revocable trust to be considered excluded from net family assets, no family or household member may be the account's trustee.

For both irrevocable and revocable trusts, if the value of the trust is not considered part of net family assets, ~~If this is the case,~~ then distributions from the trust are treated as follows:

- ~~• All distributions from the trust's principal are excluded from income.~~
- ~~• Distributions of income earned by the trust (i.e., interest, dividends, realized gains, or other earnings on the trust's principal), are included as income unless the distribution is used to pay for the health and medical expenses for a minor.~~

~~Revocable trusts under the control of the family or household (e.g., the grantor is a member of the assisted family or household) are considered assets and must be included in net family assets.~~

~~If the value of the trust is considered part of the family's net assets, then distributions from the trust are not considered income to the family. The PHA must count all actual returns (e.g., interest earned) from the trust as income or, if the trust has no actual returns (e.g., if the trust is comprised of farmland that is not in use) and the total value of the combined net family assets exceeds \$50,000 (as that amount is updated for inflation), as imputed returns, as applicable.~~

- All distributions from the trust's principal are excluded from income.
- Distributions of income earned by the trust (i.e., interest, dividends, realized gains, or other earnings on the trust's principal), are included as income unless the distribution is used to pay for the health and medical expenses for a minor.

Life Insurance [FR Notice 2/14/23 and Notice PIH 2023-27]

Net family assets do not include the value of term life insurance, which has no cash value to the individual before death.

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family's assets. The cash value is the surrender value. While the cash value of an insurance policy is considered an asset, the face value of any policy is not. If such a policy earns dividends or interest that the family could elect to receive, the amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

Tax Refunds [24 CFR 5.603(b)(3)(xi) and Notice PIH 2023-27]

All amounts received by a family in the form of federal tax refunds or refundable tax credits are excluded from a family's net family assets for a period of 12 months after receipt by the family.

At the time of an annual or interim reexamination of income, if the federal tax refund was received during the 12 months preceding the effective date of the reexamination, then the amount of the refund that was received by the family is subtracted from the total value of ~~the account in which the federal tax refund or refundable tax credits were deposited~~ net family assets. When the subtraction results in a negative number, then ~~the balance of the asset is~~ net family assets are considered \$0.

~~If the tax refund or refundable tax credit is deposited into another excluded asset, such as a retirement account or a Coverdell Education Savings Account, then the deposit will have no effect on the balance of the asset (i.e., there is no need for the PHA to subtract the amount of the deposit from the value of the excluded asset).~~

Asset Exclusions [24 CFR 5.603(b)]

The following are excluded from the calculations of net family assets:

- The value of any account under a retirement plan recognized as such by the IRS, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals [24 CFR 5.603(b)(3)(iii)].
- The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located [24 CFR 5.603(b)(3)(iv)].
 - *Real property* as used in this part has the same meaning as that provided under the law of the state in which the property is located [24 CFR 5.100].
 - Examples of this include but are not limited to co-ownership situations (including situations where one owner is a victim of domestic violence), where one party cannot unilaterally sell the real property; property that is tied up in litigation; and inherited property in dispute [Notice PIH 2023-27].
- Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability [24 CFR 5.603(b)(3)(v)];
- The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 [24 CFR 5.603(b)(3)(vi)];
- The value of any qualified tuition program under Section 529 of such Code [24 CFR 5.603(b)(3)(vi)];
- The value of any “baby bond” account created, authorized, or funded by federal, state, or local government [24 CFR 5.603(b)(3)(vi)];
- Interests in Indian trust land [24 CFR 5.603(b)(3)(vii)];
- Equity in a manufactured home where the family receives assistance under 24 CFR part 982 [24 CFR 5.603(b)(3)(viii)];
- Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR part 982 [24 CFR 5.603(b)(3)(ix)];
- Family Self-Sufficiency accounts [24 CFR 5.603(b)(3)(x)];
- Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family [24 CFR 5.603(b)(3)(xi)].
- The full amount of assets held in an irrevocable trust [Notice PIH 2023-27]; and
- The full amount of assets held in a revocable trust where a member of the family is the beneficiary, but the grantor/owner and trustee of the trust is not a member of the participant family or household [Notice PIH 2023-27].

6-II.D. DETERMINING INCOME FROM ASSETS

In some cases, amounts that are excluded from net family assets may be included as annual income when disbursements are made to a family from an asset. In other cases, amounts are excluded from annual income as a lump-sum addition to net family assets, but those funds are then considered a net family asset if held in an account or other investment that is considered part of net family assets [Notice PIH 2023-27].

Net Family Assets

Net family assets are defined as the net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds, and other forms of capital investment.

PHA Policy

Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions such as settlement costs and transfer taxes [New PH OCC GB, *Income Determinations*, p. 24].

The calculation of asset income sometimes requires the PHA to make a distinction between an asset's market value and its cash value.

- The market value of an asset is its worth in the market (e.g., the amount a buyer would pay for real estate or the total value of an investment account).
- The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash.

The cash value of real property or other assets with negative equity would be considered \$0 for the purposes of calculating net family assets. Negative equity in real property or other investments does not prohibit the family from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets [Notice PIH 2023-27].

Actual Income from Assets

Income from assets must be included on the Form HUD-50058 regardless of the amount of income. Actual income from assets is always included in a family's annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded by 24 CFR 5.609(b).

Income or returns from assets are generally considered to be interest, dividend payments, and other actual income earned on the asset, and not the increase in market value of the asset. The increase in market value is relevant to the cash value of the asset for the purpose of determining total net family assets and imputing income.

The PHA may determine the net assets of a family based on a self-certification by the family that the net family assets do not exceed the HUD-published threshold amount, which is adjusted annually and listed in HUD's Inflation Adjusted Values tables ~~\$50,000 (adjusted annually by HUD)~~, without taking additional steps to verify the accuracy of the declaration [24 CFR 5.618(b)]. Policies related to verification of assets are found in Chapter 7 of this policy.

- The threshold amount is \$50,000 for 2024, and \$51,600 for 2025.

The PHA may not calculate or include any imputed income from assets when net family assets ~~total \$50,000 or less~~ are less than or equal to the HUD-published threshold amount [24 CFR 5.609(b)(1)]. The actual income from assets must be included on the Form HUD-50058.

Imputed Income from Assets

When net family assets exceed ~~\$50,000~~ the HUD-published threshold amount, which is adjusted annually and listed in HUD's Inflation Adjusted Values tables ~~adjusted annually by HUD~~, the PHA may not rely on self-certification. If actual returns can be calculated, the PHA must include actual income from the asset on the Form HUD-50058 (for example, a savings account or CD where the rate of return is known). If actual returns cannot be calculated, the PHA must calculate imputed returns using the HUD-determined passbook rate (for example, real property or a non-necessary item of personal property such as a recreational boat). Imputed income is calculated by multiplying the net cash value of the asset, ~~after~~ (found by deducting reasonable costs that would be incurred in disposing of the asset, from the market value) by the HUD-published passbook rate. If the PHA can compute actual income from some but not all assets, the PHA must compute actual returns where possible and use the HUD-determined passbook rate for assets where actual income cannot be calculated [24 CFR 5.609(a)(2)].

An asset with an actual return of \$0 (such as a non-interest-bearing checking account), is not the same as an asset for which an actual return cannot be computed (such as non-necessary personal property). If the asset is a financial asset and there is no income generated (for example, a bank account with a zero percent interest rate or a stock that does not issue cash dividends), then the asset generates zero actual asset income, and imputed income is not calculated. When a stock issues dividends in some years but not others (e.g., due to market performance), the dividend is counted as the actual return when it is issued, and when no dividend is issued, the actual return is \$0. When the stock never issues dividends, the actual return is consistently \$0.

PART III: ADJUSTED INCOME

6-III.A. INTRODUCTION

Overview

HUD regulations require PHAs to deduct from annual income any of five mandatory deductions for which a family qualifies and allow the PHA to deduct other permissive deductions in accordance with PHA policy. The resulting amount is the family's adjusted income. Mandatory deductions are found in 24 CFR 5.611.

5.611 *Adjusted income* means annual income (as determined under § 5.609) of the members of the family residing or intending to reside in the dwelling unit, after making the following deductions:

(a) *Mandatory deductions*

- (1) \$480 for each dependent (adjusted annually by HUD, rounded to the next lowest multiple of \$25);
- (2) \$525 for any elderly family or disabled family (adjusted annually by HUD, rounded to the next lowest multiple of \$25);
- (3) The sum of the following, to the extent the sum exceeds ten percent of annual income:
 - (i) Unreimbursed health and medical care expenses of any elderly family or disabled family;
 - (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed; and
- (4) Any reasonable childcare expenses necessary to enable a member of the family to be employed or to further his or her education.

This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7.

Anticipating Expenses

PHA Policy

Generally, the PHA will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., childcare during school and non-school periods and cyclical medical expenses), the PHA will estimate costs based on historic data and known future costs.

If a family has an accumulated debt for medical or disability assistance expenses, the PHA will include as an eligible expense the portion of the debt that the family expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. The PHA may require the family to provide documentation of payments made in the preceding year.

When calculating health and medical care expenses, the PHA will include those expenses anticipated to be incurred during the 12 months following the certification date which are not covered by an outside source, such as insurance. The allowance is not intended to give a family an allowance equal to last year's expenses, but to anticipate regular ongoing and anticipated expenses during the coming year. Since these expenses are anticipated, the *PH Occupancy Guidebook* states "it is likely that actual expenses will not match what was anticipated. Typically, this would not be considered an underpayment as long as at the time of the annual reexamination, the expenses were calculated based on the appropriate verification" [New PH OCC GB, *Income Determinations*, p. 30]. For annual reexaminations, the PHA will use information for the previous 12-month period.

6-III.B. DEPENDENT DEDUCTION

An allowance of \$480 is deducted from annual income for each dependent (which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25) [24 CFR 5.611(a)(1)]. *Dependent* is defined as any family member other than the head, spouse, or cohead who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].

6-III.C. ELDERLY OR DISABLED FAMILY DEDUCTION

A single deduction of \$525 ~~\$400~~ is taken for any elderly or disabled family (which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25) [24 CFR 5.611(a)(2)].

An *elderly family* is a family whose head, spouse, cohead, or sole member is 62 years of age or older, and a *disabled family* is a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403].

~~6-H.D. HEALTH AND MEDICAL EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i) and 5.603(b)]~~

6-III.D. HEALTH AND MEDICAL CARE EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i) and 5.603(b)]

Unreimbursed health and medical care expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed ten percent of annual income.

This deduction is permitted only for families in which the head, spouse, or cohead is at least 62 or is a person with disabilities. If a family is eligible for a health and medical care expense deduction, the unreimbursed health and medical care expenses of all family members are included-~~counted~~. The PHA calculates health and medical care expenses based on the family's past expenses, but accounting for any anticipated changes in expenses during the certification period.

Definition of *Medical Expenses*

HUD regulations define *health and medical care expenses* at 24 CFR 5.603(b) to mean “any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed.”

~~Medical insurance premiums continue to be eligible health and medical care expenses.~~ Health and medical care expenses may be deducted from annual income only if they are eligible under this definition and not otherwise reimbursed ~~and may only be deducted for elderly or disabled families.~~

Although HUD revised the definition of *health and medical care expenses* to reflect the Internal Revenue Service (IRS) general definition of medical expenses, HUD is not permitting PHAs to specifically align their policies ~~to with~~to IRS Publication 502 ~~for determining which expenses are included in HUD's mandatory deduction for health and medical care expenses.~~ PHAs must review each expense to determine whether it is eligible in accordance with HUD's definition ~~of health and medical care expenses.~~

While PHA policies may not specifically align with IRS Publication 502, HUD recommends PHAs use it as a standard for determining allowable expenses, and the PHA may list examples of allowable expenses in their policy provided they comply with HUD's definition at 24 CFR 5.603. The PHA may not define *health and medical care expenses* more narrowly than the regulation.

PHA Policy

The PHA will use the most current IRS Publication 502 as a standard for determining if expenses claimed by eligible families qualify as health and medical care expenses.

However, under no circumstances will the PHA deduct any expenses listed in IRS Publication 502 that do not conform with HUD's definition of *health and medical care expenses*.

Summary of Typical Allowable Health and Medical Care Expenses	
Services of medical professionals Surgery and medical procedures that are necessary, legal, and non-cosmetic- Services of medical facilities Hospitalization, long-term care, and in-home nursing services Prescription medicines and insulin, but not nonprescription medicines even if recommended by a doctor- Improvements to housing directly related to medical needs (e.g., ramps for a wheelchair, handrails) Medical insurance premiums or the cost of a health maintenance organization (HMO) Medicare Part B and Part D premiums	Substance abuse treatment programs Psychiatric treatment Ambulance services and some costs of transportation related to medical expenses. The PHA will use the most current medical mileage rate listed in IRS Publication 502. The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth) The costs of buying, training, and maintaining a guide dog or other service animal to assist a visually impaired or hearing disabled person, or a person with other physical disabilities. In general, this includes any costs, such as food, grooming, and veterinary care, incurred in maintaining the health and vitality of the service animal so that it may perform its duties.
Note: This chart provides a summary of eligible health and medical care expenses only. In all cases, the PHA will consider whether health and medical expenses care expenses claimed by the family are eligible under HUD's definition.	

Families That Qualify for Both Health and Medical and Disability Assistance Expenses

PHA Policy

This policy applies only to families in which the head, spouse, or cohead is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either a health and medical care or disability assistance expenses, the PHA will consider them health and medical care expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6-III.E. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]

Unreimbursed reasonable expenses for attendant care and auxiliary apparatus for each member of the family who is a person with disabilities may be deducted if they: (1) are necessary to enable a family member 18 years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed ten percent of annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.

Earned Income Limit on the Disability Assistance Expense Deduction

A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work [24 CFR 5.603(b)].

The disability expense deduction is capped by the amount of “earned income received by family members who are 18 years of age or older and who are able to work” because of the expense [24 CFR 5.611(a)(3)(ii)]. The earned income used for this purpose is the amount verified before any earned income disallowances or income exclusions are applied.

PHA Policy

The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family’s request, the PHA will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work.

When the PHA determines that the disability assistance expenses enable more than one family member to work, the expenses will be capped by the sum of the family members’ incomes.

Eligible Auxiliary Apparatus [Notice PIH 2023-27]

Auxiliary apparatus items may include expenses for wheelchairs, ramps, adaptations to vehicles, guide dogs, assistance animals, or special equipment to enable a person who is blind or has low vision to read or type or special equipment to assist a person who is deaf or hard of hearing.

Eligible Attendant Care [Notice PIH 2023-27]

Examples of attendant care expenses can include teaching a person with disabilities how to perform day-to-day tasks independently like cleaning, bathing, doing laundry, and cooking. Attendant care can be 24-hour care, or care during sporadic periods throughout the day. The family determines the type of attendant care that is appropriate for the person with disabilities.

PHA Policy

Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, personal services necessary to enable the person with disabilities to work are eligible.

If the care attendant also provides other services to the family, the PHA will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Payments to Family Members

No disability assistance expenses may be deducted for payments to a member of an assisted family [24 CFR 5.603(b)]. However, expenses paid to a relative who is not a member of the assisted family may be deducted if they are not reimbursed by an outside source.

Necessary and Reasonable Expenses

The family determines the type of care or auxiliary apparatus to be provided and must describe how the expenses enable a family member to work. The family must certify that the disability assistance expenses are necessary and are not paid or reimbursed by any other source.

PHA Policy

The PHA determines the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, the PHA will collect information from organizations that provide services and support to persons with disabilities. A family may present, and the PHA will consider, the family's justification for costs that exceed typical costs in the area.

Families That Qualify for Both Health and Medical and Disability Assistance Expenses

PHA Policy

This policy applies only to families in which the head or spouse is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either health and medical care or disability assistance expenses, the PHA will consider them health and medical care expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6-III.F. CHILDCARE EXPENSE DEDUCTION

HUD defines *childcare expenses* at 24 CFR 5.603(b) as “amounts anticipated to be paid by the family for the care of children under 13 years of age (age 12 and younger) (including foster children) during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for childcare. In the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.”

Clarifying the Meaning of *Child* for This Deduction

Childcare expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family’s household [VG, p. 26]. However, childcare expenses for foster children that are living in the assisted family’s household are included when determining the family’s childcare expenses [HCV GB, p. 5-29].

Qualifying for the Deduction

Determining Who Is Enabled to Pursue an Eligible Activity

PHA Policy

The family must identify the family member(s) enabled to pursue an eligible activity. The term *eligible activity* in this section means any of the activities that may make the family eligible for a childcare deduction (seeking work, pursuing an education, or being gainfully employed).

In evaluating the family’s request, the PHA will consider factors such as how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Seeking Work

PHA Policy

If the childcare expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member’s efforts to obtain employment at each reexamination. The deduction may be reduced or denied if the family member’s job search efforts are not commensurate with the childcare expense being allowed by the PHA.

Furthering Education

PHA Policy

If the childcare expense being claimed is to enable a family member to further their education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The family member is not required to be a full-time student, but the time spent in educational activities must be commensurate with the childcare claimed.

Being Gainfully Employed

PHA Policy

If the childcare expense being claimed is to enable a family member to be gainfully employed, the family must provide evidence of the family member's employment during the time that childcare is being provided. Gainful employment is any legal work activity (full- or part-time) for which a family member is compensated.

Earned Income Limit on Childcare Expense Deduction

When a family member looks for work or furthers their education, there is no cap on the amount that may be deducted for childcare – although the care must still be necessary and reasonable. However, when childcare enables a family member to work, the deduction is capped by “the amount of employment income that is included in annual income” [24 CFR 5.603(b)].

The earned income used for this purpose is the amount of earned income verified after any earned income disallowances or income exclusions are applied.

~~When the person who is enabled to work is a person with disabilities who receives the earned income disallowance (EID) or a full-time student whose earned income above \$480 is excluded, child-care costs related to enabling a family member to work may not exceed the portion of the person's earned income that actually is included in annual income. For example, if a family member who qualifies for the EID makes \$15,000 but because of the EID only \$5,000 is included in annual income, child-care expenses are limited to \$5,000.~~

The PHA must not limit the deduction to the least expensive type of childcare. If the care allows the family to pursue more than one eligible activity, including work, the cap is calculated in proportion to the amount of time spent working [HCV GB, p. 5-30].

PHA Policy

When the childcare expense being claimed is to enable a family member to work, only one family member's income will be considered for a given period of time. When more than one family member works during a given period, the PHA generally will limit allowable childcare expenses to the earned income of the lowest-paid member. The family may provide information that supports a request to designate another family member as the person enabled to work.

Eligible Childcare Expenses

The type of care to be provided is determined by the assisted family. The PHA may not refuse to give a family the childcare expense deduction because there is an adult family member in the household that may be available to provide childcare [VG, p. 26].

Allowable Childcare Activities

PHA Policy

For school-age children, costs attributable to public or private school activities during standard school hours are not considered. Expenses incurred for supervised activities after school or during school holidays (e.g., summer day camp, after-school sports league) are allowable forms of childcare.

The costs of general housekeeping and personal services are not eligible. Likewise, childcare expenses paid to a family member who lives in the family's unit are not eligible; however, payments for childcare to relatives who do not live in the unit are eligible.

If a childcare provider also renders other services to a family or childcare is used to enable a family member to conduct activities that are not eligible for consideration, the PHA will prorate the costs and allow only that portion of the expenses that is attributable to childcare for eligible activities. For example, if the care provider also cares for a child with disabilities who is 13 or older, the cost of care will be prorated. Unless otherwise specified by the childcare provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Necessary and Reasonable Costs

Childcare expenses will be considered necessary if: (1) a family adequately explains how the care enables a family member to work, actively seek employment, or further their education, and (2) the family certifies, and the childcare provider verifies, that the expenses are not paid or reimbursed by any other source.

PHA Policy

Childcare expenses will be considered for the time required for the eligible activity plus reasonable transportation time. For childcare that enables a family member to go to school, the time allowed may include not more than one study hour for each hour spent in class.

To establish the reasonableness of childcare costs, the PHA will use the schedule of childcare costs from a qualified local entity that either subsidizes childcare costs or licenses childcare providers. Families may present, and the PHA will consider, justification for costs that exceed typical costs in the area.

6-III.G. HARDSHIP EXEMPTIONS [24 CFR 5.611(c), (d), and (e)]

Health and Medical Care and Disability Assistance Expenses [24 CFR 5.611(c); Notice PIH 2023-27]

The regulations provide for two types of hardship exemption categories for families that qualify for unreimbursed health and medical care expenses and/or disability assistance expenses. A family will benefit from this hardship exemption only if the family has eligible expenses that can be deducted in excess of five percent of annual income. In order to claim unreimbursed health and medical care expenses, the family must have a head, cohead, or spouse that is elderly or a person with a disability. In order to claim unreimbursed reasonable attendant care and auxiliary apparatus expenses, the family must include a person with a disability, and the expenses must enable any member of the family (including the member who is a person with a disability) to be employed.

Families may be eligible for relief under one of two categories; phased-in relief or general relief, as defined below.

Phased-In Relief

The first category is applicable to all families who received a deduction for unreimbursed health and medical care and/or reasonable attendant care or auxiliary apparatus expenses based on their most recent income review prior to January 1, 2024. The family must receive phased-in relief if they are determined to be eligible. These families will begin receiving a 24-month phased-in relief at their next annual or interim reexamination, whichever occurs first, after the date on which the PHA implements phased-in relief.

For these families, the threshold amount is phased-in as follows:

- The family is eligible for a deduction totaling the sum of expenses that exceeds 5 percent of annual income for the first 12 months.
- At the conclusion of 12 months, the family is eligible for a deduction totaling the sum of their expenses that exceed 7.5 percent of annual income for another 12 months.
- At the conclusion of 24 months, the standard threshold amount of 10 percent would be used, unless the family qualifies for relief under the general hardship relief category.

~~—When an eligible family's phased-in relief begins at an interim reexamination, the PHA will need to process another transaction one year later to move the family along to the next phase. The transaction can be either an interim reexamination if triggered, or a non-interim reexamination transaction.~~

When an eligible family's phased-in relief begins at an interim reexamination, the PHA must process another transaction (either an interim reexamination or non-interim transaction, as applicable) one year later to move the family to the next phase.

Prior to the end of the 24-month period, the family may request a hardship exemption under the second category as described below. If the family is found eligible under the second category, the hardship exemption under the first category ends, and the family's hardship is administered in accordance with the requirements listed below. Once a family requests general relief, the family may no longer receive phased-in relief.

PHAs must track the 24-month phase-period for each eligible family, even if a family's expenses go below the appropriate phase-in percentage, during the first or second 12-month phase-in period. The phase-in must continue for families who move to another housing unit at the same PHA. When the family is treated as a new admission under a different property/program (e.g., the family moves from public housing to the HCV program), unless the PHA has a written policy to continue the phased-in relief upon admission, the family's expense deduction will be calculated using the 10-percent threshold unless request for general relief is approved by the PHA. When a family moves with continued assistance or ports to a new PHA, the family must continue to receive the phased-in relief. The family must receive the remaining calendar months of the percentage phase-in. The PHA must use the existing phase-in documentation to determine the remaining calendar months and the percentage phase-in.

PHA Policy

The PHA will not continue the phased-in relief for families who move from public housing to HCV. These families will be treated as new admissions and the sum of expenses that exceeds 10 percent of annual income will be used to calculate their adjusted income.

General Relief

The second category is for families that can demonstrate:

- Their health and medical and/or disability assistance expenses increased (other than the transition to the higher threshold); or
- The family's financial hardship is a result of a change in circumstances (as defined in PHA policy) that would not otherwise trigger an interim reexamination.

The family may request a hardship exemption under the second category regardless of whether the family previously received the health and medical and/or disability assistance deductions or are currently or were previously receiving relief under the phased-in relief category above. HUD requires that PHAs develop policies defining what constitutes a hardship for purposes of this exemption.

The PHA must obtain third-party verification of the hardship or must document in the file the reason third-party verification was not available. PHAs must attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period.

PHA Policy

To qualify for a hardship exemption, a family must submit a request in writing. The request must show that the family's health and medical and/or disability assistance expenses have increased (other than the transition to the higher threshold) and that the family's financial hardship is a result of a change in circumstances. The PHA defines *a change in circumstances* as a decrease in income or increase in other expenses that has resulted in the family's financial hardship but does not, on its own, trigger an interim reexamination in accordance with PHA policies.

Examples of circumstances constituting a financial hardship may include the following situations:

The family is awaiting an eligibility determination for a federal, state, or local assistance program, such as a determination for unemployment compensation or disability benefits;

The family's income decreased because of a loss of employment, death of a family member, or due to a natural or federal/state declared disaster; or

Other circumstances as determined by the PHA.

The family must provide third-party verification of the hardship with the request. If third-party verification is not available, the PHA will document the file with the reason and will attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period.

The PHA must promptly notify the family in writing of the change in the determination of adjusted income and the family's rent resulting from hardship exemptions. The notice must inform the family of when the hardship exemption will begin and expire [24 CFR 5.611(e)(2)].

PHA Policy

The PHA will make a determination of whether the family qualifies within 30 calendar days and will notify the family in writing of the result within 10 business days of the determination.

If the PHA denies the hardship exemption request, the PHA notice will also state that if the family does not agree with the PHA determination, the family may request a hearing.

If the family qualifies for an exemption, the PHA will include the date the hardship exemption will begin and the date it will expire as well as information on how to request a 90-day extension based on family circumstances.

If the family qualifies, the family will receive a deduction for the sum of eligible expenses that exceed five percent of annual income.

The family's hardship relief ends when the circumstances that made the family eligible for the relief are no longer applicable or after 90 days, whichever is earlier. However, the PHA may, at its discretion, extend the relief for one or more additional 90-day periods while the family's hardship condition continues. PHAs are not limited to a maximum number of 90-day extensions.

PHAs must establish written policies regarding the types of circumstances that will allow a family to qualify for a financial hardship and when such deductions may be eligible for additional 90-day extensions. PHAs must develop policies requiring families to report if the circumstances that made the family eligible for the hardship exemption are no longer applicable.

PHA Policy

The family may request an extension either orally or in writing prior to the end of the hardship exemption period. The PHA will extend relief for an additional 90-days if the family demonstrates to the PHA's satisfaction that the family continues to qualify for the hardship exemption based on circumstances described above. The PHA will require updated verification based on the family's current circumstances. Additional extension(s) may be granted on a case-by-case basis provided the family continues to request extensions prior to the end of each hardship exemption period. Families must report if the circumstances that made the family eligible for the hardship exemption are no longer applicable. At any time, the PHA may terminate the hardship exemption if the PHA determines that the family no longer qualifies for the exemption.

Childcare Expense Hardship Exemption [24 CFR 5.611(d) and Notice PIH 2023-27]

A family whose eligibility for the childcare expense deduction is ending may request a financial hardship exemption to continue receiving the deduction. If the family demonstrates to the PHA's satisfaction that the family is unable to pay their rent because of the loss of the childcare expense deduction, and that the childcare expense is still necessary even though the family member is not working, looking for work, or seeking to further their education, the PHA must recalculate the family's adjusted income and continue the childcare deduction.

The PHA must develop a policy to define what constitutes a hardship, which includes the family's inability to pay rent. The PHA must obtain third-party verification of the hardship or must document in the file the reason third-party verification was not available. PHAs must attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period.

PHA Policy

For a family to qualify, they must demonstrate that their inability to pay rent would be as a result of the loss of this deduction. The PHA defines this hardship as a potential decrease in income or increase in other expenses that would result from the loss of the childcare expense and such loss would impact the family's ability to pay their rent.

Some factors to consider when determining if the family is unable to pay rent may include determining that the rent, utility payment, and applicable expenses (childcare expenses or health and medical expenses) are more than 40 percent of the family's adjusted income, or verifying whether the family has experienced unanticipated expenses, such as large medical bills, that have affected their ability to pay their rent.

The family must also demonstrate that the childcare expense is still necessary even though the family member is no longer employed or furthering their education. The PHA will consider qualification under this criterion on a case-by case basis (for example, if the family member who was employed has left their job in order to provide uncompensated care to an elderly friend or family member who is severely ill and lives across town).

The family must provide third-party verification of the hardship with the request. If third-party verification is not available, the PHA will document the file with the reason and will attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period.

The PHA must promptly notify the family in writing of the change in the determination of adjusted income and the family's rent resulting from hardship exemptions.

If the PHA denies the request, the notice must specifically state the reason for the denial. PHAs must provide families 30 days' notice of any increase in rent.

If the PHA approves the request, the notice must inform the family of when the hardship exemption will begin and expire [24 CFR 5.611(e)(2)]. The notice must also state the requirement for the family to report to the PHA if the circumstances that made the family eligible for relief are no longer applicable and that the family's adjusted income and tenant rent will be recalculated upon expiration of the hardship exemption [Notice PIH 2023-27].

PHA Policy

The PHA will make a determination of whether the family qualifies within 30 calendar days and will notify the family in writing of the result within 10 business days of the determination.

If the PHA denies the hardship exemption request, the PHA notice will also state that if the family does not agree with the PHA determination, the family may request an informal hearing.

If the family qualifies for an exemption, the PHA will include all required information listed above as well as information on how to request a 90-day extension based on family circumstances.

If the family qualifies, the hardship exemption and the resulting alternative adjusted income calculation must remain in place for a period of up to 90 days.

The PHA may, at its discretion, extend the hardship exemptions for additional 90-day periods based on family circumstances and as stated in PHA policies. PHAs are not limited to a maximum number of 90-day extensions. PHAs must develop policies requiring families to report if the circumstances that made the family eligible for the hardship exemption are no longer applicable.

PHAs must promptly notify families in writing if they are denied either an initial hardship exemption or an additional 90-day extension of the exemption. If the PHA denies the request, the notice must specifically state the reason for the denial.

PHAs must notify the family if the hardship exemption is no longer necessary and the hardship exemption will be terminated because the circumstances that made the family eligible for the exemption are no longer applicable. The notice must state the termination date and provide 30 days' notice of rent increase, if applicable.

PHA Policy

The family may request an extension either orally or in writing prior to the end of the hardship exemption period. The PHA will extend relief for an additional 90-days if the family demonstrates to the PHA's satisfaction that the family continues to qualify for the hardship exemption. The PHA will require updated verification based on the family's current circumstances. Additional extensions may be granted on a case-by-case basis provided the family continues to request extensions prior to the end of each hardship exemption period. Families must report if the circumstances that made the family eligible for the hardship exemption are no longer applicable. At any time, the PHA may terminate the hardship exemption if the PHA determines that the family no longer qualifies for the exemption.

6-III.H. PERMISSIVE DEDUCTIONS [24 CFR 5.611(b)(1)(ii)]

The PHA may adopt additional permissive deductions from annual income if they establish a policy in the administrative plan. Permissive deductions are additional, optional deductions that may be applied to annual income. As with mandatory deductions, permissive deductions must be based on need or family circumstance and deductions must be designed to encourage self-sufficiency or other economic purpose. If the PHA offers permissive deductions, they must be granted to all families that qualify for them and should complement existing income exclusions and deductions [PH Occ GB, p. 128]. Permissive deductions may be used to incentivize or encourage self-sufficiency and economic mobility.

A PHA that adopts such deductions must have sufficient funding to cover the increased housing assistance payment cost of the deductions. A PHA will not be eligible for an increase in HCV renewal funding for subsidy costs resulting from such deductions.

PHA Policy

The PHA has opted not to use permissive deductions.

PART IV: CALCULATING FAMILY SHARE AND PHA SUBSIDY

6-IV.A. OVERVIEW OF RENT AND SUBSIDY CALCULATIONS

TTP Formula [24 CFR 5.628]

HUD regulations specify the formula for calculating the total tenant payment (TTP) for an assisted family. TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the family's monthly adjusted income (adjusted income is defined in Part II)
- 10 percent of the family's monthly gross income (annual income, as defined in Part I, divided by 12)
- The welfare rent (in as-paid states only)
- A minimum rent between \$0 and \$50 that is established by the PHA

The PHA has authority to suspend and exempt families from minimum rent when a financial hardship exists, as defined in section 6-IV.B.

The amount that a family pays for rent and utilities (the family share) will never be less than the family's TTP but may be greater than the TTP depending on the rent charged for the unit the family selects.

Welfare Rent [24 CFR 5.628]

PHA Policy

Welfare rent does not apply in this locality.

Minimum Rent [24 CFR 5.630]

PHA Policy

The minimum rent for this locality is \$0.

Family Share [24 CFR 982.305(a)(5)]

If a family chooses a unit with a gross rent (rent to owner plus an allowance for tenant-paid utilities) that exceeds the PHA's applicable payment standard: (1) the family will pay more than the TTP, and (2) at initial occupancy the PHA may not approve the tenancy if it would require the family share to exceed 40 percent of the family's monthly adjusted income. ~~The income used for this determination must have been verified no earlier than 60 days before the family's voucher was issued.~~ (For a discussion of the application of payment standards, see section 6-IV.C.)

PHA Subsidy [24 CFR 982.505(b)]

The PHA will pay a monthly housing assistance payment (HAP) for a family that is equal to the lower of (1) the applicable payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP. (For a discussion of the application of payment standards, see section 6-IV.C.)

Utility Reimbursement [24 CFR 982.514(b); 982.514(c)]

When the PHA subsidy for a family exceeds the rent to owner, the family is due a utility reimbursement. HUD permits the PHA to pay the reimbursement to the family or directly to the utility provider.

PHA Policy

The PHA will make utility reimbursements to the family.

The PHA may make all utility reimbursement payments to qualifying families on a monthly basis or may make quarterly payments when the monthly reimbursement amount is \$15.00 or less. Reimbursements must be made once per calendar-year quarter and must be prorated if the family leaves the program in advance of its next quarterly reimbursement. The PHA must also adopt hardship policies for families for whom receiving quarterly reimbursement would create a financial hardship.

PHA Policy

The PHA will issue all utility reimbursements monthly.

6-IV.B. FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]

PHA Policy

The financial hardship rules described below do not apply in this jurisdiction because the PHA has established a minimum rent of \$0.

Overview

If the PHA establishes a minimum rent greater than zero, the PHA must grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of financial hardship.

The financial hardship exemption applies only to families required to pay the minimum rent. If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship exemption. If the PHA determines that a hardship exists, the family share is the highest of the remaining components of the family's calculated TTP.

HUD-Defined Financial Hardship

Financial hardship includes the following situations:

- (1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

PHA Policy

A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.

For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following: (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

- (2) The family would be evicted because it is unable to pay the minimum rent.

PHA Policy

For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent to the owner or tenant-paid utilities.

- (3) Family income has decreased because of changed family circumstances, including the loss of employment.

(4) A death has occurred in the family.

PHA Policy

In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

(5) The family has experienced other circumstances determined by the PHA.

PHA Policy

The PHA has not established any additional hardship criteria.

Implementation of Hardship Exemption

Determination of Hardship

When a family requests a financial hardship exemption, the PHA must suspend the minimum rent requirement beginning the first of the month following the family's request.

The PHA then determines whether the financial hardship exists and whether the hardship is temporary or long-term.

PHA Policy

The PHA defines temporary hardship as a hardship expected to last 90 days or less. Long-term hardship is defined as a hardship expected to last more than 90 days.

When the minimum rent is suspended, the family share reverts to the highest of the remaining components of the calculated TTP. The example below demonstrates the effect of the minimum rent exemption.

Example: Impact of Minimum Rent Exemption			
Assume the PHA has established a minimum rent of \$50.			
Family Share – No Hardship		Family Share – With Hardship	
\$0	30% of monthly adjusted income	\$0	30% of monthly adjusted income
\$15	10% of monthly gross income	\$15	10% of monthly gross income
N/A	Welfare rent	N/A	Welfare rent
\$50	Minimum rent	\$50	Minimum rent
Minimum rent applies. TTP = \$50		Hardship exemption granted. TTP = \$15	

PHA Policy

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay the minimum rent.

The PHA will make the determination of hardship within 30 calendar days.

No Financial Hardship

If the PHA determines there is no financial hardship, the PHA will reinstate the minimum rent and require the family to repay the amounts suspended.

PHA Policy

The PHA will require the family to repay the suspended amount within 30 calendar days of the PHA's notice that a hardship exemption has not been granted.

Temporary Hardship

If the PHA determines that a qualifying financial hardship is temporary, the PHA must suspend the minimum rent for the 90-day period beginning the first of the month following the date of the family's request for a hardship exemption.

At the end of the 90-day suspension period, the family must resume payment of the minimum rent and must repay the PHA the amounts suspended. HUD requires the PHA to offer a reasonable repayment agreement, on terms and conditions established by the PHA. The PHA also may determine that circumstances have changed and the hardship is now a long-term hardship.

PHA Policy

The PHA will enter into a repayment agreement in accordance with the procedures found in Chapter 16 of this plan.

Long-Term Hardship

If the PHA determines that the financial hardship is long-term, the PHA must exempt the family from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first of the month following the family's request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the family is not required to repay the minimum rent.

PHA Policy

The hardship period ends when any of the following circumstances apply:

- (1) At an interim or annual reexamination, the family's calculated TTP is greater than the minimum rent.
- (2) For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost. For example, if a hardship is approved because a family no longer receives a \$60/month child support payment, the hardship will continue to exist until the family receives at least \$60/month in income from another source or once again begins to receive the child support.
- (3) For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred.

6-IV.C. APPLYING PAYMENT STANDARDS [24 CFR 982.505(c) and Notice PIH 2024-34; ~~982.503(b)~~]

Overview

The PHA's schedule of payment standards is used to calculate housing assistance payments for HCV families. This section covers the application of the PHA's payment standards. The establishment and revision of the PHA's payment standard schedule are covered in Chapter 16.

Payment standard is defined as "the maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family)" [24 CFR 982.4(b)].

The payment standard for a family is the lower of (1) the payment standard for the family unit size, which is defined as the appropriate number of bedrooms for the family under the PHA's subsidy standards [24 CFR 982.4(b)], or (2) the payment standard for the size of the dwelling unit rented by the family [24 CFR 982.505(c)(1)].

If the PHA has established an exception payment standard for a designated part of a ~~zip code area or~~ an FMR area in accordance with 24 CFR 982.503 and a family's unit is located in the ~~exception~~ designated area, the PHA must use the appropriate payment standard for the exception area [24 CFR 982.505(c)(2)].

The PHA is required to pay a monthly housing assistance payment (HAP) for a family that is the lower of (1) the payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP.

If during the term of the HAP contract for a family's unit, the owner lowers the rent, the PHA will recalculate the HAP using the lower of the initial payment standard or the gross rent for the unit [HCV GB, p. 7-8].

Changes in Payment Standards

When the PHA revises its payment standards during the term of the HAP contract for a family's unit, it will apply the new payment standards in accordance with HUD regulations. Regulations governing increases and decreases in the payment standard have changed, with a required compliance date of December 3, 2024.

***Decreases* [24 CFR 982.505(c)(3) and Notice PIH 2024-34]**

For new HAP contracts, the PHA applies the payment standard in effect at the time of HAP contract execution.

The PHA must administer decreases in the payment standard amount for the family in accordance with the PHA policy as described in the administrative plan and apply the policy consistently to all families.

If a PHA changes its payment standard schedule, resulting in a lower payment standard amount, during the term of a HAP contract, the PHA is not required to reduce the payment standard used to calculate subsidy for families under HAP contract as long as the HAP contract remains in effect ~~[FR Notice 11/16/16]~~. The PHA must administer decreases in the payment standard amount for the family in accordance with the PHA policy as described in the administrative plan.

Changes effective 12/2/24 and earlier: ~~However,~~ If the PHA does choose to reduce the payment standard for families currently under HAP contract, the initial reduction to the payment standard may not be applied any earlier than the effective date of the family's second regular reexamination following the effective date of the decrease in the payment standard amount.

Changes effective 12/3/24 and later: If the PHA does choose to reduce the payment standard for families currently under HAP contract, the initial reduction to the payment standard may not be applied any earlier than two years following the effective date of the decrease in the payment standard and only with proper written notice to the family in accordance with 24 CFR 982.505(c)(3)(iii).

At that point, the PHA may either reduce the payment standard to the current amount in effect on the PHA's payment standard schedule or may reduce the payment standard to another amount that is higher than the normally applicable amount on the schedule. The PHA may also establish different policies for designated areas within their jurisdiction (e.g., different zip code areas). In any case, the PHA must provide the family with at least 12 months' notice that the payment standard is being reduced before the effective date of the change. In the written notice, the PHA must state the new payment standard amount, explain that the family's new payment standard amount will be the greater of the amount listed in the current written notice or the new amount (if any) on the PHA's payment standard schedule at the end of the 12-month period, and make clear where the family will find the PHA's payment standard schedule. The PHA's policy on decreases in the payment standard during the term of the HAP contract apply to all families under HAP contract at the time of the effective date of the decrease in the payment standard within the designated area.

PHA Policy

If a PHA changes its payment standard schedule resulting in a lower payment standard amount, during the term of a HAP contract, the PHA will not reduce the payment standard used to calculate subsidy for families under HAP contract as long as the HAP contract remains in effect.

The PHA will not establish different policies for decreases in the payment standard for designated areas within their jurisdiction.

Increases [24 CFR 982.505(c)(4) and Notice PIH 2024-34]

For new HAP contracts, the PHA applies the payment standard in effect at the time of HAP contract execution.

Changes effective 12/2/24 and earlier: If the payment standard is increased during the term of the HAP contract, the increased payment standard will be used to calculate the monthly housing assistance payment for the family beginning on the effective date of the family's first regular reexamination on or after the effective date of the increase in the payment standard.

Families requiring or requesting interim reexaminations will not have their HAP payments calculated using the higher payment standard until their next annual reexamination [HCV GB, p. 7-8].

Changes effective 12/3/24 and later: If the payment standard is increased during the term of the HAP contract, the increased payment standard will be applied no later than the earliest of:

- The effective date of an increase in the gross rent that would result in an increase in the family share;
- The family's first regular or interim reexamination; or
- One year following the effective date of the increase in the payment standard amount.

The PHA may adopt a policy to apply a payment standard increase at any time earlier than the date calculated above as long as the policy is included in the administrative plan and applied consistently to all families [24 CFR 982.505(c)(5)].

PHA Policy

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

Changes in Family Unit Size (Voucher Size) [24 CFR 982.505(c)(6) and Notice PIH 2024-34]

Changes effective 12/2/24 and earlier: Irrespective of any increase or decrease in the payment standard, if the family unit size increases or decreases during the HAP contract term, the new family unit size must be used to determine the payment standard for the family beginning at the family's first regular reexamination following the change in family unit size.

Changes effective 12/3/24 and later: Irrespective of any increase or decrease in the payment standard, if the family unit size increases or decreases during the HAP contract term, the new family unit size may be used to determine the payment standard immediately but no later than the family's first regular reexamination following the change in family unit size.

PHA Policy

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

Moves

If the family moves to a new unit, or a new HAP contract is executed due to changes in the lease (even if the family remains in place) the current payment standard applicable to the family will be used when the new HAP contract is processed.

Reasonable Accommodation [24 CFR 982.503(d)(5)]

If a family requires a higher payment standard as a reasonable accommodation for a family member who is a person with disabilities, the PHA is allowed to establish a higher payment standard for the family of not more than 120 percent of the published FMR without HUD approval or prior notification to HUD. A PHA may establish a payment standard greater than 120 percent of the applicable FMR as a reasonable accommodation in accordance with 24 CFR part 8, after requesting and receiving HUD approval. See Chapter 16 for more information.

6-IV.D. APPLYING UTILITY ALLOWANCES [24 CFR 982.517]

Overview

A PHA-established utility allowance schedule is used in determining family share and PHA subsidy. A family's utility allowance is determined by the size of dwelling unit leased by a family or the voucher unit size for which the family qualifies using PHA subsidy standards, whichever is the lowest of the two. See Chapter 5 for information on the PHA's subsidy standards.

For policies on establishing and updating utility allowances, see Chapter 16.

Flat Fees [24 CFR 982.517(b)(2)(iii)]

The PHA may base its utility allowance payments on actual flat fees charged by an owner for utilities that are billed directly by the owner, but only if the flat fee charged by the owner is no greater than the PHA's applicable utility allowance for the utilities covered by the fee. If the owner charges a flat fee for some but not all utilities, the PHA must pay a separate allowance for any tenant-paid utilities not covered in the flat fee.

PHA Policy

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

PBV Developments [24 CFR 982.517(b)(2)(iv)]

If a tenant-based voucher holder resides in a project with project-based voucher (PBV) units and the PBV units use a site-specific utility allowance in accordance with PBV regulations, the PHA must use the project-specific utility allowance schedule.

Reasonable Accommodation and Individual Relief

On request from a family that includes a person with disabilities, the PHA must approve a utility allowance which 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 and usable by the family member with a disability [24 CFR 982.517(e)]. (See Chapter 2 for policies regarding the request and approval of reasonable accommodations.)

Further, the PHA may grant requests for individual relief from charges in excess of the utility allowance on reasonable grounds, such as special factors not within control of the resident, as the PHA deems appropriate. The family must request the higher allowance and provide the PHA an explanation of the need for individual relief and an explanation about the amount of additional allowance required [see HCV GB, p. 18-8].

PHAs should develop criteria for granting individual relief, notify residents about the availability of individual relief, and notify participants about the availability of individual relief programs (sometimes referred to as "Medical Baseline discounts") offered by the local utility company.

PHA Policy

The family must request the higher allowance and provide the PHA with information about the amount of additional allowance required.

The PHA will consider the following criteria as valid reasons for granting individual relief:

The family's consumption was mistakenly portrayed as excessive due to defects in the meter or errors in the meter reading.

The excessive consumption is caused by a characteristic of the unit or owner-supplied equipment that is beyond the family's control, such as a particularly inefficient refrigerator or inadequate insulation. The allowance should be adjusted to reflect the higher consumption needs associated with the unit until the situation is remedied. The resident should be granted individual relief until the allowance is adjusted.

The excessive consumption is due to special needs of the family that are beyond their control, such as the need for specialized equipment in the case of a family member who is ill, elderly, or who has a disability.

In determining the amount of the reasonable accommodation or individual relief, the PHA will allow a reasonable measure of additional usage as necessary. To arrive at the amount of additional utility cost of specific equipment, the family may provide information from the manufacturer of the equipment, or the family or PHA may conduct an internet search for an estimate of usage or additional monthly cost.

Information on reasonable accommodation and individual relief for charges in excess of the utility allowance will be provided to all families at admission as part of the information on payment standards and utility allowances in the briefing packet. The PHA will also provide information on utility relief programs or medical discounts (sometimes referred to as "Medical Baseline discounts") that may be available through local utility providers.

At its discretion, the PHA may reevaluate the need for the increased utility allowance at any regular reexamination.

If the excessive consumption is caused by a characteristic of the unit or PHA-supplied equipment that is beyond the family's control, such as a particularly inefficient refrigerator or inadequate insulation, the individual relief to the resident will cease when the situation is remedied.

Utility Allowance Revisions

At reexamination, the PHA must use the current utility allowance schedule [HCV GB, p. 18-8].

PHA Policy

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first annual reexamination that is effective after the allowance is adopted.

6-IV.E. PRORATED ASSISTANCE FOR MIXED FAMILIES [24 CFR 5.520]

HUD regulations prohibit assistance to ineligible family members. A *mixed family* is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. The PHA must prorate the assistance provided to a mixed family. The PHA will first determine assistance as if all family members were eligible and then prorate the assistance based upon the percentage of family members that actually are eligible. For example, if the PHA subsidy for a family is calculated at \$500 and two of four family members are ineligible, the PHA subsidy would be reduced to \$250.

EXHIBIT 6-1: ANNUAL INCOME FULL DEFINITION

24 CFR 5.609

(a) Annual income includes, with respect to the family:

(1) All amounts, not specifically excluded in paragraph (b) of this section, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age, and

(2) When the value of net family assets exceeds ~~\$50,000~~the HUD-published threshold amount (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD.

(b) Annual income does not include the following:

(1) Any imputed return on an asset when net family assets ~~total \$50,000 or less~~ are less than or equal to the HUD-published threshold amount (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and no actual income from the net family assets can be determined.

(2) The following types of trust distributions:

(i) For an irrevocable trust or a revocable trust outside the control of the family or household excluded from the definition of net family assets under § 5.603(b):

(A) Distributions of the principal or corpus of the trust; and

(B) Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.

(ii) For a revocable trust under the control of the family or household, any distributions from the trust; except that any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.

(3) Earned income of children under the 18 years of age.

(4) Payments received for the care of foster children or foster adults, or State or Tribal kinship or guardianship care payments.

(5) Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation.

(6) Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member.

(7) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled.

(8) Income of a live-in aide, foster child, or foster adult as defined in §§ 5.403 and 5.603, respectively.

(9)

(i) Any assistance that section 479B of the Higher Education Act of 1965, as amended (20 U.S.C. 1087uu), requires be excluded from a family's income; and

(ii) Student financial assistance for tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and other fees required and charged to a student by an institution of higher education (as defined under Section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)) and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

(A) Student financial assistance, for purposes of this paragraph (9)(ii), means a grant or scholarship received from— (

- 1) The Federal government;
- (2) A State, Tribe, or local government;
- (3) A private foundation registered as a nonprofit under 26 U.S.C. 501(c)(3);
- (4) A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or
- (5) An institution of higher education.

(B) Student financial assistance, for purposes of this paragraph (9)(ii), does not include—

- (1) Any assistance that is excluded pursuant to paragraph (b)(9)(i) of this section;
- (2) Financial support provided to the student in the form of a fee for services performed (e.g., a work study or teaching fellowship that is not excluded pursuant to paragraph (b)(9)(i) of this section); (
- 3) Gifts, including gifts from family or friends; or

(4) Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under this paragraph or paragraph (b)(9)(i), exceeds the actual covered costs of the student. The actual covered costs of the student are the actual costs of tuition, books and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, or other fees required and charged to a student by the education institution, and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit. This calculation is described further in paragraph (b)(9)(ii) of this section.

(C) Student financial assistance, for purposes of this paragraph (b)(9)(ii) must be:

- (1) Expressly for tuition, books, room and board, or other fees required and charged to a student by the education institution;
- (2) Expressly to assist a student with the costs of higher education; or
- (3) Expressly to assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the education institution and not residing in an assisted unit.

(D) Student financial assistance, for purposes of this paragraph (b)(9)(ii), may be paid directly to the student or to the educational institution on the student's behalf. Student financial assistance paid to the student must be verified by the responsible entity as student financial assistance consistent with this paragraph (b)(9)(ii).

(E) When the student is also receiving assistance excluded under paragraph (b)(9)(i) of this section, the amount of student financial assistance under this paragraph (b)(9)(ii) is determined as follows:

(1) If the amount of assistance excluded under paragraph (b)(9)(i) of this section is equal to or exceeds the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section, none of the assistance described in this paragraph (b)(9)(ii) of this section is considered student financial assistance excluded from income under this paragraph (b)(9)(ii)(E).

(2) If the amount of assistance excluded under paragraph (b)(9)(i) of this section is less than the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section, the amount of assistance described in paragraph (b)(9)(ii) of this section that is considered student financial assistance excluded under this paragraph is the lower of:

(i) the total amount of student financial assistance received under this paragraph (b)(9)(ii) of this section, or

(ii) the amount by which the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section exceeds the assistance excluded under paragraph (b)(9)(i) of this section.

(10) Income and distributions from any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under section 529 of such Code; and income earned by government contributions to, and distributions from, “baby bond” accounts created, authorized, or funded by Federal, State, or local government.

(11) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

(12)

(i) 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);

(ii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (e.g., special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program;

(iii) Amounts received under a resident service stipend not to exceed \$200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development.

(iv) Incremental earnings and benefits resulting to any family member from participation in training programs funded by HUD or in qualifying Federal, State, Tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program unless those amounts are excluded under paragraph (b)(9)(i) of this section.

(13) 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.

(14) Earned income of dependent fulltime students in excess of the amount of the deduction for a dependent in § 5.611.

(15) Adoption assistance payments for a child in excess of the amount of the deduction for a dependent in § 5.611.

(16) Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.

(17) Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance.

(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) Payments made by or authorized by a State Medicaid agency (including through a managed care entity) or other State or Federal agency to a family to enable a family member who has a disability to reside in the family's assisted unit. Authorized payments may include payments to a member of the assisted family through the State Medicaid agency (including through a managed care entity) or other State or Federal agency for caregiving services the family member provides to enable a family member who has a disability to reside in the family's assisted unit.

(20) Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car).

(21) Payments received by Tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other Federal law.

(22) Amounts that HUD is required by Federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in paragraph (b) of this section apply. HUD will publish a notice in the Federal Register to identify the benefits that qualify for this exclusion. Updates will be published when necessary.

(23) Replacement housing "gap" payments made in accordance with 49 CFR part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another Federally subsidized housing unit. Such replacement housing "gap" payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing "gap" payments.

(24) Nonrecurring income, which is income that will not be repeated in the coming year based on information provided by the family. Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income under this paragraph, even if the source, date, or amount of the income varies. Nonrecurring income includes:

(i) Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment.

(ii) Direct Federal or State payments intended for economic stimulus or recovery.

(iii) Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received.

(iv) Amounts directly received by the family as a result of Federal refundable tax credits and Federal tax refunds at the time they are received.

(v) Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries).

(vi) Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization.

(vii) Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.

(25) Civil rights settlements or judgments, including settlements or judgments for back pay.

(26) Income received from any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; except that any distribution of periodic payments from such

accounts shall be income at the time they are received by the family.

(27) Income earned on amounts placed in a family's Family Self Sufficiency Account.

(28) Gross income a family member receives through self-employment or operation of a business; except that the following shall be considered income to a family member:

(i) Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations; and

(ii) 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.

EXHIBIT 6-2: TREATMENT OF FAMILY ASSETS

24 CFR 5.603(b) Net Family Assets

(1) Net family assets is the net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds, and other forms of capital investment.

(2) In determining net family assets, PHAs or owners, as applicable, must include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives consideration not measurable in dollar terms. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

(3) Excluded from the calculation of net family assets are: (i) The value of necessary items of personal property; (ii) The combined value of all ~~non-necessary~~nonnecessary items of personal property if the combined total value does not exceed ~~\$50,000~~ the HUD-published threshold amount (which amount will be adjusted by HUD in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers); (iii) The value of any account under a retirement plan recognized as such by the Internal Revenue

Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; (iv) The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located; (v) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability; (vi) The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986, the value of any qualified tuition program under section 529 of such Code, the value of any Achieving a Better Life Experience (ABLE) account authorized under Section 529A of such Code, and the value of any “baby bond” account created, authorized, or funded by Federal, State, or local government. (vii) Interests in Indian trust land; (viii) Equity in a manufactured home where the family receives assistance under 24 CFR part 982; (ix) Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR part 982; (x) Family Self-Sufficiency Accounts; and (xi) Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family.

(4) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the trust fund is not a family asset and the value of the trust is not included in the calculation of net family assets, so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household.

EXHIBIT 6-3: THE EFFECT OF WELFARE BENEFIT REDUCTION

24 CFR 5.615

Public housing program and Section 8 tenant-based assistance program: How welfare benefit reduction affects family income.

(a) Applicability. This section applies to covered families who reside in public housing (part 960 of this title) or receive Section 8 tenant-based assistance (part 982 of this title).

(b) Definitions. The following definitions apply for purposes of this section:

Covered families. Families who receive welfare assistance or other public assistance benefits (“welfare benefits”) from a State or other public agency (“welfare agency”) under a program for which Federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance.

Economic self-sufficiency program. See definition at Sec. 5.603.

Imputed welfare income. The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

Specified welfare benefit reduction.

(1) A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

(2) “Specified welfare benefit reduction” does not include a reduction or termination of welfare benefits by the welfare agency:

(i) at expiration of a lifetime or other time limit on the payment of welfare benefits;

(ii) because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or

(iii) because a family member has not complied with other welfare agency requirements.

(c) Imputed welfare income.

(1) A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction, as specified in notice to the PHA by the welfare agency), plus the total amount of other annual income as determined in accordance with Sec. 5.609.

(2) At the request of the PHA, the welfare agency will inform the PHA in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform the PHA of any subsequent changes in the term or amount of such specified welfare benefit reduction. The PHA will use this information to determine the amount of imputed welfare income for a family.

(3) A family's annual income includes imputed welfare income in family annual income, as determined at the PHA's interim or regular reexamination of family income and composition, during the term of the welfare benefits reduction (as specified in information provided to the PHA by the welfare agency).

(4) The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed-

(5) The PHA may not include imputed welfare income in annual income if the family was not an assisted resident at the time of sanction.

(d) Review of PHA decision.

(1) Public housing. If a public housing tenant claims that the PHA has not correctly calculated the amount of imputed welfare income in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the tenant written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. The PHA notice shall also state that if the tenant does not agree with the PHA determination, the tenant may request a grievance hearing in accordance with part 966, subpart B of this title to review the PHA determination. The tenant is not required to pay an escrow deposit pursuant to Sec. 966.55(e) for the portion of tenant rent attributable to the imputed welfare income in order to obtain a grievance hearing on the PHA determination.

(2) Section 8 participant. A participant in the Section 8 tenant-based assistance program may request an informal hearing, in accordance with Sec. 982.555 of this title, to review the PHA determination of the amount of imputed welfare income that must be included in the family's annual income in accordance with this section. If the family claims that such amount is not correctly calculated in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the family written notice of such denial, with a brief explanation of the

basis for the PHA determination of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with the PHA determination, the family may request an informal hearing on the determination under the PHA hearing procedure.

(e) PHA relation with welfare agency.

(1) The PHA must ask welfare agencies to inform the PHA of any specified welfare benefits reduction for a family member, the reason for such reduction, the term of any such reduction, and any subsequent welfare agency determination affecting the amount or term of a specified welfare benefits reduction. If the welfare agency determines a specified welfare benefits reduction for a family member, and gives the PHA written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

(2) The PHA is responsible for determining the amount of imputed welfare income that is included in the family's annual income as a result of a specified welfare benefits reduction as determined by the welfare agency, and specified in the notice by the welfare agency to the PHA. However, the PHA is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency in accordance with welfare program requirements and procedures, nor for providing the opportunity for review or hearing on such welfare agency determinations.

(3) Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through the welfare agency's normal due process procedures. The PHA shall be entitled to rely on the welfare agency notice to the PHA of the welfare agency's determination of a specified welfare benefits reduction.

Chapter 7.A.

VERIFICATION

[24 CFR 982.516, 24 CFR 982.551, 24 CFR 5.230, Notice PIH 2018-18]

INTRODUCTION

Prior to the PHA's HOTMA compliance date, the PHA will follow policies as outlined in this chapter. Upon the PHA's HOTMA compliance date, the PHA will follow policies as outlined in Chapter 7.B.

The Omaha Housing Authority (OHA) will be referred to as the Public Housing Authority (PHA) or simply as the PHA throughout the Administrative Plan.

The PHA must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain written authorization from the family in order to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. The PHA must not pass on the cost of verification to the family.

The PHA will follow the verification guidance provided by HUD in Notice PIH 2018-18 and any subsequent guidance issued by HUD. This chapter summarizes those requirements and provides supplementary PHA policies.

Part I describes the general verification process. Part II provides more detailed requirements related to family information. Part III provides information on income and assets, and Part IV covers mandatory deductions.

Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies of the PHA.

PART I: GENERAL VERIFICATION REQUIREMENTS

7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION ~~[24 CFR 982.516 AND 982.551, 24 CFR 5.230]~~[24 CFR 982.516; 24 CFR 982.551; 24 CFR 5.230; and Notice PIH 2023-27]

Consent Forms

The family must supply any information that the PHA or HUD determines is necessary to the administration of the program and must consent to PHA verification of that information [24 CFR 982.551]. All adult family members must sign consent forms as needed to collect information relevant to the family's eligibility and level of assistance. While PHAs must use form HUD-9886-A, this form does not release all the information necessary to the administration of the program. The PHA must also develop its own release forms to cover all other necessary information.

Form HUD-9886-A [24 CFR 5.230(b)(1), b(2), (c)(4), and (c)(5); and Notice PIH 2023-27]

All adult applicants and participants sign form HUD-9886-A, Authorization for Release of Information. All adult family members (and the head and spouse/cohead, regardless of age) are required to sign the Form HUD-9886-A at admission. Participants, prior to January 1, 2024, signed and submitted Form HUD-9886 at each annual reexamination. HOTMA eliminated this requirement and instead required that the Form HUD-9886-A be signed only once. On or after January 1, 2024 (regardless of the PHA's HOTMA compliance date), current program participants must sign and submit a new Form HUD-9886-A at their next interim or annual reexamination. This form will only be signed once. Another Form HUD-9886-A will not be submitted to the PHA except under the following circumstances:

- When any person 18 years or older becomes a member of the family;
- When a current member of the family turns 18; or
- As required by HUD or the PHA in administrative instructions.

The PHA has the discretion to establish policies around when family members must sign consent forms when they turn 18. PHAs must establish these policies stating when family members will be required to sign consent forms at intervals other than at reexamination.

PHA Policy

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

The purpose of form HUD-9886-A is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and the PHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA).

The PHA may obtain any financial record from any financial institution, as the terms financial record and financial institution are defined in the Right to Financial Privacy Act (12 U.S.C. 3401), whenever the PHA determines, the record is needed to determine an applicant's or participants eligibility for assistance or level of benefits [24 CFR 5.230(c)(4)].

The executed form will remain effective until the family is denied assistance, assistance is terminated, or the family provides written notification to the PHA to revoke consent.

Penalties for Failing to Consent [24 CFR 5.232]

If any family member who is required to sign a consent form fails to do so, the PHA will deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) in accordance with PHA procedures.

7-I.B. OVERVIEW OF VERIFICATION REQUIREMENTS

Use of Other Programs' Income Determinations [24 CFR 5.609(c)(3) and Notice PIH 2023-27]

PHAs may, but are not required to, determine a family's annual income, including income from assets, prior to the application of any deductions, based on income determinations made within the previous 12-month period, using income determinations from means-tested federal public assistance programs. PHAs are not required to accept or use determinations of income from other federal means-tested forms of assistance. If the PHA adopts a policy to accept this type of verification, the PHA must establish in policy when they will accept Safe Harbor income determinations and from which programs. PHAs must also create policies that outline the course of action when families present multiple verifications from the same or different acceptable Safe Harbor programs.

Means-tested federal public assistance programs include:

- Temporary Assistance for Needy Families (TANF) (42 U.S.C. 601, et seq.);
- Medicaid (42 U.S.C. 1396 et seq.);
- Supplemental Nutrition Assistance Program (SNAP) (42 U.S.C. 2011 et seq.);
- Earned Income Tax Credit (EITC) (26 U.S.C. 32);
- Low-Income Housing Tax Credit (LIHTC) program (26 U.S.C. 42);
- Special Supplemental Nutrition Program for Woman, Infants, and Children (WIC) (42 U.S.C. 1786);
- Supplemental Security Income (SSI) (42 U.S.C. 1381 et seq.);
- Other programs administered by the HUD Secretary.
- Other means-tested forms of federal public assistance for which HUD has established a memorandum of understanding; and
- Other federal benefit determinations made in other forms of means-tested federal public assistance that the Secretary determines to have comparable reliability and announces through the *Federal Register*.

If the PHA elects to use the annual income determination from one of the above-listed forms of means-tested federal public assistance, then they must obtain the income information by means of a third-party verification. The third-party verification must state the family size, must be for the entire family, and must state the amount of the family's annual income. The annual income need not be broken down by family member or income type. Annual income includes income earned from assets, therefore when using Safe Harbor to verify a family's income, PHAs will neither further inquire about a family's net family assets, nor about the income earned from those assets, except with respect to whether the family owns assets that exceed the asset limitation in 24 CFR 5.618. The Safe Harbor documentation will be considered acceptable if any of the following dates fall into the 12-month period prior to the receipt of the documentation by the PHA:

- Income determination effective date;
- Program administrator's signature date;
- Family's signature date;
- Report effective date; or
- Other report-specific dates that verify the income determination date.

The only information that PHAs are permitted to use to determine income under this method is the total income determination made by the federal means-tested program administrator. Other federal programs may provide additional information about income inclusions and exclusions in their award letters; however, these determinations and any other information must not be considered by the PHA. PHAs are not permitted to mix and match Safe Harbor income determinations and other income verifications.

If the PHA is unable to obtain Safe Harbor documentation or if the family disputes the other program's income determination, the PHA must calculate the family's annual income using traditional methods as outlined in Notice PIH 2023-27 and this chapter.

If the PHA uses a Safe Harbor determination to determine the family's income, the family is obligated to report changes in income that meet the PHA's reporting requirement and occur after the effective date of the transaction.

The amounts of unreimbursed reasonable attendant care expenses and childcare expenses deducted from a family's annual income, except for when a family is approved for a childcare expense hardship exemption, must still be capped by the amount earned by any family member who is enabled to work as a result of the expense. PHAs are therefore required to obtain third-party verification of the applicable employment income and cap the respective expense deductions accordingly.

PHA Policy

When available and applicable, the PHA will accept other programs' Safe Harbor determinations of income at annual reexamination to determine the family's total annual income. The PHA will still require third-party verification of all deductions such as the health and medical care expense or childcare expense deductions.

Further, if the family is eligible for and claims the disability assistance expense or childcare expense deductions, where applicable, the PHA will obtain third-party verification of the amount of employment income of the individual(s) enabled to work in order to cap the respective expenses as required.

Prior to using any Safe Harbor determination from another program, the PHA will ask the family if they agree with the income amounts listed. If the family disputes the income amounts on the Safe Harbor determination, the PHA will obtain third-party verification of all sources of income and assets (as applicable).

The PHA will not accept other programs' determinations of income for any new admission or interim reexamination.

With the exception of income determinations made under the Low-Income Housing Tax Credit (LIHTC) program, the PHA will accept Safe Harbor determinations from any of the programs listed above.

In order to be acceptable, the income determination must:

- Be dated within 12 months of the dates listed above;

- State the family size;

- Be for the entire family (i.e., the family members listed in the documentation must match the family's composition in the assisted unit, except for household members); and

- Must state the amount of the family's annual income;

The determination need not list each source of income individually. If the PHA does not receive any acceptable income determination documentation or is unable to obtain documentation, then the PHA will revert to third-party verification of income for the family.

When families present multiple verifications from the same or different acceptable Safe Harbor programs, the PHA will use the most recent income determination, unless the family presents acceptable evidence that the PHA should consider an alternative verification from a different Safe Harbor source.

When the PHA uses a Safe Harbor income determination from another program, and the family's income subsequently changes, the family is required to report the change to the PHA. Depending on when the change occurred, the change may or may not impact the PHA's calculation of the family's total annual income. Changes that occur between the time the PHA receives the Safe Harbor documentation, and the effective date of the family's annual reexamination will not be considered. If the family has a change in income that occurs after the annual reexamination effective date, the PHA will conduct an interim reexamination if the change meets the requirements for performing an interim reexamination as outlined in Chapter 11. In this case, the PHA will use third-party verification to verify the change.

HUD's Verification Hierarchy [Notice PIH 2018-18]

HUD mandates the use of the EIV system and offers administrative guidance on the use of other methods to verify family information and specifies the circumstances in which each method will be used. In general HUD requires the PHA to use the most reliable form of verification that is available and to document the reasons when the PHA uses a lesser form of verification.

In order of priority, the forms of verification that the PHA will use are:

- Up-front Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) system
- Up-front Income Verification (UIV) using a non-HUD system
- Written Third-Party Verification (may be provided by applicant or participant)
- Written Third-party Verification Form
- Oral Third-party Verification
- Self-Certification

Each of the verification methods is discussed in subsequent sections below.

Requirements for Acceptable Documents

PHA Policy

Any documents used for verification must be the original (not photocopies) and generally must be dated within 120 days of receipt by the PHA. Statements dated within the appropriate benefit year are acceptable for fixed sources of income. The documents must not be damaged, altered or in any way illegible.

Printouts from webpages are considered original documents.

The PHA staff member who views the original document must make a photocopy.

Any family self-certifications must be made in a format acceptable to the PHA and must be signed by the family member whose information or status is being verified.

File Documentation

The PHA must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that the PHA has followed all of the verification policies set forth in this plan. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

PHA Policy

The PHA will document, in the family file, the following:

- Reported family annual income
- Value of assets
- Expenses related to deductions from annual income
- Other factors influencing adjusted income

When the PHA is unable to obtain third-party verification, the PHA will document in the family file the reason that third-party verification was not available [24 CFR 982.516(a)(2); Notice PIH 2018-18].

7-I.C. UP-FRONT INCOME VERIFICATION (UIV)

Up-front income verification (UIV) refers to the PHA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. UIV will be used to the extent that these systems are available to the PHA.

There may be legitimate differences between the information provided by the family and UIV-generated information. If the family disputes the accuracy of UIV data, no adverse action can be taken until the PHA has independently verified the UIV information and the family has been granted an opportunity to contest any adverse findings through the informal review/hearing process of the PHA.

See Chapter 6 for the PHA's policy on the use of UIV/EIV to project annual income.

Upfront Income Verification Using HUD's Enterprise Income Verification (EIV) System (Mandatory)

PHAs must use HUD's EIV system in its entirety as a third-party source to verify tenant employment and income information during mandatory reexaminations or recertifications of family composition and income in accordance with 24 CFR 5.236 and administrative guidance issued by HUD. However, the PHA is not required to verify income information in EIV at annual reexam when Safe Harbor verification is used to determine a family's income [Notice PIH 2023-27]. The EIV system contains data showing earned income, unemployment benefits, social security benefits, and SSI benefits for participant families. The following policies apply to the use of HUD's EIV system.

EIV Income and IVT Reports

The data shown on income and income validation tool (IVT) reports is updated quarterly. Data may be between 3 and 6 months old at the time reports are generated.

PHA Policy

The PHA will obtain income and IVT reports for annual reexaminations on a monthly basis. Reports will be generated as part of the regular reexamination process.

Income and IVT reports will be compared to family-provided information as part of the annual reexamination process. Income reports may be used in the calculation of annual income, as described in Chapter 6-I.C.

Income reports may also be used to meet the regulatory requirement for third party verification, as described above. Policies for resolving discrepancies between income reports and family-provided information will be resolved as described in Chapter 6-I.C. and in this chapter.

Income and IVT reports will be used in interim reexaminations to identify any discrepancies between reported income and income shown in the EIV system, and as necessary to verify earned income, and to verify and calculate unemployment benefits, Social Security and/or SSI benefits. EIV will also be used to verify that families claiming zero income are not receiving income from any of these sources.

Income and IVT reports will be retained in participant files with the applicable annual or interim reexamination documents.

When the PHA determines through EIV reports and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

However, the PHA will not use income information in EIV at annual reexam when Safe Harbor verification is used to determine a family's income.

EIV Identity Verification

The EIV system verifies tenant identities against SSA records. These records are compared to PIC data for a match on social security number, name, and date of birth.

PHAs are required to use EIV's *Identity Verification Report* on a monthly basis to improve the availability of income information in EIV [Notice PIH 2018-18].

When identity verification for a participant fails, a message will be displayed within the EIV system and no income information will be displayed.

PHA Policy

The PHA will identify participants whose identity verification has failed by reviewing EIV's *Identity Verification Report* on a monthly basis.

The PHA will attempt to resolve PIC/SSA discrepancies by obtaining appropriate documentation from the participant. When the PHA determines that discrepancies exist due to PHA errors such as spelling errors or incorrect birth dates, the errors will be corrected promptly.

Upfront Income Verification Using Non-HUD Systems (Optional)

In addition to mandatory use of the EIV system, HUD encourages PHAs to utilize other upfront verification sources.

PHA Policy

The PHA will inform all applicants and participants of its use of the following UIV resources during the admission and reexamination process:

HUD's EIV system

- N-Focus
- Child Support
- Unemployment

7-I.D. THIRD-PARTY WRITTEN AND ORAL VERIFICATION

HUD's current verification hierarchy defines two types of written third-party verification. The more preferable form, "written third-party verification," consists of an original document generated by a third-party source, which may be received directly from a third-party source or provided to the PHA by the family. If written third-party verification is not available, the PHA must attempt to obtain a "written third-party verification form." This is a standardized form used to collect information from a third party.

Written Third-Party Verification [Notice PIH 2018-18]

Written third-party verification documents must be original and authentic and may be supplied by the family or received from a third-party source.

Examples of acceptable tenant-provided documents include, but are not limited to: pay stubs, payroll summary reports, employer notice or letters of hire and termination, SSA benefit verification letters, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices.

The PHA is required to obtain, at minimum, two current and consecutive pay stubs for determining annual income from wages.

The PHA may reject documentation provided by the family if the document is not an original, if the document appears to be forged, or if the document is altered, mutilated, or illegible.

Written, third-party verification includes an original or authentic document generated by a third-party source dated within 120 days of the date received by the PHA [Notice PIH 2023-27].

PHAs may accept a statement dated within the appropriate benefit year for fixed income sources [Notice PIH 2023-27].

PHA Policy

Third-party documents provided by the family must be dated within 120 days of receipt by the PHA.~~of the PHA request date.~~ The PHA will accept a statement dated within the appropriate benefit year for fixed income sources.

If the PHA determines that third-party documents provided by the family are not acceptable, the PHA will explain the reason to the family and request additional documentation.

As verification of earned income, the PHA will require the family to provide the two most current, consecutive pay stubs. At the PHA's discretion, if additional paystubs are needed due to the family's circumstances (e.g., sporadic income, fluctuating schedule, etc.), the PHA may request additional paystubs or a payroll record.

Written Third-Party Verification Form

When upfront verification is not available and the family is unable to provide written third-party documents, the PHA must request a written third-party verification form. HUD's position is that this traditional third-party verification method presents administrative burdens and risks which may be reduced through the use of family-provided third-party documents.

PHAs may mail, fax, or email third-party written verification form requests to third-party sources.

PHA Policy

The PHA will send third-party verification forms directly to the third party.

Third-party verification forms will be sent when third-party verification documents are unavailable or are rejected by the PHA.

Oral Third-Party Verification [Notice PIH 2018-18]

For third-party oral verification, PHAs contact sources, identified by UIV techniques or by the family, by telephone or in person.

Oral third-party verification is mandatory if neither form of written third-party verification is available.

Third-party oral verification may be used when requests for written third-party verification forms have not been returned within a reasonable time—e.g., 10 business days.

PHAs should document in the file the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed.

PHA Policy

In collecting third-party oral verification, PHA staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.

When any source responds verbally to the initial written request for verification the PHA will accept the verbal response as oral verification but will also request that the source complete and return any verification forms that were provided.

When Third-Party Verification is Not Required [Notice PIH 2018-18]

Third-party verification may not be available in all situations. HUD has acknowledged that it may not be cost-effective or reasonable to obtain third-party verification of income, assets, or expenses when these items would have a minimal impact on the family's total tenant payment.

PHA Policy

If the family cannot provide original documents, the PHA will pay the service charge required to obtain third-party verification, unless it is not cost effective in which case a self-certification will be acceptable as the only means of verification. The cost of verification will not be passed on to the family.

The cost of postage and envelopes to obtain third-party verification of income, assets, and expenses is not an unreasonable cost [VG, p. 18].

Primary Documents

Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.

Imputed Assets

HUD permits PHAs to accept a self-certification from a family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

PHA Policy

The PHA will accept a self-certification from a family as verification of assets disposed of for less than fair market value.

Value of Assets and Asset Income [24 CFR 982.516(a)]

For families with net assets totaling \$5,000 or less, the PHA may accept the family's declaration of asset value and anticipated asset income. However, the PHA is required to obtain third-party verification of all assets regardless of the amount during the intake process and at least every three years thereafter.

PHA Policy

For families with net assets totaling \$5,000 or less, the PHA will accept the family's self-certification of the value of family assets and anticipated asset income when applicable. The family's declaration must show each asset and the amount of income expected from that asset. All family members 18 years of age and older must sign the family's declaration.

The PHA will use third-party documentation for assets as part of the intake process, whenever a family member is added to verify the individual's assets, and every three years thereafter.

7-I.E. SELF-CERTIFICATION

When HUD requires third-party verification, self-certification or “tenant declaration,” is used as a last resort when the PHA is unable to obtain third-party verification.

Self-certification, however, is an acceptable form of verification when:

- A source of income is fully excluded
- Net family assets total \$5,000 or less and the PHA has adopted a policy to accept self certification at annual recertification, when applicable
- The PHA has adopted a policy to implement streamlined annual recertifications for fixed sources of income (See Chapter 11)

When the PHA was required to obtain third-party verification but instead relies on a tenant declaration for verification of income, assets, or expenses, the family’s file must be documented to explain why third-party verification was not available.

PHA Policy

When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the PHA.

The PHA may require a family to certify that a family member does not receive a particular type of income or benefit.

The self-certification must be made in a format acceptable to the PHA and must be signed by the family member whose information or status is being verified. All self-certifications must be signed in the presence of a PHA representative or PHA notary public.

PART II: VERIFYING FAMILY INFORMATION

7-II.A. VERIFICATION OF LEGAL IDENTITY

PHA Policy

The PHA will require families to furnish verification of legal identity for each household member.

Verification of Legal Identity for Adults	Verification of Legal Identity for Children
Certificate of birth, naturalization papers Church issued baptismal certificate. Current, valid driver's license or Department of Motor Vehicles identification card Current temporary driver's license or Department of Motor Vehicles identification card without photo U.S. military discharge (DD 214) Current U.S. passport Current Federal or State ID with a photo Current government employer identification card with picture	Certificate of birth Adoption papers Custody agreement Health and Human Services ID Certified school records

If a document submitted by a family is illegible for any reason or otherwise questionable, more than one of these documents may be required.

If none of these documents can be provided and at the PHA's discretion, a third party who knows the person may attest to the person's identity. The certification must be provided in a format acceptable to the PHA and must be signed by the family member whose information or status is being verified.

Persons who are homeless can provide identification from a social worker or homeless shelter coordinator.

The certification must be provided in a format acceptable to OHA and be signed in the presence of a PHA representative or PHA notary public.

Legal identity will be verified for all applicants at the time of application and eligibility determination and in cases where the PHA has reason to doubt the identity of a person representing themselves to be a participant.

7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216, Notice PIH 2018-24]

The family must provide documentation of a valid social security number (SSN) for each member of the household, with the exception of individuals who do not contend eligible immigration status. Exemptions also include existing program participants who were at least 62 years of age as of January 31, 2010, and had not previously disclosed an SSN.

Note that an individual who previously declared to have eligible immigration status may not change their declaration for the purpose of avoiding compliance with the SSN disclosure and documentation requirements or penalties associated with noncompliance with these requirements. Nor may the head of household opt to remove a household member from the family composition for this purpose.

The PHA must accept the following documentation as acceptable evidence of the social security number:

- An original SSN card issued by the Social Security Administration (SSA)
- An original SSA-issued document, which contains the name and SSN of the individual
- An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual

While PHAs must attempt to gather third-party verification of SSNs prior to admission as listed above, PHAs also have the option of accepting a self-certification and a third-party document (such as a bank statement, utility or cell phone bill, or benefit letter) with the applicant's name printed on it to satisfy the SSN disclosure requirement if the PHA has exhausted all other attempts to obtain the required documentation. If verifying an individual's SSN using this method, the PHA must document why the other SSN documentation was not available [Notice PIH 2023-27].

PHA Policy

The PHA will verify an individual's SSN in the situations described above using the method described above as a last resort when no other forms of verification of the individual's SSN are available.

The PHA may only reject documentation of an SSN provided by an applicant or participant if the document is not an original document or if the original document has been altered, mutilated, is illegible, or appears to be forged.

PHA Policy

The PHA will explain to the applicant or participant the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to the PHA within 90 days.

In the case of Moderate Rehabilitation Single Room Occupancy (SRO) individuals, the required documentation must be provided within 90 calendar days from the date of admission into the program. The PHA must grant one additional 90-day extension if it determines that the applicant's failure to comply was due to circumstances that were beyond the applicant's control and could not have been reasonably foreseen.

PHA Policy

The PHA will grant one additional 90-day extension if needed for reasons beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency. If the individual fails to comply with SSN disclosure and documentation requirements upon expiration of the provided time period, the PHA will terminate the individual's assistance.

If an applicant family includes a child under 6 years of age who joined the household within the 6 months prior to the date of voucher issuance, an otherwise eligible family may be admitted to the program and the family must provide documentation of the child's SSN within 90 days of the effective date of the initial HAP contract. A 90-day extension will be granted if the PHA determines that the participant's failure to comply was due to unforeseen circumstances and was outside of the participant's control.

PHA Policy

The PHA will grant one additional 90-day extension if needed for reasons beyond the applicant's control, such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

When a participant requests to add a new household member who is at least 6 years of age, or who is under the age of 6 and has an SSN, the participant must provide the complete and accurate SSN assigned to each new member at the time of reexamination or recertification, in addition to the documentation required to verify it. The PHA may not add the new household member until such documentation is provided.

When a participant requests to add a new household member who is under the age of 6 and has not been assigned an SSN, the participant must provide the SSN assigned to each new child and the required documentation within 90 calendar days of the child being added to the household. A 90-day extension will be granted if the PHA determines that the participant's failure to comply was due to unforeseen circumstances and was outside of the participant's control. During the period the PHA is awaiting documentation of the SSN, the child will be counted as part of the assisted household.

PHA Policy

The PHA will grant one additional 90-day extension if needed for reasons beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

Social security numbers must be verified only once during continuously assisted occupancy.

PHA Policy

The PHA will verify each disclosed SSN by:

Obtaining documentation from applicants and participants that is acceptable as evidence of social security numbers.

Making a copy of the original documentation submitted, returning it to the individual, and retaining a copy in the file folder.

Once the individual's verification status is classified as "verified," the PHA may, at its discretion, remove and destroy copies of documentation accepted as evidence of social security numbers. The retention of the EIV Summary Report or Income Report is adequate documentation of an individual's SSN.

PHA Policy

Once an individual's status is classified as "verified" in HUD's EIV system, the PHA will not remove and destroy copies of documentation accepted as evidence of social security numbers.

7-II.C. DOCUMENTATION OF AGE

A birth certificate or other official record of birth is the preferred form of age verification for all family members. For elderly family members an original document that provides evidence of the receipt of social security retirement benefits is acceptable.

PHA Policy

If an official record of birth or evidence of social security retirement benefits cannot be provided, the PHA will require the family to submit other documents that support the reported age of the family member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

Age must be verified only once during continuously assisted occupancy.

7-II.D. FAMILY RELATIONSHIPS

Applicants and program participants are required to identify the relationship of each household member to the head of household. Definitions of the primary household relationships are provided in the Eligibility chapter.

PHA Policy

Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Certification by the head of household normally is sufficient verification of family relationships.

Marriage

PHA Policy

Certification by the head of household is normally sufficient verification. If the PHA has reasonable doubts about a marital relationship, the PHA will require the family to document the marriage.

A marriage certificate generally is required to verify that a couple is married.

In the case of a common law marriage, the couple must demonstrate that they hold themselves to be married (e.g., by telling the community they are married, calling each other husband and wife, using the same last name, filing joint income tax returns).

Separation or Divorce

PHA Policy

Certification by the head of household is normally sufficient verification. If the PHA has reasonable doubts about a separation or divorce, the PHA will require the family to provide documentation of the divorce or separation.

A certified copy of a divorce decree, signed by a court officer, is required to document that a couple is divorced.

A copy of a court-ordered maintenance or other court record is required to document a separation.

If no court document is available, documentation from a community-based agency will be accepted.

Absence of Adult Member

PHA Policy

If an adult member who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill), if the PHA so requests.

Foster Children and Foster Adults

PHA Policy

Third-party verification from the state or local government agency responsible for the placement of the individual with the family is required.

7-II.E. VERIFICATION OF STUDENT STATUS

General Requirements

PHA Policy

The PHA requires families to provide information about the student status of all students who are 18 years of age or older. This information will be verified only if:

The family reports full-time student status for an adult other than the head, spouse, or cohead.

The family reports childcare expenses to enable a family member to further their education.

The family includes a student enrolled in an *institution of higher education*.

Restrictions on Assistance to Students Enrolled in Institutions of Higher Education

This section applies only to students who are seeking assistance on their own, separately from their parents. It does not apply to students residing with parents who are seeking or receiving HCV assistance.

PHA Policy

In accordance with the verification hierarchy described in section 7-1.B, the PHA will determine whether the student is exempt from the restrictions in 24 CFR 5.612 by verifying any one of the following exemption criteria:

The student is enrolled at an educational institution that does not meet the definition of *institution of higher education* in the Higher Education Act of 1965 (see section Exhibit 3-2).

The student is at least 24 years old.

The student is a veteran, as defined in section 3-II.E.

The student is married.

The student has at least one dependent child, as defined in section 3-II.E.

The student is a person with disabilities, as defined in section 3-II.E, and was receiving assistance prior to November 30, 2005.

If the PHA cannot verify at least one of these exemption criteria, the PHA will conclude that the student is subject to the restrictions on assistance at 24 CFR 5.612. In addition to verifying the student's income eligibility, the PHA will then proceed to verify either the student's parents' income eligibility (see section 7-III.J) or the student's independence from their parents (see below).

Independent Student

PHA Policy

The PHA will verify a student's independence from their parents to determine that the student's parents' income is not relevant for determining the student's eligibility by doing all of the following:

Either reviewing and verifying previous address information to determine whether the student has established a household separate from their parents for at least one year, or reviewing and verifying documentation relevant to determining whether the student meets the U.S. Department of Education's definition of *independent student* (see section 3-II.E)

Reviewing the student's prior year income tax returns to verify the student is independent or verifying the student meets the U.S. Department of Education's definition of *independent student* (see section 3-II.E)

Requesting and obtaining written certification directly from the student's parents identifying the amount of support they will be providing to the student, even if the amount of support is \$0, except in cases in which the PHA determines that the student is a *vulnerable youth* (see section 3-II.E)

7-II.F. DOCUMENTATION OF DISABILITY

The PHA must verify the existence of a disability in order to allow certain income disallowances and deductions from income. The PHA is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. The PHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the PHA receives a verification document that provides such information, the PHA will not place this information in the tenant file. Under no circumstances will the PHA request a participant's medical record(s). For more information on health care privacy laws, see the Department of Health and Human Services' website at <http://www.hhs.gov/ocr/privacy/>.

The above cited regulation does not prohibit the following inquiries, provided these inquiries are made of all applicants, whether or not they are persons with disabilities [VG, p. 24]:

- Inquiry into an applicant's ability to meet the requirements of ownership or tenancy
- Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with disabilities or to persons with a particular type of disability
- Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with disabilities or to persons with a particular type of disability
- Inquiring whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance
- Inquiring whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance

Family Members Receiving SSA Disability Benefits

Verification of the receipt of disability benefits from the Social Security Administration (SSA) is sufficient verification of disability for the purpose of qualifying for waiting list preferences (if applicable) or certain income disallowances and deductions [VG, p. 23].

PHA Policy

For family members claiming disability who receive disability benefits from the SSA, the PHA will attempt to obtain information about disability benefits through the HUD Enterprise Income Verification (EIV) system. If documentation from HUD's EIV System is not available, the PHA will request a current (dated within the appropriate benefit year ~~last 60 days~~) SSA benefit verification letter from each family member claiming disability status. If the family is unable to provide the document(s), the PHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the applicant or participant receives the benefit verification letter they will be required to provide it to the PHA.

Family Members Not Receiving SSA Disability Benefits

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.403.

PHA Policy

For family members claiming disability who do not receive disability benefits from the SSA, a knowledgeable professional must provide third-party verification that the family member meets the HUD definition of disability. See the Eligibility chapter for the HUD definition of disability. The knowledgeable professional will verify whether the family member does or does not meet the HUD definition.

7-II.G. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5.508]

Overview

Housing assistance is not available to persons who are not citizens, nationals, or eligible immigrants. Prorated assistance is provided for "mixed families" containing both eligible and ineligible persons. A detailed discussion of eligibility requirements is in the Eligibility chapter. This verifications chapter discusses HUD and PHA verification requirements related to citizenship status.

The family must provide a certification that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen and submit the documents discussed below for each family member. Once eligibility to receive assistance has been verified for an individual it need not be collected or verified again during continuously assisted occupancy. [24 CFR 5.508(g)(5)]

U.S. Citizens and Nationals

HUD requires a declaration for each family member who claims to be a U.S. citizen or national. The declaration must be signed personally by any family member 18 or older and by a guardian for minors.

The PHA may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

PHA Policy

Family members who claim U.S. citizenship or national status will not be required to provide additional

documentation unless the PHA receives information indicating that an individual's declaration may not be accurate.

Eligible Immigrants

Documents Required

All family members claiming eligible immigration status must declare their status in the same manner as U.S. citizens and nationals.

The documentation required for eligible noncitizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, age, and the date on which the family began receiving HUD-funded assistance. Exhibit 7-1 at the end of this chapter summarizes documents family members must provide.

PHA Verification [HCV GB, pp. 5-3 and 5-7]

For family members age 62 or older who claim to be eligible immigrants, proof of age is required in the manner described in 7-II.C. of this plan. No further verification of eligible immigration status is required.

For family members under the age of 62 who claim to be eligible immigrants, the PHA must verify immigration status with the United States Citizenship and Immigration Services (USCIS).

The PHA will follow all USCIS protocols for verification of eligible immigration status.

7-II.H. VERIFICATION OF PREFERENCE STATUS

The PHA must verify any preferences claimed by an applicant that determined placement on the waiting list.

PHA Policy

The PHA will offer a preference to any family that has been terminated from its HCV program due to insufficient program funding. The PHA will verify this preference using the PHA's termination records.

The PHA also offers a preference for victims of domestic violence, dating violence, sexual assault, or stalking, as described in Section 4-III.C. To verify that applicants qualify for the preference, the PHA will follow documentation requirements outlined in Section 16-IX.D.

PART III: VERIFYING INCOME AND ASSETS

Chapter 6, Part I of this plan describes in detail the types of income that are included and excluded and

how assets and income from assets are handled. Any assets and income reported by the family must be verified. This part provides PHA policies that supplement the general verification procedures specified in Part I of this chapter.

7-III.A. EARNED INCOME

Tips

PHA Policy

Unless tip income is included in a family member's W-2 by the employer, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received for the prior year and tips anticipated to be received in the coming year.

Wages

PHA Policy

For wages other than tips, the family must provide originals of the two most current, consecutive pay stubs.

7-III.B. BUSINESS AND SELF EMPLOYMENT INCOME

PHA Policy

Business owners and self-employed persons will be required to provide:

An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy.

All schedules completed for filing federal and local taxes in the preceding year.

If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

The PHA will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations.

At any reexamination the PHA may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

If a family member has been self-employed less than three (3) months, the PHA will accept the family member's certified estimate of income and schedule an interim reexamination in three (3) months. If the family member has been self-employed for three (3) to twelve (12) months the PHA will require the family to provide documentation of income and expenses for this period and use that information to project income.

7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS

For policies governing streamlined income determinations for fixed sources of income, please see Chapter 11.

Social Security/SSI Benefits

Verification requirements for Social Security (SS) and Supplemental Security Income (SSI) benefits differ for applicants and participants.

For applicants, since EIV does not contain SS or SSI benefit information, the PHA must ask applicants to provide a copy of their ~~OHA will request a current~~ SS and/or SSI benefit letter (dated within the appropriate benefit year) for each family member that receives SS and/or SSI-benefits. If the family is unable to provide the document or documents, the PHA should ~~(s) OHA will~~ help the applicant request a benefit verification letter from SSA's website at www.ssa.gov or ask the family to request one by calling SSA at 1-800-772-1213. The PHA must obtain the original benefit letter from the applicant, make a photocopy of the document for the file, and return the original to the family. For participants, the PHA must obtain information through the HUD ~~about social security/SSI benefits~~ through the HUD EIV system and confirm with the participants that the current listed benefit amount is correct.

- If the participant agrees with the amount reported in EIV, the PHA must use the EIV-reported gross benefit amount to calculate annual income from Social Security. PHAs are required to use the EIV-reported SS and SSI benefit amounts when calculating income unless the tenant disputes the EIV-reported amount. For example, an SSA benefit letter may list the monthly benefit amount as \$450.80 and EIV displays the amount as \$450.00. The PHA must use the EIV-reported amount unless the participant disputes the amount.
- If the participant disputes the EIV-reported benefit amount, or if benefit information is not available in EIV, the PHA must ~~HUD systems, OHA will~~ request a current SSA benefit verification letter (dated within the appropriate benefit year) from each family member that receives SS and/or SSI ~~social security~~ benefits. If the family is unable to provide the document or documents, the PHA should ~~(s) OHA will~~ help the participant request a benefit verification letter from SSA's website at www.ssa.gov or ask the family to request one by calling SSA at 1-800-772-1213. The PHA must obtain the original benefit letter from the participant, make a photocopy of the document for the file, and return the original to the family.

Photocopies of social security checks or bank statements are not acceptable forms of verification for SS/SSI benefits.

7-III.D. ALIMONY OR CHILD SUPPORT

PHA Policy

The methods the PHA will use to verify alimony and child support payments differ depending on whether the family declares that it receives regular payments.

OHA will review child support website records to determine if applicants and participant families receive child support payments.

If the family declares that it ***receives regular payments***, verification will be obtained in the following order of priority:

- Copies of the receipts and/or payment stubs for the 60 days prior to PHA request

- Third-party verification form from the state or local child support enforcement agency

- Third-party verification form from the person paying the support

- Family's self-certification of amount received

If the family declares that it ***receives irregular or no payments***, in addition to the verification process listed above, the family must provide evidence that it has taken all reasonable efforts to collect amounts due. This may include:

- A statement from any agency responsible for enforcing payment that shows the family has requested enforcement and is cooperating with all enforcement efforts

- If the family has made independent efforts at collection, a written statement from the attorney or other collection entity that has assisted the family in these efforts

Note: Families are not required to undertake independent enforcement action.

7-III.E. ASSETS AND INCOME FROM ASSETS

Assets Disposed of for Less than Fair Market Value

The family must certify whether any assets have been disposed of for less than fair market value in the preceding two years. The PHA needs to verify only those certifications that warrant documentation [HCV GB, p. 5-28].

PHA Policy

The PHA will verify the value of assets disposed of only if:

The PHA does not already have a reasonable estimation of its value from previously collected information, or

The amount reported by the family in the certification appears obviously in error.

Example 1: An elderly participant reported a \$10,000 certificate of deposit at the last annual reexamination and the PHA verified this amount. Now the person reports that she has given this \$10,000 to her son. The PHA has a reasonable estimate of the value of the asset; therefore, reverification of the value of the asset is not necessary.

Example 2: A family member has disposed of its 1/4 share of real property located in a desirable area and has valued her share at approximately \$5,000. Based upon market conditions, this declaration does not seem realistic. Therefore, the PHA will verify the value of this asset.

7-III.F. NET INCOME FROM RENTAL PROPERTY

PHA Policy

The family must provide:

A current executed lease for the property that shows the rental amount or certification from the current tenant

A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income). If schedule E was not prepared, the PHA will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

7-III.G. RETIREMENT ACCOUNTS

PHA Policy

The PHA will accept written third-party documents supplied by the family as evidence of the status of retirement accounts.

The type of original document that will be accepted depends upon the family member's retirement status.

Before retirement, the PHA will accept an original document from the entity holding the account dated within ~~with a date that shows it is the most recently scheduled statement for the appropriate benefit year. account but in no case earlier than 6 months from the effective date of the examination.~~

Upon retirement, the PHA will accept an original document dated within the appropriate benefit year from the entity holding the account that reflects any distributions of the account balance, any lump sums taken and any regular payments.

After retirement, the PHA will accept an original document from the entity holding the account dated within the appropriate benefit year ~~no earlier than 12 months before~~ that reflects any distributions of the account balance, any lump sums taken and any regular payments.

7-III.H. INCOME FROM EXCLUDED SOURCES

A detailed discussion of excluded income is provided in Chapter 6, Part I.

HUD guidance on verification of excluded income draws a distinction between income which is fully excluded and income which is only partially excluded.

For fully excluded income, the PHA is **not** required to follow the verification hierarchy, document why third-party verification is not available, or report the income on the 50058. Fully excluded income is defined as income that is entirely excluded from the annual income determination (for example, food stamps, earned income of a minor, or foster care funds) [Notice PIH 2013-04].

PHAs may accept a family's signed application or reexamination form as self-certification of fully excluded income. They do not have to require additional documentation. However, if there is any doubt that a source of income qualifies for full exclusion, PHAs have the option of requiring additional verification.

For partially excluded income, the PHA **is** required to follow the verification hierarchy and all applicable regulations, and to report the income on the 50058. Partially excluded income is defined as income where only a certain portion of what is reported by the family qualifies to be excluded and the remainder is included in annual income (for example, the income of an adult full-time student). ~~or income excluded under the earned income disallowance).~~

PHA Policy

The PHA will accept the family's self-certification as verification of fully excluded income. The PHA may request additional documentation if necessary to document the income source.

The PHA will verify the source and amount of partially excluded income as described in Part 1 of this chapter.

7-III.I. ZERO ANNUAL INCOME FAMILIES [Notice PIH 2023-27] STATUS

PHAs have discretion to establish reasonable procedures to manage the risk of unreported income, such as asking families to complete a zero-income worksheet at admission or periodically after admission to determine if they have any sources of unreported income or searching any UIV sources for unreported income.

In calculating annual income, PHAs must not assign monetary value to nonmonetary in-kind donations from a food bank or similar organization received by the family [24 CFR 5.609(b)(24)(vi)].

PHAs may accept a self-certification of zero income from the family without taking any additional steps to verify zero reported income. HUD does not require such self-certifications be notarized.

PHAs that perform zero income reviews must update local discretionary policies, procedures, and forms. Families who begin receiving income which does not trigger an interim reexamination should no longer be considered zero income even though the family's income is not reflected on the Form HUD-50058.

PHA Policy

The PHA will check UIV sources and/or may request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SS, SSI, earned income, child support, etc., ~~and earnings~~ are not being received by families claiming to have zero annual income.

The PHA will also require that each family member who claims zero income status complete a zero-income form. If any sources of income are identified on the form, the PHA will verify the income in accordance with the policies in this chapter prior to including the income in the family's annual income. The PHA will conduct interims in accordance with PHA policy in Chapter 11.

7-III.J. STUDENT FINANCIAL ASSISTANCE ~~[Notice PIH 2015-21]~~

~~Any financial assistance, in excess of amounts received for tuition, fees, and other required charges that a person attending an institution of higher education receives under the Higher Education Act of 1965, from private sources, or from an institution of higher education must be considered income unless the student is over the age of 23 with dependent children or is residing with parents who are seeking or receiving HCV assistance [24 CFR 5.609(b)(9) and FR 4/10/06].~~

~~For students over the age of 23 with dependent children or students residing with parents who are seeking or receiving HCV assistance, the full amount of student financial assistance is excluded from annual income [24 CFR 5.609(c)(6)]. The full amount of student financial assistance is also excluded for students attending schools that do not qualify as institutions of higher education (as defined in Exhibit 3-2). Excluded amounts are verified only if, without verification, the PHA would not be able to determine whether or to what extent the income is to be excluded (see section 7-III.H).~~

PHA Policy

~~For a student subject to having a portion of their student financial assistance included in annual income in accordance with 24 CFR 5.609(b)(9), the PHA will request written third-party verification of both the source and the amount. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student.~~

~~In addition, the PHA will request written verification of the student's tuition, fees, and other required charges. If the PHA is unable to obtain third-party written verification of the requested information, the PHA will pursue other forms of verification following the verification hierarchy in section 7-I.B.~~

[24 CFR 5.609(b)(9) as updated for HOTMA Notice PIH 2015-21]

The regulations under HOTMA distinguish between two categories of student financial assistance paid to both full-time and part-time students. Any other grant-in-aid, scholarship, or other assistance amounts an individual receives for the actual covered costs charged by the institute of higher education not otherwise excluded by the federally mandated income exclusions are included [24 CFR 5.609(b)(9)(ii)].

PHA Policy

The PHA will request written third-party verification of both the source and the amount of student financial assistance. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student.

In addition, unless the student's only source of assistance is assistance under Title IV of the HEA, the PHA will request written verification of the cost of the student's tuition, books, supplies, room and board, and other required fees and charges to the student from the educational institution.

If the PHA is unable to obtain third-party written verification of the requested information, the PHA will pursue other forms of verification following the verification hierarchy in section 7-I.B.

7-III.K. PARENTAL INCOME OF STUDENTS SUBJECT TO ELIGIBILITY RESTRICTIONS

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the income of the student's parents must be considered when determining income eligibility, unless the student is determined independent from their parents or a *vulnerable youth* in accordance with PHA policy [24 CFR 5.612, FR Notice 4/10/06, p. 18146, and FR Notice 9/21/16].

This provision does not apply to students residing with parents who are seeking or receiving HCV assistance. It is limited to students who are seeking or receiving assistance on their own, separately from their parents.

PHA Policy

If the PHA is required to determine the income eligibility of a student's parents, the PHA will request an income declaration and certification of income from the appropriate parent(s) (as determined in section 3-II.E). The PHA will send the request directly to the parents, who will be required to certify to their income under penalty of perjury. The parents will be required to submit the information directly to the PHA. The required information must be submitted (postmarked) within 10 business days of the date of the PHA's request or within any extended timeframe approved by the PHA.

The PHA reserves the right to request and review supporting documentation at any time if it questions the declaration or certification. Supporting documentation may include, but is not limited to, Internal Revenue Service (IRS) tax returns, consecutive and original pay stubs, bank statements, pension benefit statements, benefit award letters, and other official and authentic documents from a federal, state, or local agency.

PART IV: VERIFYING MANDATORY DEDUCTIONS

7-IV.A. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS

The dependent and elderly/disabled family deductions require only that the PHA verify that the family members identified as dependents or elderly/disabled persons meet the statutory definitions. No further verifications are required.

Dependent Deduction

See Chapter 6 (6-II.B.) for a full discussion of this deduction. The PHA must verify that:

- Any person under the age of 18 for whom the dependent deduction is claimed is not the head, spouse, or cohead of the family and is not a foster child
- Any person age 18 or older for whom the dependent deduction is claimed is not a foster adult or live-in aide, and is a person with a disability or a full time student

Elderly/Disabled Family Deduction

See Eligibility chapter for a definition of elderly and disabled families and Chapter 6 (6-II.C.) for a discussion of the deduction. The PHA must verify that the head, spouse, or cohead is 62 years of age or older or a person with disabilities.

7-IV.B. MEDICAL EXPENSE DEDUCTION

Policies related to medical expenses are found in 6-II.D. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

PHA Policy

Medical expenses will be verified through:

Written third-party documents provided by the family, such as pharmacy printouts or receipts.

The PHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The PHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.

Written third-party verification forms, if the family is unable to provide acceptable documentation.

If third-party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months.

In addition, the PHA must verify that:

- The household is eligible for the deduction.
- The costs to be deducted are qualified medical expenses.
- The expenses are not paid for or reimbursed by any other source.
- Costs incurred in past years are counted only once.

7-IV.B. HEALTH AND MEDICAL CARE MEDICAL EXPENSE DEDUCTION

Policies related to health and medical care ~~medical~~ expenses are found in 6-II.D. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

PHA Policy

Health and medical care ~~Medical~~ expenses will be verified through:

Written third-party documents provided by the family, such as pharmacy printouts or receipts.

The PHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The PHA will also accept evidence of monthly payments or total payments that will be due for health and medical care ~~medical~~ expenses during the upcoming 12 months.

Written third-party verification forms, if the family is unable to provide acceptable documentation.

If third-party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months.

In addition, the PHA must verify that:

- The household is eligible for the deduction.
- The costs to be deducted are qualified medical expenses.
- The expenses are not paid for or reimbursed by any other source.
- Costs incurred in past years are counted only once.

Eligible Household

The medical expense deduction is permitted only for households in which the head, spouse, or cohead is at least 62, or a person with disabilities. The PHA must verify that the family meets the definition of an elderly or disabled family provided in the Eligibility chapter and as described in Chapter 7 (7-IV.A.) of this plan.

Qualified Expenses

To be eligible for the medical expenses deduction, the costs must qualify as medical expenses. See Chapter 6 (6-II.D.) for the PHA's policy on what counts as a medical expense.

Unreimbursed Expenses

To be eligible for the medical expenses deduction, the costs must not be reimbursed by another source.

PHA Policy

The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source. If expenses are verified through a third party, the third party must certify that the expenses are not paid or reimbursed from any other source.

Expenses Incurred in Past Years

PHA Policy

When anticipated costs are related to on-going payment of medical bills incurred in past years, the PHA will verify:

The anticipated repayment schedule

The amounts paid in the past, and

Whether the amounts to be repaid have been deducted from the family's annual income in past years

Eligible Household

The health and medical care~~medical~~ expense deduction is permitted only for households in which the head, spouse, or cohead is at least 62, or a person with disabilities. The PHA must verify that the family meets the definition of an elderly or disabled family provided in the Eligibility chapter and as described in Chapter 7 (7-IV.A.) of this plan.

Qualified Expenses

To be eligible for the health and medical care~~medical~~ expenses deduction, the costs must qualify as health and medical care~~medical~~ expenses. See Chapter 6 (6-II.D.) for the PHA's policy on what counts as a health and medical care~~medical~~ expense.

Unreimbursed Expenses

To be eligible for the health and medical care~~medical~~ expenses deduction, the costs must not be reimbursed by another source.

PHA Policy

The family will be required to certify that the health and medical care~~medical~~ expenses are not paid or reimbursed to the family from any source. If health and medical care~~expenses~~ are verified through a third party, the third party must certify that the expenses are not paid or reimbursed from any other source.

Expenses Incurred in Past Years

PHA Policy

When anticipated costs are related to on-going payment of medical bills incurred in past years, the PHA will verify:

The anticipated repayment schedule

The amounts paid in the past, and

Whether the amounts to be repaid have been deducted from the family's annual income in past years

7-IV.C. DISABILITY ASSISTANCE EXPENSES

Policies related to disability assistance expenses are found in 6-II.E. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

Attendant Care

PHA Policy

The PHA will accept written third-party documents provided by the family.

If family-provided documents are not available, the PHA will provide a third-party verification form directly to the care provider requesting the needed information.

Expenses for attendant care will be verified through:

Written third-party documents provided by the family, such as receipts or cancelled checks.

Third-party verification form signed by the provider, if family-provided documents are not available.

If third-party verification is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months.

Auxiliary Apparatus

PHA Policy

Expenses for auxiliary apparatus will be verified through:

Written third-party documents provided by the family, such as billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months.

Third-party verification form signed by the provider, if family-provided documents are not available.

If third-party verification is not possible, written family certification of estimated apparatus costs for the upcoming 12 months.

In addition, the PHA must verify that:

- The family member for whom the expense is incurred is a person with disabilities (as described in 7-II.F above).
- The expense permits a family member, or members, to work (as described in 6-II.E.).
- The expense is not reimbursed from another source (as described in 6-II.E.).

Family Member is a Person with Disabilities

To be eligible for the disability assistance expense deduction, the costs must be incurred for attendant care or auxiliary apparatus expense associated with a person with disabilities. The PHA will verify that the expense is incurred for a person with disabilities (See 7-II.F.).

Family Member(s) Permitted to Work

The PHA must verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work.

PHA Policy

The PHA will request third-party verification from a rehabilitation agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6-II.E.). This documentation may be provided by the family.

If third-party verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the family member receiving the assistance), to work.

Unreimbursed Expenses

To be eligible for the disability expenses deduction, the costs must not be reimbursed by another source.

PHA Policy

The family will be required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed to the family from any source.

7-IV.D. CHILDCARE EXPENSES

Policies related to childcare expenses are found in Chapter 6 (6-II.F). The amount of the deduction will be verified following the standard verification procedures described in Part I of this chapter. In addition, the PHA must verify that:

- The child is eligible for care (12 or younger).
- The costs claimed are not reimbursed.
- The costs enable a family member to work, actively seek work, or further their education.
- The costs are for an allowable type of childcare.
- The costs are reasonable.

Eligible Child

To be eligible for the childcare deduction, the costs must be incurred for the care of a child under the age of 13. The PHA will verify that the child being cared for (including foster children) is under the age of 13 (See 7-II.C.).

Unreimbursed Expense

To be eligible for the childcare deduction, the costs must not be reimbursed by another source.

PHA Policy

The family (and the care provider) will be required to certify that the childcare expenses are not paid or reimbursed to the family from any source.

Pursuing an Eligible Activity

The PHA must verify that the family member(s) that the family has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities.

PHA Policy

Information to be Gathered

The PHA will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Seeking Work

Whenever possible the PHA will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases the PHA will request family-provided verification from the agency of the member's job seeking efforts to date, and require the family to submit to the PHA any reports provided to the other agency.

In the event third-party verification is not available, the PHA will provide the family with a form on which the family member must record job search efforts. The PHA will review this information at each subsequent reexamination for which this deduction is claimed.

Furthering Education

The PHA will request third-party documentation to verify that the person permitted to further their education by the childcare is enrolled and provide information about the timing of classes for which the person is registered. The documentation may be provided by the family.

Gainful Employment

The PHA will seek third-party verification of the work schedule of the person who is permitted to work by the childcare. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified. The documentation may be provided by the family.

Allowable Type of Childcare

The type of care to be provided is determined by the family, but must fall within certain guidelines, as discussed in Chapter 6.

PHA Policy

The PHA will verify that the type of childcare selected by the family is allowable, as described in Chapter 6 (6-II.F).

The PHA will verify that the fees paid to the childcare provider cover only childcare costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

The PHA will verify that the childcare provider is not an assisted family member. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.

Reasonableness of Expenses

Only reasonable childcare costs can be deducted.

PHA Policy

The actual costs the family incurs will be compared with the PHA's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable.

If the family presents a justification for costs that exceed typical costs in the area, the PHA will request additional documentation, as required, to support a determination that the higher cost is appropriate.

**EXHIBIT 7-1: SUMMARY OF DOCUMENTATION REQUIREMENTS
FOR NONCITIZENS [HCV GB, pp. 5-9 and 5-10]**

- **All** noncitizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to the PHA.
- Except for persons 62 or older, all noncitizens must sign a verification consent form
- Additional documents are required based upon the person's status.

Elderly Noncitizens

- A person 62 years of age or older who claims eligible immigration status also must provide proof of age such as birth certificate, passport, or documents showing receipt of SS old-age benefits.

All other Noncitizens

- Noncitizens that claim eligible immigration status also must present the applicable USCIS document. Acceptable USCIS documents are listed below.

• Form I-551 Alien Registration Receipt Card (for permanent resident aliens) • Form I-94 Arrival-Departure Record annotated with one of the following: • “Admitted as a Refugee Pursuant to Section 207” • “Section 208” or “Asylum” • “Section 243(h)” or “Deportation stayed by Attorney General” • “Paroled Pursuant to Section 221 (d)(5) of the USCIS”	• Form I-94 Arrival-Departure Record with no annotation accompanied by: • A final court decision granting asylum (but only if no appeal is taken); • A letter from a USCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a USCIS district director granting asylum (application filed before 10/1/90); • A court decision granting withholding of deportation; or • A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90).
• Form I-688 Temporary Resident Card annotated “Section 245A” or Section 210”.	• Form I-688B Employment Authorization Card annotated “Provision of Law 274a. 12(11)” or “Provision of Law 274a.12”.

- A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant’s entitlement to the document has been verified; or
- Other acceptable evidence. If other documents are determined by the USCIS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the *Federal Register*

Chapter 9

GENERAL LEASING POLICIES

INTRODUCTION

Chapter 9 covers the lease-up process from the family's submission of a Request for Tenancy Approval to execution of the HAP contract.

The Omaha Housing Authority (OHA) will be referred to as the Public Housing Authority (PHA) or simply as the PHA throughout the Administrative Plan.

In order for the PHA to assist a family in a particular dwelling unit, or execute a Housing Assistance Payments (HAP) contract with the owner of a dwelling unit, the PHA must determine that all the following program requirements are met:

- The unit itself must qualify as an eligible unit [24 CFR 982.305(a)]
- The unit must be inspected by the PHA and pass applicable housing quality standards [24 CFR 982.305(a)]
- The lease offered by the owner must be approvable and must include the required Tenancy Addendum [24 CFR 982.305(a)]
- The rent to be charged by the owner for the unit must be reasonable [24 CFR 982.305(a)]
- The owner must be an eligible owner, approvable by the PHA, with no conflicts of interest [24 CFR 982.306]
- For families initially leasing a unit only: Where the gross rent of the unit exceeds the applicable payment standard for the family, the share of rent to be paid by the family cannot exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)]

9-I.A. TENANT SCREENING

The PHA has no liability or responsibility to the owner or other persons for the family's behavior or suitability for tenancy [24 CFR 982.307(a)(1)].

The PHA may elect to screen applicants for family behavior or suitability for tenancy. See Chapter 3 for a discussion of the PHA's policies with regard to screening applicant families for program eligibility [24 CFR 982.307(a)(1)].

The owner is responsible for screening and selection of the family to occupy the owner's unit. At or before PHA approval of the tenancy, the PHA must inform the owner that screening and selection for tenancy is the responsibility of the owner [24 CFR 982.307(a)(2)]. The PHA must also inform the owner or manager of their rights and obligations under the Violence against Women Act (VAWA) [24 CFR 5.2005(a)(2)].

The PHA must provide the owner with the family's current and prior address (as shown in the PHA records) and the name and address (if known to the PHA) of the landlord at the family's current and prior address [24 CFR 982.307(b)(1)].

The PHA is permitted, but not required, to offer the owner other information in the PHA's possession about the tenancy history or drug trafficking of family members [24 CFR 982.307(b)(2)].

The PHA's policy on providing information to the owner must be included in the family's briefing packet [24 CFR 982.307(b)(3)].

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

PHA Policy

The PHA will not screen applicants for family behavior or suitability for tenancy.

The PHA will not provide additional screening information to the owner.

9-I.B. REQUESTING TENANCY APPROVAL [Form HUD-52517 and 24 CFR 982.302]

After the family is issued a voucher, the family must locate an eligible unit, with an owner or landlord willing to participate in the voucher program. Once a family finds a suitable unit and the owner is willing to lease the unit under the program, the owner and the family must request the PHA to approve the assisted tenancy in the selected unit.

The owner and the family must submit two documents to the PHA:

- Completed Request for Tenancy Approval (RTA) – Form HUD-52517
- Copy of the proposed lease, including the HUD-prescribed Tenancy Addendum – Form HUD-52641-A

The RTA contains important information about the rental unit selected by the family, including the unit address, number of bedrooms, structure type, year constructed, utilities included in the rent, and the requested beginning date of the lease, necessary for the PHA to determine whether to approve the assisted tenancy in this unit.

Owners must certify to the most recent amount of rent charged for the unit and provide an explanation for any difference between the prior rent and the proposed rent.

Owners must certify that they are not the parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the PHA has granted a request for reasonable accommodation for a person with disabilities who is a member of the tenant household.

For units constructed prior to 1978, owners must either 1) certify that the unit, common areas, and exterior have been found to be free of lead-based paint by a certified inspector; or 2) attach a lead-based paint disclosure statement.

Both the RTA and the proposed lease must be submitted no later than the expiration date stated on the voucher. [HCV GB p.8-15].

The PHA must identify in the administrative plan whether the family will be permitted to submit more than one RTA at a time [24 CFR 982.54(d)(25)].

PHA Policy

The RTA must be signed by both the family and the owner.

The owner may submit the RTA on behalf of the family.

Completed RTA (including the proposed dwelling lease) must be submitted as hard copies, in-person, by mail, or by email.

The family may not submit, and the PHA will not process, more than one RTA at a time.

When the family submits the RTA the PHA will review the RTA for completeness.

If the RTA is incomplete (including lack of signature by family, owner, or both), or if the dwelling lease is not submitted with the RTA, the PHA will notify the family and the owner of the deficiencies.

Missing information and/or missing documents will only be accepted as hard copies, in-person, by mail, or by email. The PHA will not accept missing information over the phone.

When the family submits the RTA and proposed lease, the PHA will also review the terms of the RTA for consistency with the terms of the proposed lease.

If the terms of the RTA are not consistent with the terms of the proposed lease, the PHA will notify the family and the owner of the discrepancies.

Corrections to the terms of the RTA and/or the proposed lease will only be accepted as hard copies, in-person, by mail, or by email. The PHA will not accept corrections by phone.

Because of the time sensitive nature of the tenancy approval process, the PHA will attempt to communicate with the owner and family by phone or email. The PHA will use mail when the parties cannot be reached by phone or email.

9-I.C. OWNER PARTICIPATION

The PHA does not formally approve an owner to participate in the HCV program. However, there are a number of criteria where the PHA may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. There are also criteria for which the PHA must disapprove an owner. No owner has a right to participate in the HCV program [24 CFR 982.306(e)]

See Chapter 13 for a full discussion of owner qualification to participate in the HCV program.

9-I.D. ELIGIBLE UNITS

There are a number of criteria that a dwelling unit must meet in order to be eligible for assistance under the voucher program. Generally, a voucher-holder family may choose any available rental dwelling unit on the market in the PHA's jurisdiction. This includes the dwelling unit they are currently occupying.

Ineligible Units [24 CFR 982.352(a)]

The PHA may not assist a unit under the voucher program if the unit is a public housing or Indian housing unit; a unit receiving project-based assistance under section 8 of the 1937 Act (42 U.S.C. 1437f); nursing homes, board and care homes, or facilities providing continual psychiatric, medical, or nursing services; college or other school dormitories; units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions; a unit occupied by its owner or by a person with any interest in the unit.

PHA-Owned Units [24 CFR 982.352(b)]

PHA-owned units as defined in 24 CFR 982.4 may also be leased in the voucher program. In order for a PHA-owned unit to be leased under the voucher program, the unit must not be ineligible housing and the PHA must inform the family, both orally and in writing, that the family has the right to select any eligible unit available for lease and that the family is free to select a PHA-owned unit without any pressure or steering by the PHA. The PHA must obtain the services of an independent entity to perform certain functions as described in 24 CFR 982.352(b)(v)(A).

PHA Policy

The PHA has eligible PHA-owned units available for leasing under the voucher program.

The PHA will inform the family of this housing at the time of the briefing. The PHA will also inform the family, both orally and in writing, that the family has the right to select any eligible unit available for lease and that the family is free to select a PHA-owned unit without any pressure or steering by the PHA.

Special Housing Types [24 CFR 982 Subpart M]

HUD regulations permit, but do not generally require, the PHA to permit families to use voucher assistance in a number of special housing types in accordance with the specific requirements applicable to those programs. These special housing types include single room occupancy (SRO) housing, congregate housing, group home, shared housing, manufactured home space (where the family owns the manufactured home and leases only the space), cooperative housing and homeownership option. See Chapter 15 for specific information and policies on any of these housing types that the PHA has chosen to allow.

The regulations do require the PHA to permit use of any special housing type if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

Duplicative Assistance [24 CFR 982.352(c)]

A family may not receive the benefit of HCV tenant-based assistance while receiving the benefit of any of the following forms of other housing subsidy, for the same unit or for a different unit:

- Public or Indian housing assistance;
- Other Section 8 assistance (including other tenant-based assistance);
- Assistance under former Section 23 of the United States Housing Act of 1937 (before amendment by the Housing and Community Development Act of 1974);
- Section 101 rent supplements;
- Section 236 rental assistance payments;
- Tenant-based assistance under the HOME Program;
- Rental assistance payments under Section 521 of the Housing Act of 1949 (a program of the Rural Development Administration);
- Any local or State rent subsidy;
- Section 202 supportive housing for the elderly;
- Section 811 supportive housing for persons with disabilities; (11) Section 202 projects for non-elderly persons with disabilities (Section 162 assistance); or
- Any other duplicative federal, State, or local housing subsidy, as determined by HUD. For this purpose, 'housing subsidy' does not include the housing component of a welfare payment, a social security payment received by the family, or a rent reduction because of a tax credit.

Initial Inspection

In order to be eligible, the dwelling unit must be in safe and habitable condition and pass applicable housing quality standards. See Chapter 8 for a full discussion of inspection standards, as well as the process for inspection at initial lease-up.

Unit Size

In order to be eligible, the dwelling unit must be appropriate for the number of persons in the household. A family must be allowed to lease an otherwise acceptable dwelling unit with fewer bedrooms than the number of bedrooms stated on the voucher issued to the family, provided the unit meets the applicable space requirements [24 CFR 5.703(d)(5)]. The family must be allowed to lease an otherwise acceptable dwelling unit with more bedrooms than the number of bedrooms stated on the voucher issued to the family. See Chapter 5 for a full discussion of subsidy standards.

Rent Reasonableness [24 CFR 982.305 and 24 CFR 982.507]

In order to be eligible, the dwelling unit must have a reasonable rent. The rent must be reasonable in relation to comparable unassisted units in the area and must not be in excess of rents charged by the owner for comparable, unassisted units on the premises. See Chapter 8 for a full discussion of rent reasonableness and the rent reasonableness determination process.

Rent Burden [24 CFR 982.508]

Where a family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, the family share cannot exceed 40 percent of the family's adjusted monthly income. The term "family share" refers to the amount the family pays toward rent and utilities. The gross rent for the unit minus the total housing assistance payment (HAP) for the unit equals the family share. See Chapter 6 for a discussion of calculation of gross rent, the use of payment standards, and calculation of family income, family share of rent and HAP.

9-I.E. LEASE AND TENANCY ADDENDUM

The family and the owner must execute a written dwelling lease agreement for the assisted unit. This written lease is a contract between the tenant family and the owner; the PHA is not a party to this contract.

The tenant must have legal capacity to enter a lease under State and local law. 'Legal capacity' means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner [24 CFR 982.308(a)]

Lease Form and Tenancy Addendum [24 CFR 982.308]

If the owner uses a standard lease form for rental to unassisted tenants in the locality or the premises, the lease must be in such standard form. If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease. The HAP contract prescribed by HUD contains the owner's certification that if the owner uses a standard lease form for rental to unassisted tenants, the lease for the assisted tenants is in such standard form.

All provisions in the HUD-required Tenancy Addendum must be added word-for-word to the owner's standard lease form. The Tenancy Addendum includes the HUD requirements for the tenancy. Because it is a part of the lease, the tenant shall have the right to enforce the Tenancy Addendum against the owner. If there is a conflict between the owner's lease and the Tenancy Addendum, the terms of the Tenancy Addendum shall prevail over any other provisions of the lease.

PHA Policy

The PHA does not provide a model or standard dwelling lease for owners to use in the HCV program.

Lease Information [24 CFR 982.308(d)]

The assisted dwelling lease must contain all of the required information as listed below:

- The names of the owner and the tenant:
- The unit rented (address, apartment number, and any other information needed to identify the contract unit)
- The term of the lease (initial term and any provisions for renewal)
- The amount of the monthly rent to owner
- 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

Term of Assisted Tenancy

The initial term of the assisted dwelling lease must be for at least one year [24 CFR 982.309]. The initial lease term is also stated in the HAP contract.

The HUD program regulations permit the PHA to approve a shorter initial lease term if certain conditions are met.

PHA Policy

The PHA will not approve an initial lease term of less than one (1) year.

During the initial term of the lease, the owner may not raise the rent to owner [24 CFR 982.309].

Any provisions for renewal of the dwelling lease will be stated in the dwelling lease [HCV Guidebook, pg. 8-22]. There are no HUD requirements regarding any renewal extension terms, except that they must be stated in the dwelling lease if they exist.

The PHA may execute the HAP contract even if there is less than one year remaining from the beginning of the initial lease term to the end of the last expiring funding increment under the consolidated ACC. [24 CFR 982.309(b)].

Security Deposit [24 CFR 982.313 (a) and (b)]

The owner may collect a security deposit from the tenant. The PHA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants. However, if the PHA chooses to do so, language to this effect must be added to Part A of the HAP contract [Form HUD-52641].

PHA Policy

The PHA prohibits the owner from collecting security deposits in excess of amounts charged by the owner to unassisted tenants. The security deposit cannot be more than one month's rent. The PHA will add this provision to Part A of the HAP contract, executed between the PHA and the owner

Separate Non-Lease Agreements between Owner and Tenant

Owners may not demand or accept any rent payment from the family in excess of the rent to the owner as approved by the PHA minus the PHA's housing assistance payments to the owner [24 CFR 982.451(b)(4)].

The owner may not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises [24 CFR 982.510(c)].

PHA Policy

The PHA permits owners and families to execute separate, non-lease agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease.

Any items, appliances, or other services that are customarily provided to unassisted families as part of the dwelling lease with those families, or are permanently installed in the dwelling unit must be included in the dwelling lease for the assisted family. These items, appliances or services cannot be placed under a separate non-lease agreement between the owner and family. Side payments for additional rent, or for items, appliances or services customarily provided to unassisted families as part of the dwelling lease for those families, are prohibited.

Any items, appliances, or other services that are not customarily provided to unassisted families as part of the dwelling lease with those families, are not permanently installed in the dwelling unit and where the family has the sole option of not utilizing the item, appliance or service, may be included in a separate non-lease agreement between the owner and the family.

The family is not liable and cannot be held responsible under the terms of the assisted dwelling lease for any charges pursuant to a separate non-lease agreement between the owner and the family. Non-payment of any charges pursuant to a separate non-lease agreement between the owner and the family cannot be a cause for eviction or termination of tenancy under the terms of the assisted dwelling lease.

Separate non-lease agreements that involve additional items, appliances or other services may be considered amenities offered by the owner and may be taken into consideration when determining the reasonableness of the rent for the property.

PHA Review of Lease

The PHA will review the dwelling lease for compliance with all applicable requirements.

PHA Policy

If the dwelling lease is incomplete or incorrect, the PHA will notify the family and the owner of the deficiencies. Missing and corrected lease information will only be accepted as hard copies, in-person, by mail, or by email. The PHA will not accept missing and corrected information over the phone.

Because the initial leasing process is time-sensitive, the PHA will attempt to communicate with the owner and family by phone or email. The PHA will use mail when the parties can't be reached by phone or email.

The PHA is permitted, but is not required, to review the lease to determine if the lease complies with State and local law and is permitted to decline to approve the tenancy if the PHA determines that the lease does not comply with State or local law [24 CFR 982.308(c)]

PHA Policy

The PHA will not review the owner's lease for compliance with state/local law.

9-I.F. TENANCY APPROVAL [24 CFR 982.305]

After receiving the family's Request for Tenancy Approval, with proposed dwelling lease, the PHA must promptly notify the family and owner whether the assisted tenancy is approved.

Prior to approving the assisted tenancy and execution of a HAP contract, the PHA must ensure that all required actions and determinations, discussed in Part I of this chapter have been completed.

These actions include ensuring that the unit is eligible; the unit has been inspected by the PHA and meets housing quality standards; the lease offered by the owner is approvable and includes the required Tenancy Addendum; the rent to be charged by the owner for the unit must be reasonable; where the family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, the share of rent to be paid by the family does not exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)]; the owner is an eligible owner, not disapproved by the PHA, with no conflicts of interest [24 CFR 982.306]; the family and the owner have executed the lease, including the Tenancy Addendum, and the lead-based paint disclosure information [24 CFR 982.305(b)].

PHA Policy

The PHA will complete its determination within 10 business days of receiving all required information.

If the terms of the RTA/proposed lease are changed for any reason, including but not limited to negotiation with the PHA, the PHA will obtain corrected copies of the RTA and proposed lease, signed by the family and the owner.

Corrections to the RTA/proposed lease will only be accepted as hard copies, in-person, by mail, or by email. The PHA will not accept corrections over the phone.

If the PHA determines that the tenancy cannot be approved for any reason, the owner and the family will be notified in writing and given the opportunity to address any reasons for disapproval. The PHA will instruct the owner and family of the steps that are necessary to obtain approval of the tenancy.

Where the tenancy is not approvable because the unit is not approvable, the family must continue to search for eligible housing within the timeframe of the issued voucher.

If the tenancy is not approvable due to rent affordability or rent reasonableness, the PHA will attempt to negotiate the rent with the owner. If a new, approvable rent is negotiated, the tenancy will be approved. If the owner is not willing to negotiate an approvable rent, the family must continue to search for eligible housing within the timeframe of the issued voucher.

9-I.G. HAP CONTRACT EXECUTION [24 CFR 982.305]

The HAP contract is a written agreement between the PHA and the owner of the dwelling unit. Under the HAP contract, the PHA agrees to make housing assistance payments to the owner on behalf of the family, and the owner agrees to comply with all program requirements as stated in the HAP contract.

The HAP contract form is prescribed by HUD.

If the PHA has given approval for the family of the assisted tenancy, the owner and the PHA must execute the HAP contract.

The term of the HAP contract must be the same as the term of the lease [24 CFR 982.451(a)(2)].

The PHA is permitted to execute a HAP contract even if the funding currently available does not extend for the full term of the HAP contract.

The PHA must make a best effort to ensure that the HAP contract is executed before the beginning of the lease term. Regardless, the HAP contract must be executed no later than 60 calendar days from the beginning of the lease term. Any HAP contract executed after the 60-day period is void, and the PHA may not pay any housing assistance payment to the owner, unless there are extenuating circumstances that prevent or prevented the PHA from meeting the 60-day deadline—then the PHA may submit to the HUD field office a request for an extension no later than two weeks after the 60-day deadline.

The PHA may not pay any housing assistance payment to the owner until the HAP contract has been executed. If the HAP contract is executed during the period of 60 calendar days from the beginning of the lease term, the PHA will pay housing assistance payments after execution of the HAP contract (in accordance with the terms of the HAP contract), to cover the portion of the lease term before execution of the HAP contract (a maximum of 60 days).

Any HAP contract executed after the 60-day period is void, and the PHA may not pay any housing assistance payment to the owner.

PHA Policy

Owners who have not previously participated in the HCV program must attend a meeting with the PHA in which the terms of the Tenancy Addendum and the HAP contract will be explained. The PHA may waive this requirement on a case-by-case basis, if it determines that the owner is sufficiently familiar with the requirements and responsibilities under the HCV program.

The owner and the assisted family will execute the dwelling lease and the owner must provide a copy to the PHA. The PHA will ensure that both the owner and the assisted family receive copies of the dwelling lease.

The owner and the PHA will execute the HAP contract. The PHA will not execute the HAP contract until the owner has submitted IRS form W-9. The PHA will ensure that the owner receives a copy of the executed HAP contract.

As required under VAWA, once the HAP contract and lease have been executed and the family has been admitted to the program, the PHA will notify families of their rights under VAWA by providing all families with a copy of the domestic violence certification form (HUD-5382) as well as the VAWA notice of occupancy rights (form HUD-5380).

See Chapter 13 for a discussion of the HAP contract and contract provisions.

9-I.H. CHANGES IN LEASE OR RENT [24 CFR 982.308]

If the tenant and the owner agree to any changes in the lease, such changes must be in writing, and the owner must immediately give the PHA a copy of such changes. The lease, including any changes, must remain in accordance with the requirements of this chapter.

Generally, PHA approval of tenancy and execution of a new HAP contract are not required for changes in the lease. However, under certain circumstances, the execution of a new lease and HAP contract are required. These circumstances include:

- Changes in lease requirements governing tenant or owner responsibilities for utilities or appliances
- Changes in lease provisions governing the term of the lease
- The family moves to a new unit, even if the unit is in the same building or complex

In these cases, if the HCV assistance is to continue, the family must submit a new Request for Tenancy Approval (RTA) along with a new dwelling lease containing the proposed changes. A new tenancy must then be approved in accordance with this chapter.

Where the owner is changing the amount of the rent to owner, the owner must notify the PHA at least 60 days before any such changes go into effect [24 CFR 982.308(g)(4)]. The PHA will agree to such an increase only if the amount of the rent to owner is considered reasonable according to the rent reasonableness standards discussed in Chapter 8. If the requested rent is not found to be reasonable, the owner must either reduce the requested rent increase, or terminate the tenancy in accordance with the terms of the lease.

No rent increase is permitted during the initial term of the lease [24 CFR 982.309(a)(3)].

PHA Policy

Where the owner is requesting a rent increase, the PHA will determine whether the requested increase is reasonable within 10 business days of receiving the request from the owner. The owner will be notified of the determination in writing.

Rent increases will go into effect on the first of the month following the 60-day period after the owner notifies the PHA of the rent change or on the date specified by the owner, whichever is later.

Chapter 11.B.

REEXAMINATIONS UNDER HOTMA 102/104

INTRODUCTION

This chapter is applicable upon the PHA's HOTMA 102/104 compliance date. Prior to this date, the PHA will follow policies as outlined in Chapter 11.A. of the model policy.

The Omaha Housing Authority (OHA) will be referred to as the Public Housing Authority (PHA) or simply as the PHA throughout the Administrative Plan.

The PHA is required to reexamine each family's income and composition at least annually, and to adjust the family's level of assistance accordingly. Interim reexaminations are also needed in certain situations. This chapter discusses both annual and interim reexaminations, and the recalculation of family share and subsidy that occurs as a result. HUD regulations and PHA policies concerning reexaminations are presented in three parts:

Part I: Annual Reexaminations. This part discusses the process for conducting annual reexaminations.

Part II: Interim Reexaminations. This part details the requirements for families to report changes in family income and composition between annual reexaminations.

Part III: Recalculating Family Share and Subsidy Amount. This part discusses the recalculation of family share and subsidy amounts based on the results of annual and interim reexaminations.

Part IV: Non-Interim Reexamination Transaction. This part describes transactions that do not entail changes to the family's adjusted income.

Policies governing reasonable accommodation, family privacy, required family cooperation, and program abuse, as described elsewhere in this plan, apply to both annual and interim reexaminations.

PART I: ANNUAL REEXAMINATIONS [24 CFR 982.516]

11-I.A. OVERVIEW

The PHA must conduct a reexamination of family income and composition at least annually. This includes gathering and verifying current information about family composition, income, and expenses. Based on this updated information, the family's income and rent must be recalculated. This part discusses the schedule for annual reexaminations, the information to be collected and verified, and annual reexamination effective dates.

Unlike when performing an interim reexamination or at intake, at annual reexamination, the PHA must determine the income of the family for the previous 12-month period, except where the PHA uses a streamlined income determination. Income from assets, however, is always anticipated, irrespective of the income examination type [Notice PIH 2023-27]. PHAs also have

the option of using a Safe Harbor income verification from another federal means-tested program to verify gross annual income. Chapter 7 contains the PHA's policies related to streamlined income determinations and the use of Safe Harbor income verifications.

11-I.B. SCHEDULING ANNUAL REEXAMINATIONS

The PHA must establish a policy to ensure that the annual reexamination for each family is completed *within* a 12-month period and may require reexaminations more frequently [HCV GB p. 12-1].

PHA Policy

The PHA will begin the annual reexamination process 120 days in advance of its scheduled effective date. Generally, the PHA will schedule annual reexamination effective dates to coincide with the family's anniversary date.

Anniversary date is defined as 12 months from the effective date of the family's last annual reexamination or, during a family's first year in the program, from the effective date of the family's initial examination (admission).

If the family moves to a new unit, the PHA will perform a new annual reexamination.

The PHA also may schedule an annual reexamination for completion prior to the anniversary date for administrative purposes.

Notification of and Participation in the Annual Reexamination Process

The PHA is required to obtain the information needed to conduct annual reexaminations. How that information will be collected is left to the discretion of the PHA. However, PHAs should give tenants who were not provided the opportunity the option to complete Form HUD-92006 at this time [Notice PIH 2009-36].

PHA Policy

Families generally are required to participate in an annual reexamination interview, which must be attended by the head of household, spouse, or cohead. If participation in an in-person interview poses a hardship because of a family member's disability, the family should contact the PHA to request a reasonable accommodation (see Chapter 2).

Notification of annual reexamination interviews will be sent by first-class mail and will contain the date, time, and location of the interview. In addition, it will inform the family of the information and documentation that must be brought to the interview.

If the family is unable to attend a scheduled interview, the family should contact the PHA in advance of the interview to schedule a new appointment. If a family does not attend the scheduled interview, the PHA will send a second notification with a new interview date and appointment time.

If a family fails to attend two scheduled interviews without PHA approval, or if the notice is returned by the post office with no forwarding address, a notice of termination (see Chapter 12) will be sent to the family's address of record, and to any alternate address provided in the family's file.

An advocate, interpreter, or other assistant may assist the family in the interview process. The family and the PHA must execute a certification attesting to the role and the assistance provided by any such third party.

11-I.C. CONDUCTING ANNUAL REEXAMINATIONS

As part of the annual reexamination process, families are required to provide updated information to the PHA regarding the family's income, expenses, and composition [24 CFR 982.551(b)].

PHA Policy

Families will be asked to bring all required information (as described in the reexamination notice) to the reexamination appointment. The required information will include a PHA-designated reexamination form as well as supporting documents or forms related to the family's income, expenses, and family composition.

Any required documents or information that the family is unable to provide at the time of the interview must be provided within 10 business days of the interview. If the family is unable to obtain the information or materials within the required time frame, the family may request an extension.

If the family does not provide the required documents or information within the required time period (plus any extensions), the family will be sent a notice of termination (See Chapter 12).

Additionally, HUD recommends that at annual reexaminations PHAs ask whether the tenant, or any member of the tenant's household, is subject to a lifetime sex offender registration requirement in any state [Notice PIH 2012-28].

PHA Policy

At the annual reexamination, the PHA will ask whether the tenant, or any member of the tenant's household, is subject to a lifetime sex offender registration requirement in any state. The PHA will use the Dru Sjodin National Sex Offender database to verify the information provided by the tenant.

If the PHA proposes to terminate assistance based on lifetime sex offender registration information, the PHA must notify the household of the proposed action and must provide the subject of the record and the tenant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to termination. [24 CFR 5.903(f) and 5.905(d)]. (See Chapter 12.)

The information provided by the family generally must be verified in accordance with the policies in Chapter 7. Unless the family reports a change, or the PHA has reason to believe a change has occurred in information previously reported by the family, certain types of information that are verified at admission typically do not need to be re-verified on an annual basis. These include:

- Legal identity
- Age
- Social security numbers
- A person's disability status
- Citizenship or immigration status

If adding a new family member to the unit causes overcrowding according to space standards (see Chapter 8), the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the PHA must terminate the HAP contract in accordance with its terms [24 CFR 982.403].

11-I.D. DETERMINING ONGOING ELIGIBILITY OF CERTAIN STUDENTS [24 CFR 982.552(b)(5)]

Section 327 of Public Law 109-115 established restrictions on the ongoing eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education.

If a student enrolled in an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the student's eligibility must be reexamined along with the income eligibility of the student's parents on an annual basis. In these cases, both the student and the student's parents must be income eligible for the student to continue to receive HCV assistance. If, however, a student in these circumstances is determined independent from their parents or is considered a *vulnerable youth* in accordance with PHA policy, the income of the student's parents will not be considered in determining the student's ongoing eligibility.

Students who reside with parents in an HCV assisted unit are not subject to this provision. It is limited to students who are receiving assistance on their own, separately from their parents.

PHA Policy

During the annual reexamination process, the PHA will determine the ongoing eligibility of each student who is subject to the eligibility restrictions in 24 CFR 5.612 by reviewing the student's individual income as well as the income of the student's parents. If the student has been determined "independent" from their parents or is considered a *vulnerable youth* based on the policies in Sections 3-II.E and 7-II.E, the parents' income will not be reviewed.

If the student is no longer income eligible based on their own income or the income of their parents, the student's assistance will be terminated in accordance with the policies in Section 12-I.D.

If the student continues to be income eligible based on their own income and the income of their parents (if applicable), the PHA will process a reexamination in accordance with the policies in this chapter.

11-I.E. CALCULATING ANNUAL INCOME AT ANNUAL REEXAMINATION [24 CFR 5.609(c)(2) and Notice PIH 2023-27]

The PHA must determine the income of the family for the previous 12-month period and use this amount as the family income for annual reexaminations, except where the PHA uses a streamlined income determination as indicated in Chapter 7 of this policy. The PHA may also use Safe Harbor income determinations dated within the last 12 months from a means-tested federal public assistance program at annual reexamination as outlined in Chapter 7 of this policy.

Except when using streamlined or Safe Harbor income determinations, in determining the income of the family for the previous 12-month period, any change of income since the family's last annual reexamination, including those that did not meet the threshold to process an interim reexamination in accordance with PHA policies and 24 CFR 5.657(c) or 960.257(b) must be considered.

Income from assets is always anticipated, irrespective of the income examination type.

A change in income may be a loss of income or the addition of a new source of income. Changing to a different employer in the prior year does not necessarily constitute a change if the income earned from either employer is substantially the same. The PHA should look at the entirety of the family's unearned income and earned income from the prior year in which earned income may have been one constant job or many different jobs that start and stop.

Cost of Living Adjustments (COLA) to Social Security income and Social Security disability income are always considered changes to income because the COLA is an adjustment that automatically occurs annually by law. See Chapter 6 for PHA policies on when the COLA is applied and Chapter 7 on streamlined determination of income for inflationary adjustments.

Notice PIH 2023-27 lists the following steps to calculate both earned and unearned income at annual reexamination.

Step 1: The PHA determines annual income for the previous 12-month period by reviewing the following information:

- The EIV Income Report pulled within 120 days of the effective date of the annual reexamination;
- The income reported on the most recent HUD-50058; and
- The amount of prior-year income reported by the family on the PHA's annual reexamination paperwork.

Step 2: The PHA takes into consideration any interim reexamination of family income completed since the last annual reexamination.

- If there was an interim reexamination performed within the last reexamination cycle and there are no additional changes, the PHA must use the annual income from the interim to determine the family's total annual income. The PHA may use verification obtained from the interim for this step.
- If the PHA did not perform an interim or there have been changes since the last reexamination, the PHA moves to Step 3.

Step 3: If there were changes in annual income not processed by the PHA since the last reexamination, the PHA must use current income. The family will be required to report their income for the prior year and whether there have been permanent changes.

If there are no reported changes to an income source, the PHA may use documentation of prior-year income to calculate the annual income. For example, the PHA may use the following documentation:

- EIV + self-certification (wages, Supplemental Security Income (SSI), Social Security, and unemployment)
- Current written third-party verification from the source verifying prior-year income that is dated within 120 days of receipt by the PHA, for example:
 - Year-end statements
 - Paystub with year-to-date amounts
 - Tax forms (Form 1040, W2, 1099, etc.)

If there are reported changes by the family or the PHA notes discrepancies between EIV and what the family reports, the PHA must follow the verification hierarchy (described in Chapter 7) to document and verify income. Exhibit 11-1 provides detailed examples of how the PHA calculates income from different sources at annual reexamination using the above method.

PHA Policy

When income is calculated using a streamlined income determination or Safe Harbor determination from a means-tested federal public assistance program in accordance with PHA policies in Chapter 7, the above is not applicable. However, where the family disagrees with the PHA or other agency's determination of income or the PHA has other reason to use third-party verification in these circumstances, then the above will apply.

11-I.F. EFFECTIVE DATES

The PHA must establish policies concerning the effective date of changes that result from an annual reexamination [24 CFR 982.516].

PHA Policy

In general, an *increase* in the family share of the rent that results from an annual reexamination will take effect on the family's anniversary date, and the family will be notified at least 30 days in advance.

If less than 30 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period.

If a family moves to a new unit, the increase will take effect on the effective date of the new lease and HAP contract, and no 30-day notice is required.

If the PHA chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the PHA, but will always allow for the 30-day notice period.

- If the family causes a delay in processing the annual reexamination, *increases* in the family share of the rent will be applied retroactively to the scheduled effective date of the annual reexamination. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 16.

In general, a *decrease* in the family share of the rent that results from an annual reexamination will take effect on the family's anniversary date.

If a family moves to a new unit, the decrease will take effect on the effective date of the new lease and HAP contract.

If the PHA chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the PHA.

If the family causes a delay in processing the annual reexamination, *decreases* in the family share of the rent will be applied prospectively from the first day of the month following completion of the reexamination processing.

Delays in reexamination processing are considered to be caused by the family if the family fails to provide information requested by the PHA by the date specified, and this delay prevents the PHA from completing the reexamination as scheduled.

PART II: INTERIM REEXAMINATIONS [24 CFR 982.516; Notice PIH 2023-27]

11-II.A. OVERVIEW

Family circumstances may change between annual reexaminations. HUD and PHA policies dictate what kinds of information about changes in family circumstances must be reported, and under what circumstances the PHA must process interim reexaminations to reflect those changes.

A family may request an interim determination of family income or composition because of any changes since the last determination. The PHA must conduct any interim reexamination within a reasonable period of time after the family request or when the PHA becomes aware of a change in the family's adjusted income that must be processed in accordance with HUD regulations. What qualifies as a "reasonable time" may vary based on the amount of time it takes to verify information, but the PHA generally should conduct the interim reexamination not longer than 30 days after the PHA becomes aware of changes in income.

Notice PIH 2023-27 changes the conditions under which interim reexaminations must be conducted, codifies when interim reexaminations should be processed and made effective, and requires related changes for annual reexaminations and streamlined income determinations. When the PHA determines that an interim reexamination of income is necessary, they must ask the family to report changes in all aspects of adjusted income.

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

Reporting

PHAs must require families to report household composition changes; however, PHAs determine the timeframe in which reporting happens [Notice PIH 2023-27]. The PHA must adopt policies prescribing when and under what conditions the family must report changes in income and family composition [24 CFR 960.257(b)(5)].

PHA Policy

All families must report all changes in family and household composition that occur between annual reexaminations within 10 business days of the change.

New Family Members Not Requiring PHA Approval

The addition of a family member as a result of birth, adoption, or court-awarded custody does not require PHA approval. However, the family is required to promptly notify the PHA of the addition [24 CFR 982.551(h)(2)].

New Family and Household Members Requiring Approval

With the exception of children who join the family as a result of birth, adoption, or court-awarded custody, a family must request PHA approval to add a new family member [24 CFR 982.551(h)(2)] or other household member (live-in aide or foster child) [24 CFR 982.551(h)(4)].

Although the PHA must verify aspects of program eligibility when any new family member is added, the Streamlining Final Rule removed the requirement that PHAs conduct a reexamination of income whenever a new family member is added. The PHA may state in policy that an income reexamination will be conducted.

If a change in family size causes a violation of space standards (see Chapter 8), the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the PHA must terminate the family's HAP contract in accordance with its terms [24 CFR 982.403].

PHA Policy

Families must request PHA approval to add a new family member (other than due to birth, adoption, or court-awarded custody), live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than 30 consecutive days or 90 cumulative days within a 12-month period and therefore no longer qualifies as a "guest." Requests must be made in writing and approved by the PHA prior to the individual moving into the unit.

The PHA will not approve the addition of a new family or household member unless the individual meets the PHA's eligibility criteria (see Chapter 3) and documentation requirements (see Chapter 7, Part II).

The PHA will not approve the addition of a foster child or foster adult if it will cause a violation of space standards.

If the PHA determines an individual meets the PHA's eligibility criteria and documentation requirements, the PHA will provide written approval to the family. If the approval of a new family member or live-in aide will cause overcrowding according to space standards, the approval letter will explain that the family will be issued a voucher and will be required to move.

If the PHA determines that an individual does not meet the PHA's eligibility criteria or documentation requirements, the PHA will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

The PHA will make its determination within 10 business days of receiving all information required to verify the individual's eligibility.

Departure of a Family or Household Member

Families must promptly notify the PHA if any household member no longer lives in the unit [24 CFR 982.551(h)(3)]. Because household members are considered when determining the family unit (voucher) size [24 CFR 982.402], the PHA also needs to know when any live-in aide, foster child, or foster adult ceases to reside in the unit. The PHA must process an interim for all decreases in adjusted income when a family member permanently moves out of the unit.

PHA Policy

If a household member ceases to reside in the unit, the family must inform the PHA within 10 business days. This requirement also applies to a family member who has been considered temporarily absent at the point that the family concludes the individual is permanently absent.

Changes in Family Unit Size (Voucher Size) [24 CFR 982.505(c)(6)]

Changes effective 12/2/24 and earlier: Irrespective of any increase or decrease in the payment standard, if the family unit size increases or decreases during the HAP contract term, the new family unit size must be used to determine the payment standard for the family beginning at the family's first regular reexamination following the change in family unit size.

Changes effective 12/3/24 and later: Irrespective of any increase or decrease in the payment standard, if the family unit size increases or decreases during the HAP contract term, the new family unit size may be used to determine the payment standard immediately or at the family's first regular reexamination following the change in family unit size.

PHA Policy

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

11-II.C. CHANGES AFFECTING INCOME OR EXPENSES

Overview

Interim reexaminations for changes in income or expenses may be scheduled either because the PHA has reason to believe that changes in income or expenses may have occurred, or because the family reports a change.

The PHA must estimate the income of the family for the upcoming 12-month period to determine family income for an interim reexamination [24 CFR 5.609(c)(1)]. Policies for projecting income are found in Chapter 6.

Interim Decreases [24 CFR 982.516(c)(2) and Notice PIH 2023-27]

A family may request an interim determination of family income for any change since the last determination. However, the PHA may decline to conduct an interim reexamination if the PHA estimates the family's adjusted income will decrease by an amount that is less than 10 percent of the family's adjusted income. The PHA may set a lower threshold in PHA policy such as performing an interim for any decreases in adjusted income, although HUD prohibits the PHA from setting a dollar-figure threshold.

However, while the PHA has some discretion, HUD requires that the PHA perform an interim reexamination for a decrease in adjusted income of any amount in two circumstances:

- When there is a decrease in family size attributed to the death of a family member; or
- When a family member permanently moves out of the assisted unit during the period since the family's last reexamination.

In the above circumstances, the PHA must perform an interim reexamination for any decrease in adjusted income.

If the net effect of the changes in adjusted income due to a decrease in family size results in no change or an increase in annual adjusted income, then PHA must process the removal of the household member(s) as a non-interim reexamination transaction without making changes to the family's annual adjusted income.

PHA Policy

The PHA will conduct an interim reexamination any time the family's adjusted income has decreased by any amount.

Interim Increases [24 CFR 982.516(c)(3) and Notice PIH 2023-27]

Increases Less than 10 Percent

PHAs must not process interim reexaminations for income increases that result in less than a 10 percent increase in annual adjusted income.

Increases 10 Percent or Greater

PHAs must conduct an interim reexamination of family income when the PHA becomes aware that the family's adjusted income has changed by an amount that the PHA estimates will result in an increase of 10 percent or more in adjusted income, with the following exceptions:

- PHAs may not consider any increases in earned income when estimating or calculating whether the family's adjusted income has increased, unless the family has previously received an interim reduction during the same reexamination cycle; and
- PHAs may choose not to conduct an interim reexamination during the last three months of a certification period if a family reports an increase in income within three months of the next annual reexamination effective date.

When the family previously received an interim reexamination for a decrease to adjusted income during the same annual reexamination cycle, a PHA has the discretion whether to consider a subsequent increase in earned income.

PHA Policy

When a family reports an increase in their earned income between annual reexaminations, the PHA will not conduct an interim reexamination, regardless of the amount of the increase, and regardless of whether there was a previous decrease since the family's last annual reexamination.

The PHA will process an interim reexamination for any increases in unearned income of 10 percent or more in adjusted income.

The PHA will not perform an interim reexamination when a family reports an increase in income (whether earned or unearned income) within three months of their annual reexamination effective date. However, families who delay reporting income increases until the last three months of their certification period may be subject to retroactive rent increases in accordance with the PHA policies in Chapter 14.

Concurrent Increases in Earned and Unearned Income [Notice PIH 2023-27]

When the family reports an increase in both earned and unearned income at the same time, the PHA must look at the earned and unearned income changes independently of each other to determine if an interim reexamination is performed. The PHA will only conduct an interim reexamination when the increase independently meets the 10 percent threshold and all other requirements for performing interim reexaminations. For example, if a family reported increases in both earned and unearned income that overall resulted in a 12 percent increase in their adjusted income, but the change in earned income represented a 7 percent increase and the change in unearned income represented a 5 percent increase, the PHA may not perform an interim for either change since neither change meets the 10 percent threshold amount independently. If the change in unearned income met the 10 percent threshold in this case, the PHA would be required to perform an interim. If the change in earned income met the 10 percent threshold in this case, the PHA would refer to PHA policy to determine whether an interim was required.

Cumulative Increases [Notice PIH 2023-27]

A series of smaller reported increases in adjusted income may cumulatively meet or exceed the 10-percent increase threshold, at which point the PHA must conduct an interim reexamination in accordance with PHA policy.

Family Reporting

The PHA must adopt policies consistent with HUD regulations prescribing when and under what conditions the family must report a change in family income or composition [24 CFR 982.516(d)].

PHA policy may require families to report only changes that the family estimates meet the threshold for an interim reexamination or the PHA may establish policies requiring that families report all changes in income and household composition, and the PHA will subsequently determine if the change requires an interim reexamination [Notice PIH 2023-27].

When the PHA determines that an interim reexamination of income is necessary, they must ask the family to report changes in all aspects of adjusted income. For example, if the family is reporting a decrease in adjusted income that is more than 10 percent, but the family also had a change in assets that would result in a change in income, the change in assets must also be reviewed [Notice PIH 2023-27].

PHA Policy

The family will be required to report all changes in income regardless of the amount of the change, whether the change is to earned or unearned income, or if the change occurred during the last three months of the certification period. Families must report changes in income within 10 business days of the date the change takes effect. The family may notify the PHA of changes either orally or in writing, including email. If the family provides oral notice, the PHA may also require the family to submit the changes in writing, including email.

Within 10 business days of the family reporting the change, the PHA will determine whether the change will require an interim reexamination.

If the change will not result in an interim reexamination, the PHA will note the information in the tenant file but will not conduct an interim reexamination. The PHA will send the family written notification (which may be emailed) within 10 business days of making this determination informing the family that the PHA will not conduct an interim reexamination.

If the change will result in an interim reexamination, the PHA will determine the documentation the family will be required to submit based on the type of change reported and PHA policies in Chapter 7. The PHA will ask the family to report changes in all aspects of adjusted income at this time. The family must submit any required information or documents within 10 business days of receiving a request from the PHA. This time frame may be extended for good cause with PHA approval. The PHA will accept required documentation by mail, email, or in person. The PHA will conduct the interim within a reasonable time period based on the amount of time it takes to verify the information.

Generally, the family will not be required to attend an interview for an interim reexamination. However, if the PHA determines that an interview is warranted, the family may be required to attend.

11-II.D. EFFECTIVE DATES [24 CFR 982.516(e) and Notice 2023-27]

Changes Reported Timely [Notice PIH 2023-27]

If the family reports a change in family income or composition timely in accordance with PHA policies:

- For rent increases, the PHA must provide the family with 30 days advance written notice. The rent increase is effective the first of the month after the end of that 30-day notice period.
- Rent decreases are effective on the first of the month after the date of the actual change leading to the interim reexamination of family income. This means the decrease will be applied retroactively.

Changes Not Reported Timely [Notice PIH 2023-27]

If the family failed to report a change in family income or composition timely in accordance with PHA policies:

- For rent increases, the PHA must implement any resulting rent increases retroactively to the first of the month following the date of the change leading to the interim reexamination of family income.
- For rent decreases, the PHA must implement the change no later than the first rent period following completion of the interim reexamination.

However, the PHA may choose to adopt a policy that would make the effective date of the rent decrease retroactive to the first of the month following completion of the reexamination. PHAs may choose to establish conditions or requirements for when such a retroactive application would apply. PHAs that choose to adopt such policies must ensure the earliest date that the retroactive decrease is applied is the later of:

- The first of the month following the date of the change that led to the interim reexamination;
or
- The first of the month following the most recent previous income examination.

In applying a retroactive change in rent as the result of an interim reexamination, the PHA must clearly communicate the effect of the retroactive adjustment to the family so that there is no confusion over the amount of the rent that is the family's responsibility.

PHA Policy

In general, when the family fails to report a change in income or family composition timely, and the change would lead to a rent decrease, the PHA will apply the decrease the first of the month following completion of the interim reexamination.

However, the PHA will apply the results of the interim reexamination retroactively where a family's ability to report a change in income promptly may have been hampered due to extenuating circumstances such as a natural disaster or disruptions to PHA management operations. The PHA will decide to apply decreases retroactively on a case-by-case basis.

When the PHA applies the results of interim increases retroactively, the PHA will clearly communicate the effect of the retroactive adjustment to the family and may enter into a repayment agreement in accordance with PHA policies.

The PHA will also clearly communicate the effect of the retroactive adjustment to the owner.

PART III: RECALCULATING FAMILY SHARE AND SUBSIDY AMOUNT

11-III.A. OVERVIEW

After gathering and verifying required information for an annual or interim reexamination, the PHA must recalculate the family share of the rent and the subsidy amount and notify the family and owner of the changes [24 CFR 982.516(d)(2), HCV 12-6 and 12-10]. While the basic policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

11-III.B. CHANGES IN PAYMENT STANDARDS AND UTILITY ALLOWANCES

In order to calculate the family share of the rent and HAP amount correctly, changes in payment standards, subsidy standards, or utility allowances may need to be updated and included in the PHA's calculations.

Specific policies governing how subsidy standards, payment standards, and utility allowances are applied are discussed below.

Payment Standards [24 CFR 982.505 and FR Notice 5/7/24]

The family share of the rent and HAP calculations must use the correct payment standard for the family, taking into consideration the family unit size, the size of unit, and the area in which the unit is located [HCV GB, p. 12-5]. See Chapter 6 for information on how to select the appropriate payment standard when the PHA changes its payment standard or when there is a change in family composition.

Subsidy Standards [24 CFR 982.505(c)(4)]

If there is a change in the family unit size that would apply to a family during the HAP contract term, either due to a change in family composition, or a change in the PHA's subsidy standards (see Chapter 5), the new family unit size must be used to determine the payment standard amount for the family immediately or at the family's *first annual* reexamination following the change in family unit size.

• Utility Allowances [24 CFR 982.517(d)]

The family share of the rent and HAP calculations must reflect any changes in the family's utility arrangement with the owner, or in the PHA's utility allowance schedule [HCV GB, p. 12-5]. Chapter 16 discusses how utility allowance schedules are established.

When there are changes in the utility arrangement with the owner, the PHA must use the utility allowances in effect at the time the new lease and HAP contract are executed.

At reexamination, the PHA must use the PHA current utility allowance schedule [HCV GB, p. 18-8].

PHA Policy

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first annual reexamination after the allowance is adopted.

11-III.C. NOTIFICATION OF NEW FAMILY SHARE AND HAP AMOUNT

The PHA must notify the owner and family of any changes in the amount of the HAP payment [HUD-52641, HAP Contract]. The notice must include the following information [HCV GB, p. 12-6]:

- The amount and effective date of the new HAP payment
- The amount and effective date of the new family share of the rent
- The amount and effective date of the new tenant rent to owner
- The family must be given an opportunity for an informal hearing regarding the PHA's determination of their annual or adjusted income, and the use of such income to compute the housing assistance payment [24 CFR 982.555(a)(1)(i)] (see Chapter 16).

PHA Policy

The notice to the family will include the annual and adjusted income amounts that were used to calculate the family share of the rent and the housing assistance payment.

The notice will state the family has the right to request an explanation of how the assistance was calculated and if the family disagrees, they have the right to informal hearing. The notice will include the procedures for requesting an informal hearing.

11-III.D. DISCREPANCIES

During an annual or interim reexamination, the PHA may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, the PHA may discover errors made by the PHA. When errors resulting in the overpayment or underpayment of subsidy are discovered, corrections will be made in accordance with the policies in Chapter 14.

PART IV: NON-INTERIM REEXAMINATION TRANSACTIONS [Notice PIH 2023-27]

Families may experience changes within the household that do not trigger an interim reexamination under PHA policy and HUD regulations, but which HUD still requires the PHA to report to HUD via Form HUD-50058. These are known as *non-interim reexamination transactions*. In these cases, PHAs will submit a separate, new action code on Form HUD-50058. The following is a list of non-interim reexamination transactions:

- Adding or removing a hardship exemption for the childcare expense deduction;
- Updating or removing the phased-in hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction (families will begin receiving a 24-month phased-in relief at their next annual or interim reexamination, whichever occurs first);
- Adding or removing general hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction;
- Adding or removing a minimum rent hardship;
- Adding or removing a non-family member (i.e., live-in aide, foster child, foster adult);
- Ending a family's EID or excluding 50 percent (decreased from 100 percent) of a family member's increase in employment income at the start of the second 12- month EID period.
- Adding a family member and the increase in adjusted income does not trigger an interim reexamination under the final rule;
- Removing a family member and the increase in adjusted income does not trigger an interim reexamination under the final rule;
- Adding/updating a family or household member's Social Security number;
- Updating a family member's citizenship status from eligible to ineligible or vice versa, resulting in a change to the family's rent and/or utility reimbursement, if applicable (i.e., family begins receiving prorated assistance or previously prorated assistance becomes full assistance), or updating the prorated rent calculation due to the addition or removal of family members in household with an ineligible noncitizen(s); and
- Rent increases

PHAs must make all other changes to assets, income, and deductions at the next annual or interim reexamination of income, whichever is sooner.

EXHIBIT 11-1: CALCULATING INCOME AT ANNUAL REEXAMINATION

Example 1: Calculating Annual Income at Annual Reexamination Using EIV

Staff are processing the 3/1/2024 annual reexamination for Ruby Myers and her minor daughter, Georgia. No interim reexaminations have been processed, and Ruby has not reported any changes to annual income to the PHA since the 3/1/2023 annual reexamination. The SSA published 2024 COLA is 7 percent.	
<u>Last reexamination – 3/1/2023 Annual Reexamination</u>	
<u>Ruby:</u>	<u>Georgia:</u>
<u>Wages: \$30,000</u>	<u>SSI: \$10,980 (\$915 monthly)</u>

The EIV report pulled on 12/15/2023

Ruby:	Georgia:
Wages Total: \$33,651	SSI Total: \$10,980
Quarter 3 of 2023: \$8,859 (City Public School)	2023 benefit \$915 monthly
Quarter 2 of 2023: \$8,616 (City Public School)	
Quarter 1 of 2023: \$8,823 (City Public School)	
Quarter 4 of 2022: \$7,353 (City Public School)	

<u>Income Reported on Reexamination Application</u>	
Ruby:	Georgia:
Wages at City Public School: \$32,000 (switched jobs but no permanent change to amount)	SSI benefits: \$10,980 (no changes)
<u>Calculating Ruby's wages:</u> Step 1: Determine prior annual income from EIV (i.e., Q4 2022 through Q3 of 2023: \$33,651). Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination (in this case, there have been no interim reexaminations processed since the last annual reexamination). Step 3: Ruby certifies that the \$33,651 of wages in EIV is accurate and reflects her current annual income, so the PHA will use \$33,651 for annual wages for the 3/1/2024 annual reexamination given there have been no additional changes to annual income.	<u>Calculating Georgia's SSI benefit:</u> Step 1: Determine the prior annual income from EIV (i.e., \$915 x 12 months: \$10,980). Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination (in this case, there have been no interim reexaminations processed since the last annual reexamination). Step 3: Ruby certifies the SSI income in EIV is accurate and reflects Georgia's current annual income. The PHA must adjust the prior-year income (2023 SSI benefit) by the 7- percent COLA and will use this amount to calculate annual SSI income for the 3/1/2024 annual reexamination: COLA: \$64.05 (\$915 x 0.07) New gross SSI benefit: \$11,748.60 (\$979.05 x 12 months)
If Ruby did not agree with the annual wages reported in EIV, the PHA/MFH Owner would be required to verify her current income in accordance with HUD's verification hierarchy.	
<u>Summary of Annual Income (as reported on the HUD-50058)</u>	
Ruby (Head of Household):	Georgia (Other Youth Under 18):
Other Wage: \$33,651	SSI: \$11,748
Myers Family Total Annual Income: \$45,399	

**Example 2: Calculating Annual Income at Annual Reexamination Using EIV:
Family Disagrees with EIV**

Staff are processing Paul Hewson's 5/1/2024 annual reexamination. Since the last annual reexamination, Paul reported a decrease in annual income that exceeded 10 percent. Last year, Paul reported a decrease in earned income because he transferred from a full-time job at Sasha's Sweets to a part-time job at Viking Bakery. Following HUD's EIV verification hierarchy, staff confirmed Paul was no longer employed at Sasha's Sweets and decreased his anticipated annual income from \$28,000 to \$7,500 resulting from his new part-time employment at Viking Bakery; an interim reexamination was processed effective 7/1/2023. After the 7/1/2023 interim, Paul worked briefly at two different jobs, but he says he is no longer working and is not planning to work.

5/1/2023 Annual Reexamination

Wages: \$28,000

The EIV report pulled on 1/15/2024

Wages Total: \$18,271

Quarter 3 of 2023: \$2,500 (Viking Bakery)

Quarter 3 of 2023: \$796 (Sweet Tooth Candy Bar)

Quarter 2 of 2023: \$1,300 (Sasha's Sweets)

Quarter 2 of 2023: \$584 (Larry's Concessions)

Quarter 2 of 2023: \$2,401 (Viking Bakery)

Quarter 1 of 2023: \$6,500 (Sasha's Sweets)

Quarter 4 of 2022: \$600 (Sasha's Sweets)

SS/SSI: No history of benefits

<u>Income Reported on Reexamination Application</u>
<u>Wages: \$0 (permanent change; no longer receiving)</u>
<u>Social Security: \$14,400 (\$1,200 monthly)</u>
Paul certified on the PHA's annual reexamination paperwork that he does not agree with the annual wages of \$18,271 reported in EIV and it is not reflective of his current anticipated annual income. He reported he is currently unemployed, and provided a copy of an award letter from the Social Security Administration to document that he will begin receiving a monthly disability benefit of \$1,200 effective 3/1/2024.
<u>Calculating Wages and SS Benefit</u>
Step 1: Determine prior annual income taking into consideration the 7/1/2023 interim reexamination (i.e., EIV wages reflected Q4 2022 through Q3 2023: \$18,271) Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there was a 7/1/2023 interim that reduced wages to \$7,500. Step 3: Obtain documentation to verify current income and confirm Paul is no longer employed at Viking Bakery or The Sweet Tooth Candy Bar (the employers reported in the most recent quarter of EIV). This step is necessary, because Paul did not agree with the EIV income report or income reported on the last interim reexamination. Paul reported that he is no longer working at all. Process the annual reexamination effective 5/1/2024 using annual SS income of \$14,400 and \$0 wages.
<u>Summary of Annual Income (as reported on the HUD-50058)</u>
Paul (Head of Household): \$14,400 (SS) Hewson Family Total Annual Income: \$14,400

Example 3: Calculating Annual Income at Annual Reexamination

Staff are processing the 11/1/2024 annual reexamination for Samantha and Fergus Pool, head of household and spouse. On 2/14/2024 Samantha reported her monthly child support payment was reduced from \$200 to \$100 per month, but an interim reexamination was not processed because the reduction in child support income for Samantha’s daughter, Hailey, did not result in a decrease of 10 percent or more in annual adjusted income, and the PHA did not establish a lower threshold. Samantha did not report any additional changes to the PHA.

Last reexamination – 11/1/2023 Annual Reexamination

<u>Samantha:</u>	<u>Fergus:</u>
Business income: \$28,000	Wages: \$8,250
VA disability pension: \$12,000	Other non-wage income: \$3,000 (Go Fund Me online fundraiser)
Child support: \$2,400	

The EIV report pulled on 9/16/2024

<u>Samantha:</u>	<u>Fergus:</u>
Wages Total: \$0 (no wage data reported since Q1 2023)	Wages Total: \$8,600
	Quarter 1 of 2024: \$2,100 (Ian’s Fish ‘n’ Chips)
	Quarter 1 of 2024: \$500 (Claire’s Healthcare Supplies)
	Quarter 4 of 2023: \$1,000 (Claire’s Healthcare Supplies)
	Quarter 3 of 2023: \$1,800 (The Onion Garden Shop)
	Quarter 2 of 2023: \$3,200 (Ivar’s Fish Haus)

Current Family Circumstances: Income Reported on Reexamination Application

Samantha and Fergus reported how much income was earned/received in the previous 12-month period and noted permanent changes, where applicable, for each source of their income on PHA's annual reexamination form. However, no information was reported by the family concerning other non-wage income. Fergus reported only wages and his current employment at Ian's Fish 'n' Chips for the annual reexamination. The family supplied the supporting documentation noted below to the PHA for the 11/1/2024 annual reexamination.

Samantha:

Business income: \$28,750 (last year); has decreased to \$18,000 (permanent change)

VA disability benefit: \$12,000 (last year); has increased to \$12,300 (permanent change)

Child support: \$2,400 (last year); has decreased to \$1,200 (permanent change)

Fergus:

Wages: \$6,000

Calculating Samantha's Net Business Income

Step 1: Determine prior annual net business income (i.e., \$28,000 on last HUD-50058).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: Adjust to reflect current net business income. Samantha reported on the annual reexamination application that business income permanently decreased to \$18,000. The PHA must obtain supporting documentation from Samantha that demonstrates current net business income. Samantha provided documentation that supported the current annual net business income is \$18,000. Process the annual reexamination effective 11/1/2024 using annual net business income determined in Step 3.

Calculating Samantha's VA Pension Income

Step 1: Determine prior annual VA pension income (i.e., \$12,000 supported by a VA award letter Samantha supplied that documents the prior year monthly VA pension was \$1,000).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: The PHA needs to adjust to reflect current VA pension income. Samantha supplies a VA award letter showing a monthly pension of \$1,025, or \$12,300 annually. Process the annual reexamination effective 11/1/2024 using annual VA pension income determined in Step 3 (\$12,300 in this example).

Calculating Samantha's Child Support Income

Step 1: Determine prior annual child support income (i.e., \$2,400 on the last HUD-50058).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination. The family reported a decrease from \$200 to \$100 monthly, but the change was not processed because it did not meet the threshold.

Step 3: The family reported changes, so the PHA must adjust to reflect current child support income. In this example, the family submitted a child support history report from the local child support office that documents regular \$100 monthly child supports payments beginning 3/1/2024 through the current month. Process the annual reexamination effective 11/1/2024 using current annual child support income determined in Step 3 (\$1,200 in this example).

Calculating Fergus' Wages

Step 1: Determine prior annual income from wages in EIV (i.e., Q2 2023 through Q1 of 2024: \$8,600).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: There is a discrepancy between what the family reported and EIV, so the PHA must verify and adjust to reflect current annual income from wages. Fergus reported \$6,000 in annual income from wages on the annual reexamination from a single employer, Ian's Fish 'n' Chips. The PHA projected annual income of \$7,800 based on the two paystubs for this employer, and EIV shows \$8,600 earned in the most recent four quarters in EIV. To complete Step 3, the PHA must do the following:

- Resolve the discrepancy between EIV wages, the \$6,000 annual income Fergus reported, and the \$7,800 projected based on the paystubs he provided, and
- Verify he is no longer employed at Claire's Healthcare Supplies in accordance with HUD's verification hierarchy and local policies.

The PHA determined that Fergus reported his net vs. gross annual income from wages, which he corrected on the annual reexamination form to reflect his current gross annual income of \$9,000. The PHA verified Fergus was no longer employed at Claire's Healthcare Supplies and obtained two additional paystubs. Based on four current and consecutive paystubs, Fergus is now projected to earn \$9,360 annually. Process the annual reexamination effective 11/1/2024 using income from wages determined in Step 3 (\$9,360 in this example).

Calculating Fergus' Other Non-Wage Income

Step 1: Determine prior annual income from other non-wage income (i.e., \$3,000 on the last HUD– 50058).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: The family did not report any non-wage income on the annual reexamination form, but it was included on the last HUD–50058. The PHA must verify and adjust to reflect current non-wage income. The PHA must verify no income was received through a “Go Fund Me” online fundraiser so that it may be excluded. Fergus provided a self-certification that he hasn’t solicited funds online and doesn’t plan to in the following year; he also provided records from the account that documented no fundraising activity in the prior 12-month period. Process the annual reexamination effective 11/1/2024 using annual non-wage income of \$0 determined in Step 3.

Summary of Annual Income (as reported on the HUD-50058)

Samantha (Head of Household):

Own business: \$18,000

Pension: \$12,300

Child support: \$1,200

Fergus (Co-head):

Wages: \$9,360

Poole Family Total Annual Income: \$40,860

Chapter 12

TERMINATION OF ASSISTANCE AND TENANCY

HUD regulations specify mandatory and optional grounds for which a PHA can terminate a family's assistance. They also specify the circumstances under which an owner may terminate the tenancy of an assisted family.

The Omaha Housing Authority (OHA) will be referred to as the Public Housing Authority (PHA) or simply as the PHA throughout the Administrative Plan.

This chapter describes the policies that govern mandatory and optional terminations of assistance, and termination of tenancy by the owner. It is presented in three parts:

Part I: Grounds for Termination of Assistance. This part describes the various circumstances under which assistance under the program can be terminated by the family or by the PHA.

Part II: Approach to Termination of Assistance. This part describes the policies and the process that the PHA will use in evaluating decisions on whether to terminate assistance due to actions or inactions of the family where termination is an option. It specifies the alternatives that the PHA may consider in lieu of termination, the criteria the PHA will use when deciding what action to take, and the steps the PHA must take when terminating a family's assistance.

Part III: Termination of Tenancy by the Owner. This part describes the HUD policies that govern the owner's right to terminate an assisted tenancy.

PART I: GROUNDS FOR TERMINATION OF ASSISTANCE

12-I.A. OVERVIEW

HUD requires the PHA to terminate assistance for certain actions and inactions of the family and when the family no longer requires assistance due to increases in family income. HUD permits the PHA to terminate assistance for certain other actions or inactions of the family. In addition, a family may decide to withdraw from the program and terminate their HCV assistance at any time by notifying the PHA.

12-I.B. FAMILY NO LONGER REQUIRES ASSISTANCE [24 CFR 982.455]

As a family's income increases, the amount of the housing assistance payment decreases. If the amount of assistance provided by the PHA is reduced to zero, the family's assistance terminates automatically 180 days after the last HAP payment.

PHA Policy

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

12-I.C. FAMILY CHOOSES TO TERMINATE ASSISTANCE

The family may request that the PHA terminate housing assistance payments on behalf of the family at any time.

PHA Policy

The request to terminate assistance should be made in writing and signed by the head of household, and spouse or cohead if applicable. Before terminating the family's assistance, the PHA will follow the notice requirements in Section 12-II.F.

12-I.D. MANDATORY TERMINATION OF ASSISTANCE

HUD requires the PHA to terminate assistance in the following circumstances.

Eviction [24 CFR 982.552(b)(2), 24 CFR 5.2005(c)(1)]

The PHA must terminate assistance whenever a family is evicted from a unit assisted under the HCV program for a serious or repeated violation of the lease. As discussed further in section 12-II.E, incidents of actual or threatened domestic violence, dating violence, sexual assault, stalking **or human trafficking** may not be construed as serious or repeated violations of the lease by the victim or threatened victim of such violence or stalking.

PHA Policy

A family will be considered *evicted* if the family moves after a legal eviction order has been issued, whether or not physical enforcement of the order was necessary.

If a family moves after the owner has given the family an eviction notice for serious or repeated lease violations but before a legal eviction order has been issued, termination of assistance is not mandatory. In such cases the PHA will determine whether the family has committed serious or repeated violations of the lease based on available evidence and may terminate assistance or take any of the alternative measures described in section 12-II.C. In making its decision, the PHA will consider the factors described in sections 12-II.D and 12-II.E. Upon consideration of such factors, the PHA may, on a case-by-case basis, choose not to terminate assistance.

Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises and criminal activity. Generally, the criterion to be used will be whether or not the reason for the eviction was the fault of the tenant or guests.

Upon the PHA's HOTMA 102/104 compliance date, the below section on failure to provide consent is added:

Failure to Provide Consent [24 CFR 982.552(b)(3)]

The PHA must terminate assistance if any family member fails to sign and submit any consent form they are required to sign for a regular or interim reexamination. See Chapter 7 for a complete discussion of consent requirements.

~~Failure to Provide Consent [24 CFR 982.552(b)(3)]~~

~~The PHA must terminate assistance if any family member fails to sign and submit any consent form they are required to sign for a regular or interim reexamination. See Chapter 7 for a complete discussion of consent requirements.~~

Upon the PHA's HOTMA 102/104 compliance date, the below policy on failure to provide consent is added:

PHA Policy

The PHA will also terminate assistance if the family revokes consent for the PHA to collect information from financial institutions.

Failure to Document Citizenship [24 CFR 982.552(b)(4) and [24 CFR 5.514(c)]

The PHA must terminate assistance if (1) a family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status; (2) a family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family; or (3) a family member, as determined by the PHA, has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit.

For (3) above, such termination must be for a period of at least 24 months. This does not apply to ineligible noncitizens already in the household where the family's assistance has been prorated. See Chapter 7 for a complete discussion of documentation requirements.

Failure to Disclose and Document Social Security Numbers [24 CFR 5.218(c), Notice PIH 2018-24]

The PHA must terminate assistance if a participant family fails to disclose the complete and accurate social security numbers of each household member and the documentation necessary to verify each social security number.

However, if the family is otherwise eligible for continued program assistance, and the PHA determines that the family's failure to meet the SSN disclosure and documentation requirements was due to circumstances that could not have been foreseen and were outside of the family's control, the PHA may defer the family's termination and provide the opportunity to comply with the requirement within a period not to exceed 90 calendar days from the date the PHA determined the family to be noncompliant.

PHA Policy

The PHA will defer the family's termination and provide the family with the opportunity to comply with the requirement for a period of 90 calendar days for circumstances beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency, if there is a reasonable likelihood that the participant will be able to disclose an SSN by the deadline.

Methamphetamine Manufacture or Production [24 CFR 982.553(b)(1)(ii)]

The PHA must terminate assistance if any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally assisted housing.

Lifetime Registered Sex Offenders [Notice PIH 2012-28]

Should a PHA discover that a member of an assisted household was subject to a lifetime registration requirement at admission and was erroneously admitted after June 25, 2001, the PHA must immediately terminate assistance for the household member.

In this situation, the PHA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the PHA must terminate assistance for the household.

Failure of Students to Meet Ongoing Eligibility Requirements [24 CFR 982.552(b)(5) and FR 4/10/06]

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have dependent children, is not residing with his/her parents in an HCV assisted household, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the PHA must terminate the student's assistance if, at the time of reexamination, either the student's income or the income of the student's parents (if applicable) exceeds the applicable income limit.

If a participant household consists of both eligible and ineligible students, the eligible students shall not be terminated, but must be issued a voucher to move with continued assistance in accordance with program regulations and PHA policies or must be given the opportunity to lease in place if the terminated ineligible student members elect to move out of the assisted unit.

Death of the Sole Family Member [24 CFR 982.311(d) and Notice PIH 2010-9]

The PHA must immediately terminate program assistance for deceased single member households.

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

Mandatory Policies [24 CFR 982.553(b) and 982.551(l)]

HUD requires the PHA to establish policies that permit the PHA to terminate assistance if the PHA determines that:

- Any household member is currently engaged in any illegal use of a drug, or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents
- Any household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents
- Any household member has violated the family's obligation not to engage in any drug-related criminal activity
- Any household member has violated the family's obligation not to engage in violent criminal activity

Use of Illegal Drugs and Alcohol Abuse

PHA Policy

The PHA will terminate a family's assistance if any household member is currently engaged in any illegal use of a drug or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

The PHA will terminate assistance if any household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

Currently engaged in is defined as any use of illegal drugs during the previous three months.

The PHA will consider all credible evidence, including but not limited to, any record of arrests, convictions, or eviction of household members related to the use of illegal drugs or abuse of alcohol.

A record or records of arrest will not be used as the sole basis for the termination or proof that the participant engaged in disqualifying criminal activity.

In making its decision to terminate assistance, the PHA will consider alternatives as described in Section 12-II.C and other factors described in Sections 12-II.D and 12-II.E. Upon consideration of such alternatives and factors, the PHA may, on a case-by-case basis, choose not to terminate assistance.

Drug-Related and Violent Criminal Activity [24 CFR 5.100]

Drug means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

Drug-related criminal activity is defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.

Violent criminal activity means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

PHA Policy

The PHA will terminate a family's assistance if any household member has violated the family's obligation not to engage in any drug-related or violent criminal activity during participation in the HCV program.

The PHA will consider all credible evidence, including but not limited to, any record of arrests and/or convictions of household members related to drug-related or violent criminal activity, and any eviction or notice to evict based on drug-related or violent criminal activity.

A record or records of arrest will not be used as the sole basis for the termination or proof that the participant engaged in disqualifying criminal activity.

In making its decision to terminate assistance, the PHA will consider alternatives as described in Section 12-II.C and other factors described in Sections 12-II.D and 12-II.E. Upon consideration of such alternatives and factors, the PHA may, on a case-by-case basis, choose not to terminate assistance.

Other Authorized Reasons for Termination of Assistance **[24 CFR 982.552(c), 24 CFR 5.2005(c)]**

HUD permits the PHA to terminate assistance under a number of other circumstances. It is left to the discretion of the PHA whether such circumstances in general warrant consideration for the termination of assistance. As discussed further in section 12-II.E, the Violence against Women Act of 2013 explicitly prohibits PHAs from considering incidents of, or criminal activity directly related to, domestic violence, dating violence, sexual assault, stalking **or human trafficking** as reasons for terminating the assistance of a victim of such abuse.

Additionally, per 24 CFR 984.101(d), PHAs are no longer permitted to terminate assistance to a family due to the family's failure to meet its obligations under the Family Self-Sufficiency (FSS) contract of participation.

PHA Policy

The PHA **will** terminate a family's assistance if:

The family has failed to comply with any family obligations under the program. See Exhibit 12-1 for a listing of family obligations and related PHA policies.

Any family member has been evicted from federally assisted housing in the last five years.

Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.

The family currently owes rent or other amounts to any PHA in connection with Section 8 or public housing assistance under the 1937 Act.

The family has not reimbursed any PHA for amounts the PHA paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.

The family has breached the terms of a repayment agreement entered into with the PHA.

A family member has engaged in or threatened violent or abusive behavior toward PHA personnel.

Abusive or violent behavior towards PHA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to terminate assistance, the PHA will consider alternatives as described in Section 12-II.C and other factors described in Sections 12-II.D and 12-II.E. Upon consideration of such alternatives and factors, the PHA may, on a case-by-case basis, choose not to terminate assistance.

Family Absence from the Unit [24 CFR 982.312]

The family may be absent from the unit for brief periods. The PHA must establish a policy on how long the family may be absent from the assisted unit. However, the family may not be absent from the unit for a period of more than 180 consecutive calendar days for any reason. Absence in this context means that no member of the family is residing in the unit.

PHA Policy

If the family is absent from the unit for more than 180 consecutive calendar days, the family's assistance will be terminated. Notice of termination will be sent in accordance with Section 12-II.F.

Upon the PHA's HOTMA 102/104 compliance date, the below section on the asset limitation is added:

Asset Limitation [24 CFR 5.618; Notice PIH 2023-27]

The PHA has discretion with respect to the application of the asset limitation at annual and interim reexamination. The PHA may adopt a written policy of total nonenforcement, enforcement, or limited enforcement as well as adopting exception policies.

PHA Policy

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

Insufficient Funding [24 CFR 982.454]

The PHA may terminate HAP contracts if the PHA determines, in accordance with HUD requirements, that funding under the consolidated ACC is insufficient to support continued assistance for families in the program. The PHA must identify in the administrative plan, in the event of insufficient funding, taking into account any cost saving measures taken by the PHA, a description of the factors the PHA will consider when determining which HAP contracts to terminate first [24 CFR 982.54(d)(26)].

PHA Policy

The PHA will determine whether there is sufficient funding to pay for currently assisted families according to the policies in Part VIII of Chapter 16. If the PHA determines there is a shortage of funding, prior to terminating any HAP contracts, the PHA will determine if any other actions can be taken to reduce program costs.

In the event that the PHA decides to stop issuing vouchers as a result of a funding shortfall, and the PHA is not assisting the required number of special purpose vouchers (NED families, HUD-Veterans Affairs Supportive Housing (VASH) families, and family unification program (FUP) families), when the PHA resumes issuing vouchers, the PHA will issue vouchers first to the special purpose voucher families on its waiting list until it has reached the required number of special purpose vouchers, when applicable.

If after implementing all reasonable cost cutting measures there is not enough funding available to provide continued assistance for current participants, the PHA will terminate HAP contracts as a last resort.

Prior to terminating any HAP contracts, the PHA will inform the local HUD field office. The PHA will terminate the minimum number needed in order to reduce HAP costs to a level within the PHA's annual budget authority.

If the PHA must terminate HAP contracts due to insufficient funding, the PHA will do so in accordance with the following criteria and instructions:

Families who have been assisted in the HCV program the longest will be the first to be terminated, excluding families that include elderly or disabled family members.

Families comprising the required number of special purpose vouchers, including nonelderly disabled (NED), HUD-Veteran's Affairs Supportive Housing (HUD-VASH), and family unification program (FUP) will be the last to be terminated.

PART II: APPROACH TO TERMINATION OF ASSISTANCE

12-II.A. OVERVIEW

The PHA is required by regulation to terminate a family's assistance for certain actions or inactions of the family. For other types of actions or inactions of the family, the regulations give the PHA the authority to either terminate the family's assistance or to take another action. This part discusses the various actions the PHA may choose to take when it has discretion and outlines the criteria the PHA will use to make its decision about whether or not to terminate assistance. It also specifies the requirements for the notification to the family of the PHA's intent to terminate assistance.

12-II.B. METHOD OF TERMINATION [24 CFR 982.552(a)(3)]

Termination of assistance for a participant may include any or all of the following:

- Terminating housing assistance payments under a current HAP contract,
- Refusing to enter into a new HAP contract or approve a lease, or
- Refusing to process a request for or to provide assistance under portability procedures.

12-II.C. ALTERNATIVES TO TERMINATION OF ASSISTANCE

Change in Household Composition

As a condition of continued assistance, the PHA may require that any household member who participated in or was responsible for an offense no longer resides in the unit [24 CFR 982.552(c)(2)(ii)].

PHA Policy

As a condition of continued assistance, the head of household must certify that the culpable family member has vacated the unit and will not be permitted to visit or to stay as a guest in the assisted unit. The family must present evidence of the former family member's current address upon PHA request.

Repayment of Family Debts

PHA Policy

If a family owes amounts to the PHA, as a condition of continued assistance, the PHA will require the family to repay the full amount or to enter into a repayment agreement, within 30 days of receiving notice from the PHA of the amount owed. See Chapter 16 for policies on repayment agreements.

12-II.D. CRITERIA FOR DECIDING TO TERMINATE ASSISTANCE

Evidence

For criminal activity, HUD permits the PHA to terminate assistance if a *preponderance of the evidence* indicates that a household member has engaged in the activity, regardless of whether the household member has been arrested or convicted [24 CFR 982.553(c)].

PHA Policy

The PHA will use the concept of the preponderance of the evidence as the standard for making all termination decisions.

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.

Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence

Use of Criminal Conviction Records after Admission [24 CFR 5.903]

The regulation at 24 CFR 5.903 governs a PHA's access to and use of criminal conviction records obtained from a "law enforcement agency" such as the National Crime Information Center (NCIC), police departments, and other law enforcement agencies that hold criminal conviction records. While the regulatory listing of permitted uses for these records includes PHA screening of applicants for admission to the HCV program, it specifically excludes the use of records for lease enforcement and eviction of HCV participants and excludes by omission a PHA's use of records to terminate assistance for participants. While a PHA has regulatory authority to use criminal conviction records for the purpose of applicant screening for admission, there is no corresponding authority to use these records to check for criminal and illegal drug activity by participants, and therefore, PHAs may not use records for this purpose. The limitations, however, do not apply to criminal conviction information searches from non-federal sources (i.e., sources other than the "law enforcement agencies" defined in 24 CFR 5.902(b)). There is no prohibition that bars a PHA from using non-federal sources to conduct criminal background checks of program participants.

Consideration of Circumstances [24 CFR 982.552(c)(2)(i)]

The PHA is permitted, but not required, to consider all relevant circumstances when determining whether a family's assistance should be terminated.

PHA Policy

The PHA will consider the following facts and circumstances when making its decision to terminate assistance:

The seriousness of the case, especially with respect to how it would affect other residents' safety or property

The effects that termination of assistance may have on other members of the family who were not involved in the action or failure to act

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities or (as discussed further in section 12-II.E) a victim of domestic violence, dating violence, sexual assault, stalking or human trafficking.

The length of time since the violation occurred, including the age of the individual at the time of the conduct, as well as the family's recent history and the likelihood of favorable conduct in the future

While a record or records of arrest will not be used as the sole basis for termination, an arrest may, however, trigger an investigation to determine whether the participant actually engaged in disqualifying criminal activity. As part of its investigation, the PHA may obtain the police report associated with the arrest and consider the reported circumstances of the arrest. The PHA may also consider:

- Any statements made by witnesses, or the participant not included in the police report

- Whether criminal charges were filed

- Whether, if filed, criminal charges were abandoned, dismissed, not prosecuted, or ultimately resulted in an acquittal

- Any other evidence relevant to determining whether or not the participant engaged in disqualifying activity

Evidence of criminal conduct will be considered if it indicates a demonstrable risk to safety and/or property

In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully

The PHA will require the participant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

In the case of program abuse, the dollar amount of the overpaid assistance and whether or not a false certification was signed by the family ([See Chapter 16-IV.B. Repayment Policy, Criminal Prosecution for Program Fraud/Abuse](#)).

Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)]

If the family includes a person with disabilities, the PHA's decision to terminate the family's assistance is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

PHA Policy

If a family indicates that the behavior of a family member with a disability is the reason for a proposed termination of assistance, the PHA will determine whether the behavior is related to the disability. If so, upon the family's request, the PHA will determine whether alternative measures are appropriate as a reasonable accommodation. The PHA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed termination of assistance. See Chapter 2 for a discussion of reasonable accommodation.

12-II.E. TERMINATIONS RELATED TO DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, STALKING **OR HUMAN TRAFFICKING**

This section describes the protections against termination of assistance that the Violence against Women Act of 2013 (VAWA) provides for victims of domestic violence, dating violence, sexual assault, stalking, and human trafficking. For general VAWA requirements, key VAWA definitions, and PHA policies pertaining to notification, documentation, and confidentiality, see section 16-IX of this plan.

VAWA Protections against Termination

VAWA provides four specific protections against termination of HCV assistance for victims of domestic violence, dating violence, sexual assault or stalking. (*Note:* The second, third, and fourth protections also apply to terminations of tenancy or occupancy by owners participating in the HCV program, as do the limitations discussed under the next heading.)

- Although the VAWA 2022 statute does not specifically include human trafficking in the list of victims protected under VAWA, in 2022 HUD began including human trafficking as part of the list of victims protected under VAWA (as seen in Notices PIH 2022-06, PIH 2022-22, and PIH 2022-24). In the absence of a final rule implementing VAWA 2022 and to mirror HUD's recent usage, this policy includes human trafficking in addition to domestic violence, dating violence, sexual assault, and stalking anywhere such a list appears.

First, VAWA provides that a PHA may not terminate assistance to a family that moves out of an assisted unit in violation of the lease, with or without prior notification to the PHA, if the move occurred to protect the health or safety of a family member who is or has been the victim of domestic violence, dating violence, sexual assault, stalking, **or human trafficking**, and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the unit [24 CFR 982.354(b)(4)].

Second, it provides that an incident or incidents of actual or threatened domestic violence, dating violence, sexual assault, stalking, **or human trafficking** may not be construed either as a serious or repeated lease violation by the victim or as good cause to terminate the assistance of the victim [24 CFR 5.2005(c)(1)].

Third, it provides that criminal activity directly related to domestic violence, dating violence, sexual assault, ~~or~~ stalking, **or human trafficking** may not be construed as cause for terminating the assistance of a tenant if a member of the tenant's household, a guest, or another person under the tenant's control is the one engaging in the criminal activity and the tenant or affiliated individual or other individual is the actual or threatened victim of the domestic violence, dating violence, stalking, **or human trafficking** [24 CFR 5.2005(c)(2)].

Fourth, it gives PHAs the authority to terminate assistance to any tenant or lawful occupant who engages in criminal acts of physical violence against family members or others without terminating assistance to, or otherwise penalizing, the victim of the violence [24 CFR 5.2009(a)].

PHAs and owners may not coerce, intimidate, threaten, interfere with, or retaliate against any person who exercises or assists or encourages a person to exercise any rights or protections under VAWA [FR Notice 1/4/23].

Limitations on VAWA Protections [24 CFR 5.2005(d) and (e)]

VAWA does not limit the authority of a PHA to terminate the assistance of a victim of abuse for reasons unrelated to domestic violence, dating violence, sexual assault, stalking, **or human trafficking** so long as the PHA does not subject the victim to a more demanding standard than it applies to other program participants [24 CFR 5.2005(d)(1)].

Likewise, VAWA does not limit the authority of a PHA to terminate the assistance of a victim of domestic violence, dating violence, sexual assault, stalking, **or human trafficking** if the PHA can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the assisted property if the victim is not terminated from assistance [24 CFR 5.2005(d)(2)].

HUD regulations define *actual and imminent threat* to mean words, gestures, actions, or other indicators of a physical threat that (a) is real, (b) would occur within an immediate time frame, and (c) could result in death or serious bodily harm [24 CFR 5.2005(d)(2) and (e)]. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include:

- The duration of the risk
- The nature and severity of the potential harm
- The likelihood that the potential harm will occur
- The length of time before the potential harm would occur [24 CFR 5.2005(e)]

In order to demonstrate an actual and imminent threat, the PHA must have objective evidence of words, gestures, actions, or other indicators. Even when a victim poses an actual and imminent threat, however, HUD regulations authorize a PHA to terminate the victim's assistance "only when there are no other actions that could be taken to reduce or eliminate the threat" [24 CFR 5.2005(d)(3)].

PHA Policy

In determining whether a program participant who is a victim of domestic violence, dating violence, sexual assault, stalking, **or human trafficking** is an actual and imminent threat to other tenants or those employed at or providing service to a property, the PHA will consider the following, and any other relevant, factors:

Whether the threat is toward an employee or tenant other than the victim of domestic violence, dating violence, sexual assault, stalking, **or human trafficking**

Whether the threat is a physical danger beyond a speculative threat

Whether the threat is likely to happen within an immediate time frame

Whether the threat to other tenants or employees can be eliminated in some other way, such as by helping the victim relocate to a confidential location or seeking a legal remedy to prevent the perpetrator from acting on the threat

If the participant wishes to contest the PHA's determination that he or she is an actual and imminent threat to other tenants or employees, the participant may do so as part of the informal hearing.

Documentation of Abuse [24 CFR 5.2007]

PHA Policy

When an individual facing termination of assistance for reasons related to domestic violence, dating violence, sexual assault, stalking, **or human trafficking** claims protection under VAWA, the PHA will request that the individual provide documentation supporting the claim in accordance with the policies in section 16-IX.D of this plan.

The PHA reserves the right to waive the documentation requirement if it determines that a statement or other corroborating evidence from the individual will suffice. In such cases the PHA will document the waiver in the individual's file.

Terminating the Assistance of a Domestic Violence Perpetrator

Although VAWA provides protection against termination of assistance for victims of domestic violence, it does not provide such protection for perpetrators. VAWA gives the PHA the explicit authority to “terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others” without terminating assistance to “or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant” [24 CFR 5.2009(a)]. This authority is not dependent on a bifurcated lease or other eviction action by an owner against an individual family member. Further, this authority supersedes any local, state, or other federal law to the contrary. However, if the PHA chooses to exercise this authority, it must follow any procedures prescribed by HUD or by applicable local, state, or federal law regarding termination of assistance. This means that the PHA must follow the same rules when terminating assistance to an individual as it would when terminating the assistance of an entire family [~~3/16/07 Federal Register notice on the applicability of VAWA to HUD programs~~].[FR Notice 3/16/07].

If the perpetrator remains in the unit, the PHA continues to pay the owner until the PHA terminates the perpetrator from the program. The PHA must not stop paying HAP until 30 days after the owner bifurcates the lease to evict the perpetrator. The PHA may pay HAP for the full month if the 30-day period will end mid-month [Notice PIH 2017-08].

If the perpetrator is the only participant eligible to receive assistance, the PHA will provide any remaining participant a chance to establish eligibility for the program. If the remaining participant cannot do so, the PHA will provide them with 30 days to establish eligibility for another housing program prior to termination of the HAP contract.

PHA Policy

The PHA will terminate assistance to a family member if the PHA determines that the family member has committed criminal acts of physical violence against other family members or others. This action will not affect the assistance of the remaining, nonculpable family members.

In making its decision, the PHA will consider all credible evidence, including, but not limited to, a signed certification (form HUD-5382) or other documentation of abuse submitted to the PHA by the victim in accordance with this section and section 16-IX.D. The PHA will also consider the factors in section 12-II.D. Upon such consideration, the PHA may, on a case-by-case basis, choose not to terminate the assistance of the culpable family member.

If the PHA does terminate the assistance of the culpable family member, it will do so in accordance with applicable law, HUD regulations, and the policies in this plan.

12-II.F. TERMINATION NOTICE

HUD regulations require PHAs to provide written notice of termination of assistance to a family only when the family is entitled to an informal hearing. However, since the family's HAP contract and lease will also terminate when the family's assistance terminates [form HUD-52641], it is a good business practice to provide written notification to both owner and family anytime assistance will be terminated, whether voluntarily or involuntarily.

PHA Policy

Whenever a family's assistance will be terminated, the PHA will send a written notice of termination to the family and to the owner. The PHA will also send a form HUD-5382 and form HUD-5380 to the family with the termination notice. The notice will state the date on which the termination will become effective. This date generally will be at least 30 calendar days following the date of the termination notice, but exceptions will be made whenever HUD rules, other PHA policies, or the circumstances surrounding the termination require.

When the PHA notifies an owner that a family's assistance will be terminated, the PHA will, if appropriate, advise the owner of his/her right to offer the family a separate, unassisted lease.

If a family whose assistance is being terminated is entitled to an informal hearing, the notice of termination that the PHA sends to the family must meet the additional HUD and PHA notice requirements discussed in section 16-III.C of this plan. VAWA ~~2013 expands notification requirements to requires~~ PHAs to provide notice of VAWA rights and the HUD 5382 form when a PHA terminates a household's housing benefits.

PHA Policy

Whenever the PHA decides to terminate a family's assistance because of the family's action or failure to act, the PHA will include in its termination notice the VAWA information described in section 16-IX.C of this plan and a form HUD-5382 and form HUD-5380. The PHA will request in writing that a family member wishing to claim protection under VAWA notify the PHA within 14 business days.

Still other notice requirements apply in two situations:

- If a criminal record is the basis of a family's termination, the PHA must provide a copy of the record to the subject of the record and the tenant so that they have an opportunity to dispute the accuracy and relevance of the record [24 CFR 982.553(d)(2)].
- If immigration status is the basis of a family's termination, as discussed in section 12-I.D, the special notice requirements in section 16-III.D must be followed.

PART III: TERMINATION OF TENANCY BY THE OWNER

12-III.A. OVERVIEW

Termination of an assisted tenancy is a matter between the owner and the family; the PHA is not directly involved. However, the owner is under some constraints when terminating an assisted tenancy. Termination of tenancy for certain reasons will also result in termination of assistance as discussed in this section.

12-III.B. GROUNDS FOR OWNER TERMINATION OF TENANCY [24 CFR 982.310, 24 CFR 5.2005(c), and Form HUD-52641-A, Tenancy Addendum]

During the term of the lease, the owner is not permitted to terminate the tenancy except for serious or repeated violations of the lease, certain violations of state or local law, or other good cause.

Serious or Repeated Lease Violations

The owner is permitted to terminate the family's tenancy for serious or repeated violations of the terms and conditions of the lease, except when the violations are related to incidents of actual or threatened domestic violence, dating violence, sexual assault, ~~or~~ stalking, and human trafficking and the victim is protected from eviction by the Violence against Women Act ~~of 2013~~ (see section 12-II.E). A serious lease violation includes failure to pay rent or other amounts due under the lease. However, the PHA's failure to make a HAP payment to the owner is not a violation of the lease between the family and the owner.

~~However, the PHA's failure to make a HAP payment to the owner is not a violation of the lease between the family and the owner.~~

Violation of Federal, State, or Local Law

The owner is permitted to terminate the tenancy if a family member violates federal, state, or local law that imposes obligations in connection with the occupancy or use of the premises.

Criminal Activity or Alcohol Abuse

The owner may terminate tenancy during the term of the lease if any *covered person*—meaning any member of the household, a guest, or another person under the tenant's control—commits any of the following types of criminal activity (for applicable definitions see 24 CFR 5.100):

- Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of the premises by, other residents (including property management staff residing on the premises)
- Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of their residences by, persons residing in the immediate vicinity of the premises
- Any violent criminal activity on or near the premises
- Any drug-related criminal activity on or near the premises

However, in the case of criminal activity directly related to domestic violence, dating violence, sexual assault, ~~or~~ stalking, or human trafficking if the tenant or an affiliated individual is the victim, the criminal activity may not be construed as cause for terminating the victim's tenancy (see section 12-II.E).

The owner may terminate tenancy during the term of the lease if any member of the household is:

- Fleeing to avoid prosecution, custody, or confinement after conviction for a crime or an attempt to commit a crime that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or
- Violating a condition of probation or parole imposed under federal or state law.

The owner may terminate tenancy during the term of the lease if any member of the household has engaged in abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

Evidence of Criminal Activity

The owner may terminate tenancy and evict by judicial action a family for criminal activity by a covered person if the owner determines the covered person has engaged in the criminal activity, regardless of whether the covered person has been arrested or convicted for such activity and without satisfying the standard of proof used for a criminal conviction. This is the case except in certain incidents where the criminal activity directly relates to domestic violence, dating violence, sexual assault, ~~or~~ stalking, **or human trafficking**, and the tenant or an affiliated individual is the victim or threatened victim of the domestic violence, dating violence, sexual assault, stalking, **or human trafficking**.

Other Good Cause

During the initial lease term, the owner may not terminate the tenancy for “other good cause” unless the owner is terminating the tenancy because of something the family did or failed to do. During the initial lease term or during any extension term, other good cause includes the disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises.

After the initial lease term, “other good cause” for termination of tenancy by the owner includes:

- Failure by the family to accept the offer of a new lease or revision
- The owner’s desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit
- A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, or desire to lease the unit at a higher rent)

After the initial lease term, the owner may give the family notice at any time, in accordance with the terms of the lease.

If a property is subject to foreclosure, during the term of the lease, the new owner of the property does not have good cause to terminate the tenant’s lease, unless the new owner will occupy the unit as their primary residence and has provided the tenant with at least a 90-day notice. In that case, the lease may be terminated effective on the date of sale, although the tenant is still entitled to a 90-day notice to vacate. See Section 13-II.G for a discussion of PHA policies relating to units in foreclosure.

12-III.C. EVICTION [24 CFR 982.310(e) and (f) and Form HUD-52641-A, Tenancy Addendum]

The owner must give the tenant a written notice that specifies the grounds for termination of tenancy during the term of the lease. The tenancy does not terminate before the owner has given this notice, and the notice must be given at or before commencement of the eviction action.

The notice of grounds may be included in, or may be combined with, any owner eviction notice to the tenant.

Owner eviction notice means a notice to vacate, or a complaint or other initial pleading used under state or local law to commence an eviction action. The owner may only evict the tenant from the unit by instituting a court action. The owner must give the PHA a copy of any eviction notice at the same time the owner notifies the family. The family is also required to give the PHA a copy of any eviction notice (see Chapter 5).

PHA Policy

If the eviction action is finalized in court, the owner must provide the PHA with documentation related to the eviction, including notice of the eviction date, as soon as possible, but no later than 5 business days following the court-ordered eviction.

12-III.D. DECIDING WHETHER TO TERMINATE TENANCY [24 CFR 982.310(h), 24 CFR 982.310(h)(4)]

An owner who has grounds to terminate a tenancy is not required to do so and may consider all of the circumstances relevant to a particular case before making a decision. These might include:

- The nature of the offending action
- The seriousness of the offending action;
- The effect on the community of the termination, or of the owner's failure to terminate the tenancy;
- The extent of participation by the leaseholder in the offending action;
- The effect of termination of tenancy on household members not involved in the offending activity;
- The demand for assisted housing by families who will adhere to lease responsibilities;
- The extent to which the leaseholder has shown personal responsibility and taken all reasonable steps to prevent or mitigate the offending action;
- The effect of the owner's action on the integrity of the program.

The owner may require a family to exclude a household member in order to continue to reside in the assisted unit, where that household member has participated in or been culpable for action or failure to act that warrants termination.

In determining whether to terminate tenancy for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the owner may consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully (42 U.S.C. 13661). For this purpose, the owner may require the tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.

The owner's termination of tenancy actions must be consistent with the fair housing and equal opportunity provisions in 24 CFR 5.105.

An owner's decision to terminate tenancy for incidents related to domestic violence, dating violence, sexual assault or stalking is limited by the Violence against Women Act of 2013 (VAWA) and the conforming regulations in 24 CFR Part 5, Subpart L. (See section 12-II.E.)

12-III.E. EFFECT OF TENANCY TERMINATION ON THE FAMILY'S ASSISTANCE

If a termination is not due to a serious or repeated violation of the lease, and if the PHA has no other grounds for termination of assistance, the PHA may issue a new voucher so that the family can move with continued assistance (see Chapter 10).

EXHIBIT 12-1: STATEMENT OF FAMILY OBLIGATIONS

Following is a listing of a participant family's obligations under the HCV program:

- The family must supply any information that the PHA or HUD determines to be necessary, including submission of required evidence of citizenship or eligible immigration status.
- The family must supply any information requested by the PHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
- The family must disclose and verify social security numbers and sign and submit consent forms for obtaining information.
- Any information supplied by the family must be true and complete.
- ~~The family is responsible for any deficiencies under the National Standards for the Physical Inspection of Real Estate (NSPIRE) by the family may be held responsible for a breach of housing quality standards caused by the family's failure to pay tenant-provided utilities or appliances; or damages to the dwelling unit or premises beyond ordinary wear and tear caused by any member of the household or guest.~~

PHA Policy

~~Damages beyond ordinary wear and tear will be considered to be damages which could be assessed against the security deposit under state law or in court practice.~~

- The family must allow the PHA to inspect the unit at reasonable times and after reasonable notice, as described in Chapter 8 of this plan.
- The family must not commit any serious or repeated violation of the lease.

PHA Policy

The PHA will determine if a family has committed serious or repeated violations of the lease based on available evidence, including but not limited to, a court-ordered eviction or an owner's notice to evict, police reports, and affidavits from the owner, neighbors, or other credible parties with direct knowledge.

Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, living or housekeeping habits that cause damage to the unit or premises, and criminal activity. Generally, the criterion to be used will be whether or not the reason for the eviction was the fault of the tenant or guests. Any incidents of, or criminal activity related to, domestic violence, dating violence, sexual assault, stalking, or human trafficking will not be construed as serious or repeated lease violations by the victim [24 CFR 5.2005(c)(1)].

- The family must notify the PHA and the owner before moving out of the unit or terminating the lease.

PHA Policy

The family must comply with lease requirements regarding written notice to the owner.

The family must provide written notice to the PHA at the same time the owner is notified.

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

- The family must use the assisted unit for residence by the family. The unit must be the family's only residence.
- The composition of the assisted family residing in the unit must be approved by the PHA. The family must promptly notify the PHA in writing of the birth, adoption, or court-awarded custody of a child. The family must request PHA approval to add any other family member as an occupant of the unit.

PHA Policy

The request to add a family member must be submitted in writing and approved prior to the person moving into the unit. The PHA will determine eligibility of the new member in accordance with the policies in Chapter 3.

- The family must promptly notify the PHA in writing if any family member no longer lives in the unit.
- If the PHA has given approval, a foster child or a live-in aide may reside in the unit. The PHA has the discretion to adopt reasonable policies concerning residency by a foster child or a live-in aide, and to define when PHA consent may be given or denied. For policies related to the request and approval/disapproval of foster children, foster adults, and live-in aides, see Chapter 3 (Sections I.K and I.M), and Chapter 11 (Section II.B).
- The family must not sublease the unit, assign the lease, or transfer the unit.

PHA Policy

Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.

- The family must supply any information requested by the PHA to verify that the family is living in the unit or information related to family absence from the unit.
- The family must promptly notify the PHA when the family is absent from the unit.

PHA Policy

Notice is required under this provision only when all family members will be absent from the unit for an extended period. An extended period is defined as any period greater than 30 calendar days. Written notice must be provided to the PHA at the start of the extended absence.

- The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease [Form HUD-52646, Voucher].
- The family must not own or have any interest in the unit, (other than in a cooperative and owners of a manufactured home leasing a manufactured home space).
- Family members must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program. (See Chapter 14, Program Integrity for additional information).

- Family members must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for HUD and PHA policies related to drug-related and violent criminal activity.
- Members of the household must not engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for a discussion of HUD and PHA policies related to alcohol abuse.
- An assisted family or member of the family must not receive HCV program assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.
- A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the PHA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities. [Form HUD-52646, Voucher]

Chapter 14

PROGRAM INTEGRITY

INTRODUCTION

The PHA is committed to ensuring that subsidy funds made available to the PHA are spent in accordance with HUD requirements.

The Omaha Housing Authority (OHA) will be referred to as the Public Housing Authority (PHA) or simply as the PHA throughout the Administrative Plan.

This chapter covers HUD and PHA policies designed to prevent, detect, investigate, and resolve instances of program abuse or fraud. It also describes the actions that will be taken in the case of unintentional errors and omissions.

Part I: Preventing, Detecting, and Investigating Errors and Program Abuse. This part presents PHA policies related to preventing, detecting, and investigating errors and program abuse.

Part II: Corrective Measures and Penalties. This part describes the corrective measures the PHA must and may take when errors or program abuse are found.

PART I: PREVENTING, DETECTING, AND INVESTIGATING ERRORS AND PROGRAM ABUSE

14-I.A. PREVENTING ERRORS AND PROGRAM ABUSE

HUD created the Enterprise Income Verification (EIV) system to provide PHAs with a powerful tool for preventing errors and detecting program abuse. PHAs are required to use the EIV system at annual reexamination in accordance with HUD administrative guidance [24 CFR 5.233].

PHAs are further required to:

- Provide applicants and participants with form HUD-52675, “Debts Owed to PHAs and Terminations”
- Require all adult members of an applicant or participant family to acknowledge receipt of form HUD-52675 by signing a copy of the form for retention in the family file

PHA Policy

To ensure that the PHA’s HCV program is administered according to the highest ethical and legal standards, the PHA will employ a variety of techniques to ensure that both errors and intentional program abuse are rare.

The PHA will discuss program compliance and integrity issues during the voucher briefing sessions described in Chapter 5.

The PHA will provide each applicant and participant with a copy of “Is Fraud Worth It?” (form HUD-1141-OIG), which explains the types of actions a family must avoid and the penalties for program abuse.

The PHA will provide each applicant and participant with a copy of “What You Should Know about EIV,” a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2017-12. In addition, the PHA will require the head of each household to acknowledge receipt of the guide by signing a copy for retention in the family file.

The PHA will place a warning statement about the penalties for fraud (as described in 18 U.S.C. 1001 and 1010) on key PHA forms and form letters that request information from a family or owner.

PHA staff will be required to review and explain the contents of all HUD- and PHA-required forms prior to requesting family member signatures.

At every regular reexamination, PHA staff will explain any changes in HUD regulations or PHA policy that affect program participants.

The PHA will require first-time owners (or their agents) to participate in a briefing session on HAP contract requirements.

The PHA will provide owners with ongoing information about the program, with an emphasis on actions and situations to avoid.

The PHA will provide each PHA employee with the necessary training on program rules and the organization’s standards of conduct and ethics.

For purposes of this chapter the term *error* refers to an unintentional error or omission. *Program abuse or fraud* refers to a single act or pattern of actions that constitute a false statement, omission, or concealment of a substantial fact, made with the intent to deceive or mislead.

14-I.B. DETECTING ERRORS AND PROGRAM ABUSE

In addition to taking steps to prevent errors and program abuse, the PHA will use a variety of activities to detect errors and program abuse.

Quality Control and Analysis of Data

Under the Section 8 Management Assessment Program (SEMAP), HUD requires the PHA to review a random sample of tenant records annually to determine if the records conform to program requirements and to conduct quality control inspections of a sample of units to ensure compliance with applicable housing quality standards [24 CFR, Part 985]. (See Chapter 16 for additional information about SEMAP requirements).

PHA Policy

In addition to the SEMAP quality control requirements, the PHA will employ a variety of methods to detect errors and program abuse.

The PHA routinely will use HUD and other non-HUD sources of up-front income verification. This includes The Work Number and any other private or public databases available to the PHA.

At each annual [or interim](#) reexamination, current information provided by the family will be compared to information provided at the ~~last annual~~ **most recent** reexamination to identify inconsistencies and incomplete information.

The PHA will compare family-reported income and expenditures to detect possible unreported income.

Independent Audits and HUD Monitoring

OMB Circular A-133 requires all PHAs that expend ~~\$500~~**\$750,000** or more in federal awards annually to have an independent audit (IPA). In addition, HUD conducts periodic on-site and automated monitoring of PHA activities and notifies the PHA of errors and potential cases of program abuse.

PHA Policy

The PHA will use the results reported in any IPA or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of the PHA's error detection and abuse prevention efforts.

Individual Reporting of Possible Errors and Program Abuse

PHA Policy

The PHA will encourage staff, program participants, and the public to report possible program abuse.

14-I.C. INVESTIGATING ERRORS AND PROGRAM ABUSE

When the PHA Will Investigate

PHA Policy

The PHA will review all referrals, specific allegations, complaints, and tips from any source including other agencies, companies, and individuals, to determine if they warrant investigation. In order for the PHA to investigate, the allegation must contain at least one independently verifiable item of information, such as the name of an employer or the name of an unauthorized household member.

The PHA will investigate when inconsistent or contradictory information is detected through file reviews and the verification process.

Consent to Release of Information [24 CFR 982.516]

The PHA may investigate possible instances of error or abuse using all available PHA and public records. If necessary, the PHA will require HCV families to sign consent forms for the release of additional information.

Analysis and Findings

PHA Policy

The PHA will base its evaluation on a preponderance of the evidence collected during its investigation.

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 that as a whole shows that the fact sought to be proved is more probable than not. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

For each investigation the PHA will determine (1) whether an error or program abuse has occurred, (2) whether any amount of money is owed the PHA, and (3) what corrective measures or penalties will be assessed.

Consideration of Remedies

All errors and instances of program abuse must be corrected prospectively. Whether the PHA will enforce other corrective actions and penalties depends upon the nature of the error or program abuse.

PHA Policy

In the case of family-caused errors or program abuse, the PHA will take into consideration (1) the seriousness of the offense and the extent of participation or culpability of individual family members, (2) any special circumstances surrounding the case, (3) any mitigating circumstances related to the disability of a family member, (4) the effects of a particular remedy on family members who were not involved in the offense.

In the case of owner-caused errors or program abuse, the PHA will take into consideration (1) the seriousness of the offense, (2) the length of time since the violation has occurred, and (3) the effects of a particular remedy on family members who were not involved in the offense.

Notice and Appeals

PHA Policy

The PHA will inform the relevant party in writing of its findings and remedies within 10 business days of the conclusion of the investigation. The notice will include (1) a description of the error or program abuse, (2) the basis on which the PHA determined the error or program abuses, (3) the remedies to be employed, and (4) the family's right to appeal the results through the informal review or hearing process, if applicable (see Chapter 16).

PART II: CORRECTIVE MEASURES AND PENALTIES

14-II.A. SUBSIDY UNDER- OR OVERPAYMENTS

A subsidy under- or overpayment includes (1) an incorrect housing assistance payment to the owner, (2) an incorrect family share established for the family, and (3) an incorrect utility reimbursement to a family.

Corrections

Whether the incorrect subsidy determination is an overpayment or underpayment of subsidy, the PHA must promptly correct the HAP, family share, and any utility reimbursement prospectively.

PHA Policy

Increases in the family share will be implemented on the first of the month following a written 30-day notice.

Any decreases in family share will become effective ~~on~~ the first of the month following the discovery of the error.

Reimbursement

Whether the family or owner is required to reimburse the PHA or the PHA is required to make retroactive subsidy payments to the owner or family depends upon which party is responsible for the incorrect subsidy payment and whether the action taken was an error or program abuse.

Policies regarding reimbursement are discussed in the three sections that follow.

14-II.B. FAMILY-CAUSED ERRORS AND PROGRAM ABUSE

Family obligations and general administrative requirements for participating in the program are discussed throughout this plan. This section deals specifically with errors and program abuse by family members.

An incorrect subsidy determination caused by a family generally would be the result of incorrect reporting of family composition, income, assets, or expenses, but also would include instances in which the family knowingly allows the PHA to use incorrect information provided by a third party.

Family Reimbursement to PHA [HCV GB pp. 22-12 to 22-13]

PHA Policy

In the case of family-caused errors or program abuse, the family will be required to repay any excess subsidy received. The PHA may, but is not required to, offer the family a repayment agreement in accordance with Chapter 16. If the family fails to repay the excess subsidy, the PHA will terminate the family's assistance in accordance with the policies in Chapter 12.

PHA Reimbursement to Family [HCV GB p. 22-12]

PHA Policy

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

Prohibited Actions

An applicant or participant in the HCV program must not knowingly:

- Make a false statement to the PHA [Title 18 U.S.C. Section 1001].
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR 982.552(c)(iv)].

PHA Policy

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

Payment to the owner in excess of amounts authorized by the PHA for rent, security deposit, and additional services

Offering bribes or illegal gratuities to the PHA Board of Commissioners, employees, contractors, or other PHA representatives

Offering payments or other incentives to the owner or a third party as an inducement for the third party to make false or misleading statements to the PHA on the family's behalf

Use of a false name or the use of falsified, forged, or altered documents

Intentional misreporting of family information or circumstances (e.g. income, family composition)

Omitted facts that were obviously known by a family member (e.g., not reporting employment income)

Admission of program abuse by an adult family member

The PHA may determine other actions to be program abuse based upon a preponderance of the evidence, as defined earlier in this chapter.

Penalties for Program Abuse

In the case of program abuse caused by a family the PHA may, at its discretion, impose any of the following remedies.

- The PHA may require the family to repay excess subsidy amounts paid by the PHA, as described earlier in this section.
- The PHA may require, as a condition of receiving or continuing assistance, that a culpable family member not reside in the unit. See policies in Chapter 3 (for applicants) and Chapter 12 (for participants).
- The PHA may deny or terminate the family's assistance following the policies set forth in Chapter 3 and Chapter 12 respectively.
- The PHA may refer the family for state or federal criminal prosecution as described in section 14-II.E.

14-II.C. OWNER-CAUSED ERROR OR PROGRAM ABUSE

Owner requirements that are part of the regular process of offering, leasing, and maintaining a unit (e.g., housing quality standards compliance, fair housing) are addressed in the appropriate chapters of this plan. This section focuses on errors and program abuse by owners.

An incorrect subsidy determination caused by an owner generally would be the result of an incorrect owner statement about the characteristics of the assisted unit (e.g., the number of bedrooms, which utilities are paid by the family). It also includes accepting duplicate housing assistance payments for the same unit in the same month, or after a family no longer resides in the unit.

Owner Reimbursement to the PHA

In all cases of overpayment of subsidy caused by the owner, the owner must repay to the PHA any excess subsidy received. The PHA may recover overpaid amounts by withholding housing assistance payments due for subsequent months, or if the debt is large, the PHA may allow the owner to pay in installments over a period of time [HCV GB p. 22-13].

PHA Policy

In cases where the owner has received ~~an~~ excess subsidy, the PHA will require the owner to repay the amount owed in accordance with the policies in Section 16-IV.B.

Prohibited Owner Actions

An owner participating in the HCV program must not:

- Make any false statement to the PHA [Title 18 U.S.C. Section 1001].
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR 982.453(a)(3)] including:

PHA Policy

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

Charging the family rent above or below the amount specified by the PHA

Charging a security deposit other than that specified in the family's lease

Charging the family for services that are provided to unassisted tenants at no extra charge

Knowingly accepting housing assistance payments for any month(s) after the family has vacated the unit

Knowingly accepting incorrect or excess housing assistance payments

Offering bribes or illegal gratuities to the PHA Board of Commissioners, employees, contractors, or other PHA representatives

Offering payments or other incentives to an HCV family as an inducement for the family to make false or misleading statements to the PHA

Residing in the unit with an assisted family

Committing sexual or other harassment, either quid pro quo or hostile environment, based on the protected classes defined in Chapter 2

Retaliating against any applicant or participant reporting/alleging sexual or other harassment, either quid pro quo or hostile environment, based on the protected classes defined in Chapter 2

Remedies and Penalties

When the PHA determines that the owner has committed program abuse, the PHA may take any of the following actions:

- Require the owner to repay excess housing assistance payments, as discussed earlier in this section and in accordance with the policies in Chapter 16.
- Terminate the HAP contract (See Chapter 13).
- Bar the owner from future participation in any PHA programs.
- Refer the case to state or federal officials for criminal prosecution as described in section 14-II.E.

14-II.D. PHA-CAUSED ERRORS OR PROGRAM ABUSE

The responsibilities and expectations of PHA staff with respect to normal program administration are discussed throughout this plan. This section specifically addresses actions of a PHA staff member that are considered errors or program abuse related to the HCV program.

Additional standards of conduct may be provided in the PHA personnel policy.

PHA-caused incorrect subsidy determinations include (1) failing to correctly apply HCV rules regarding family composition, income, assets, and expenses, (2) assigning the incorrect voucher size to a family, and (3) errors in calculation.

~~The following policy is effective upon the PHA's HOTMA compliance date:~~

De Minimis Errors [24 CFR 5.609(c)(4)]

The PHA will not be considered out of compliance when making annual income determinations solely due to de minimis errors in calculating family income. -A de minimis error is an error where the PHA determination of family income deviates from the correct income determination by no more than \$30 per month in monthly adjusted income (\$360 in annual adjusted income) per family.

PHAs must take corrective action to credit or repay a family if the family was overcharged rent, including when PHAs make de minimis errors in the income determination. -Families will not be required to repay the PHA in instances where the PHA miscalculated income resulting in a family being undercharged for rent. -PHAs state in their policies how they will repay or credit a family ~~for~~ the amount they were overcharged as a result of the PHA's de minimis error in income determination.

PHA Policy

The PHA will reimburse a family for any family overpayment of rent, regardless of whether the overpayment was the result of staff-caused error, staff program abuse, or a de minimis error.

Prohibited Activities

PHA Policy

Any of the following will be considered evidence of program abuse by PHA staff:

Failing to comply with any HCV program requirements for personal gain

Failing to comply with any HCV program requirements as a result of a conflict of interest relationship with any applicant, participant, or owner

Seeking or accepting anything of material value from applicants, participating families, vendors, owners, contractors, or other persons who provide services or materials to the PHA

Disclosing confidential or proprietary information to outside parties

Gaining profit as a result of insider knowledge of PHA activities, policies, or practices

Misappropriating or misusing HCV funds

Destroying, concealing, removing, or inappropriately using any records related to the HCV program

Committing any other corrupt or criminal act in connection with any federal housing program

14-II.E. CRIMINAL PROSECUTION

PHA Policy

When the PHA determines that program abuse by an owner, family, or PHA staff member has occurred and the amount of overpaid subsidy meets or exceeds the threshold for prosecution under local or state law, the PHA will refer the matter to the appropriate entity for prosecution. When the amount of overpaid assistance meets or exceeds the federal threshold, the case will also be referred to the HUD Office of Inspector General (OIG).

Other criminal violations related to the HCV program will be referred to the appropriate local, state, or federal entity.

14-II.F. FRAUD AND PROGRAM ABUSE RECOVERIES

The PHA may retain a portion of program fraud losses that the PHA recovers from a family or owner through litigation, court order, or a repayment agreement [24 CFR 982.163].

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

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

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

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

Chapter 15

SPECIAL HOUSING TYPES

[24 CFR 982 Subpart M; *New HCV GB, Special Housing Types*]

INTRODUCTION

The Omaha Housing Authority (OHA) will be referred to as the Public Housing Authority (PHA) or simply as the PHA throughout the Administrative Plan.

The PHA may permit a family to use any of the special housing types discussed in this chapter. However, the PHA is not required to permit families receiving assistance in its jurisdiction to use these housing types, except that PHAs must permit use of any special housing type if needed as reasonable accommodation for a person with a disability, and the PHA must permit a family to lease a manufactured home and space with assistance under the program. The PHA also may limit the number of families who receive HCV assistance in these housing types and cannot require families to use a particular housing type. No special funding is provided for special housing types. Unless specifically modified by the regulations, housing quality standards apply to special housing types (Single Room Occupancy, Congregate Housing, Group Homes, Shared Housing, Manufactured Homes, Homeownership units) [Notice PIH 2023-28].

PHA Policy

Families will be able to utilize the following special housing types:

- Homeownership
- VASH
- Manufactured Homes

The PHA may approve additional special housing types, if needed as reasonable accommodation so that the program is readily accessible to a person with disabilities.

~~Families will not be permitted to use any special housing types, unless use is needed as a reasonable accommodation so that the program is readily accessible to a person with disabilities.~~

Special housing types include single room occupancy (SRO), congregate housing, group homes, shared housing, cooperative housing, manufactured homes where the family owns the home and leases the space, and homeownership [24 CFR 982.601]. A single unit cannot be designated as more than one type of special housing. The PHA cannot give preferences to households that wish to live in any of these types of housing and cannot require households to select any of these types of housing [New HCV GB, *Special Housing Types*, p.3].

This chapter consists of the following seven parts. Each part contains a description of the housing type, and any special requirements associated with it. Except as modified by this chapter, the general requirements of the HCV program apply to special housing types.

Part I: Single Room Occupancy

Part II: Congregate Housing

Part III: Group Homes

Part IV: Shared Housing

Part V: Cooperative Housing

Part VI: Manufactured Homes (including manufactured home space rental)

Part VII: Homeownership

PART I: SINGLE ROOM OCCUPANCY

[24 CFR 982.602 through 982.605; Form HUD-52641; New HCV GB, Special Housing Types, p.4]

15-1.A. OVERVIEW

A single room occupancy (SRO) unit provides living and sleeping space for the exclusive use of the occupant but requires the occupant to share sanitary and/or food preparation facilities with others. More than one person may not occupy an SRO unit. HCV regulations do not limit the number of units in an SRO facility, but the size of a facility may be limited by local ordinances.

When providing HCV assistance in an SRO unit, a separate lease and HAP contract are executed for each assisted person, and the standard form of the HAP contract is used (form HUD-52641) with the special housing type specified in Part A of the HAP contract, as follows: “This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Single room occupancy (SRO) housing.”

15-1.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION

The payment standard for SRO housing is 75 percent of the zero-bedroom payment standard amount on the PHA’s payment standard schedule.

The utility allowance for an assisted person residing in SRO housing is 75 percent of the zero-bedroom utility allowance.

The HAP for an assisted occupant in an SRO facility is the lower of the SRO payment standard amount minus the TTP or the gross rent for the unit minus the TTP.

15-1.C. SRO: HOUSING QUALITY STANDARDS [24 CFR 982.605(a)] NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE (NSPIRE)

NSPIRE Housing quality standards requirements described in the applicable portions of Chapter 8 apply to SRO housing except that sanitary facilities, and space and security characteristics must meet local code standards for SRO housing. In the absence of applicable local code standards for SRO housing, the following standards apply:

- *Access:* Access doors to the SRO unit must have working locks for privacy. The occupant must be able to access the unit without going through any other unit. Each unit must have immediate access to two or more approved means of exit from the building, appropriately marked and leading to safe and open space at ground level. The SRO unit must also have any other means of exit required by State or local law.
- *Fire Safety:* All SRO facilities must have a sprinkler system that protects major spaces. “Major spaces” are defined as hallways, common areas, and any other areas specified in local fire, building, or safety codes. SROs must also have hard-wired smoke detectors, and any other fire and safety equipment required by state or local law.

Sanitary facilities and space and security standards must meet local code requirements for SRO housing. In the absence of local code standards, the requirements discussed below apply [24 CFR 982.605].

- *Sanitary Facilities:* At least one flush toilet that can be used in privacy, a lavatory basin, and a bathtub or shower in proper operating condition must be provided for each six persons (or fewer) residing in the SRO facility. If the SRO units are leased only to men, flush urinals may be substituted for up to one half of the required number of toilets. Sanitary facilities must be reasonably accessible from a common hall or **passageway to all persons sharing them and may not be located more than one floor above or below the SRO unit.** They may not be located below grade unless the SRO units are located on that level.
- *Space and Security:* An SRO unit must contain at least 110 square feet of floor space, and at least four-square feet of closet space with an unobstructed height of at least five feet, for use by the occupant. If the closet space is less than four square feet, the habitable floor space in the SRO unit must be increased by the amount of deficiency. Exterior doors and windows accessible from outside the SRO unit must be lockable.

For SRO housing, 24 CFR 5.703(d) only applies to the extent that the SRO unit contains the room or facility referenced in 24 CFR 5.703(d). Because no children live in SRO housing, the housing quality-standards applicable to lead-based paint do not apply.

PART II: CONGREGATE HOUSING

[24 CFR 982.606 through 982.609; **Form HUD-52641; New HCV GB, *Special Housing Types*, p.6]**

15-II.A. OVERVIEW

Congregate housing is intended for use by elderly persons or persons with disabilities. A congregate housing facility contains a shared central kitchen and dining area and a private living area for the individual household that includes at least a living room, bedroom and bathroom. Food service for residents must be provided.

If approved by the PHA, a family member or live-in aide may reside with the elderly person or person with disabilities. The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When providing HCV assistance in congregate housing, a separate lease and HAP contract are executed for each assisted family. The standard form of the HAP contract is used (**Form HUD-52641**) with the special housing type specified in Part A of the HAP contract, as follows: “This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Congregate housing.”

15-II.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION

The payment standard for an individual unit in a congregate housing facility is based on the number of rooms in the private living area **for the assisted family**. If there is only one room in the unit (not including the bathroom or the kitchen, if a kitchen is provided), the PHA must use the payment standard for a zero-bedroom unit. If the unit has two or more rooms (other than the bathroom and the kitchen), the PHA must use the one-bedroom payment standard.

The HAP for an assisted occupant in a congregate housing facility is the lower of the applicable payment standard minus the TTP or the gross rent for the unit minus the TTP.

The gross rent for the unit for the purpose of calculating HCV assistance is the shelter portion (including utilities) of the resident's monthly housing expense only. The residents' costs for food service should not be included in the rent for a congregate housing unit.

15-II.C. CONGREGATE: HOUSING QUALITY STANDARDS

NSPIRE-Housing quality standards requirements as described in Chapter 8 apply to congregate housing except for the requirements stated below. Congregate housing is not subject to the requirement that the dwelling unit must have a kitchen area. In place of the NSPIRE-housing quality standards related to food preparation and refuse disposal, congregate housing must have a refrigerator of appropriate size in the private living area of each resident, a central kitchen and dining facilities located within the premises and accessible to the residents, and food service for the residents, that is not provided by the residents themselves.

The congregate housing must contain adequate facilities and services for the sanitary disposal of food waste and refuse, including facilities for temporary storage where necessary.

The housing quality standards applicable to lead-based paint do not apply unless a child under the age of six is expected to reside in the unit.

PART III: GROUP HOME

[24 CFR 982.610 through 982.614; ~~Form HUD-52641; New HCV GB, Special Housing Types, p.8] and
HCV GB p. 7-4]~~

15-III.A. OVERVIEW

A group home is a state-approved (licensed, certified, or otherwise approved in writing by the state) facility intended for occupancy by elderly persons and/or persons with disabilities. Except for live-in aides, all persons living in a group home, whether assisted or not, must be elderly persons or persons with disabilities. Persons living in a group home must not require continuous medical or nursing care.

A group home consists of bedrooms for residents, which can be shared by no more than two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents. No more than 12 persons may reside in a group home including assisted and unassisted residents and any live-in aides.

If approved by the PHA, a live-in aide may live in the group home with a person with disabilities. The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When providing HCV assistance in a group home, a separate lease and HAP contract is executed for each assisted family. The standard form of the HAP contract is used (~~form HUD-52641~~) with the special housing type specified in Part A of the HAP contract, as follows: “This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Group Home.”

15-III.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION

Unless there is a live-in aide, the family unit size (~~voucher size~~) for an assisted occupant of a group home must be zero- or one-bedroom. ~~depending on the PHA’s subsidy standard.~~ If there is a live-in aide, the aide must be counted in determining the household’s unit size.

The payment standard used to calculate the HAP is the lower of the payment standard for the family unit size or the pro rata share of the payment standard for the group home size. The pro rata share is calculated by dividing the number of persons in the assisted household by the number of persons (assisted and unassisted) living in the group home. ~~The number of persons in the assisted household equals one assisted person plus any PHA-approved live-in aide.~~

The HAP for an assisted occupant in a group home is the lower of the payment standard minus the TTP or the gross rent minus the TTP.

The utility allowance for an assisted occupant in a group home is the pro rata share of the family unit size to the utility allowance for the group home.

The rents paid for participants residing in group homes are subject to generally applicable standards for rent reasonableness. The rent for an assisted person must not exceed the pro rata portion of the reasonable rent for the group home. In determining reasonable rent, the PHA ~~should-must~~ consider whether sanitary facilities and facilities for food preparation and service are common facilities or private facilities.

~~15-III.C.~~ **15-III.C. GROUP HOME: HOUSING QUALITY STANDARDS**
FOR THE PHYSICAL INSPECTION OF REAL ESTATE (NSPIRE)

The entire unit must comply with [housing quality NSPIRE](#) requirements described in Chapter 8, except for the standards that relate to sanitary facilities, food preparation and refuse disposal, space and security, structure and materials, and site and neighborhood ~~and as~~ stated below.

- *Sanitary Facilities:* A group home must have at least one bathroom in the facility, with a flush toilet that can be used in privacy, a fixed basin with hot and cold running water, and a shower or bathtub with hot and cold running water. A group home may contain private or common bathrooms. However, no more than four residents can be required to share a bathroom.
- *Food Preparation and Service:* Group home units must contain a kitchen and dining area with adequate space to store, prepare, and serve food. The facilities for food preparation and service may be private or may be shared by the residents. The kitchen must contain a range, an oven, a refrigerator, and a sink with hot and cold running water. The sink must drain into an approvable public or private disposal system.
- *Space and Security:* Group homes must contain at least one bedroom of appropriate size for every two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents. **Doors and windows accessible from outside the unit must be lockable.**
- *Structure and Material:* To avoid any threat to the health and safety of the residents, group homes must be structurally sound. Elevators must be in good condition. Group homes must be accessible to and usable by residents with disabilities.
- *Site and Neighborhood:* Group homes must be located in a residential setting. The site and neighborhood should be reasonably free from **disturbing noises and reverberations**, and other hazards to the health, safety, and general welfare of the residents, and should not be subject to serious adverse conditions, such as:
 - Dangerous walks or steps
 - Instability
 - Flooding, poor drainage
 - Septic tank back-ups, ~~S~~ewage hazards
 - Mud slides
 - Abnormal air pollution
 - Smoke or dust
 - Excessive noise
 - Vibrations or vehicular traffic
 - Excessive accumulations of trash
 - Vermin or rodent infestation, and
 - Fire hazards.

The housing quality standards applicable to lead-based paint do not apply **unless a child under the age of six is expected to reside in the unit.**

PART IV: SHARED HOUSING

[24 CFR 982.615 through 982.618; Form HUD 52641;
Notice PIH 2021-05; New HCV GB, Special Housing Types, p.11]

15-IV.A. OVERVIEW

Families in markets with tight rental conditions or with a prevalence of single-family housing may determine a shared housing living arrangement to be a useful way to secure affordable housing. PHAs offering shared housing as a housing solution may also experience some reduction in the average per-unit-cost (PUC) paid on behalf of satisfied families.

Shared housing is a single housing unit occupied by an assisted family and another resident or residents. ~~The unit may be a house or an apartment.~~ The shared unit consists of both common space for use by the occupants of the unit and separate private space for each assisted family.

An assisted family may share a unit with other persons assisted under the HCV program or with other unassisted persons. ~~The owner of a shared housing unit may reside in the unit, but housing assistance may not be paid on behalf of the owner. The resident owner may not be related by blood or marriage to the assisted family.~~

Shared housing may be offered in a number of ways, including for-profit co-living (such as a boarding house, single bedroom with a common living room/kitchen/dining room) run by a private company [Notice PIH 2021-05].

The owner of a shared housing unit may reside in the unit, but housing assistance may not be paid on behalf of the owner. The resident owner may not be related by blood or marriage to the assisted family.

If approved by the PHA, a live-in aide may reside with the family to care for a person with disabilities. The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When shared housing is offered as a housing option, HUD encourages PHAs to consider ways in which the families may be assisted in finding shared housing, including for-profit shared housing matching (such as roommates or single-family homes) and online sites that charge a fee for their matching services, or nonprofit shared housing matching services. HUD further encourages PHAs to include information about this housing possibility in the family's voucher briefing.

~~When providing HCV assistance in shared housing, a separate lease and HAP contract are executed for each assisted family, and the standard form of the HAP contract is used.~~

PHA Policy

The PHA will provide information to families regarding the shared housing option, including a listing to families of any known for-profit or nonprofit shared housing matching services in the community at briefing, and upon request. Families will be advised they can conduct their own internet search. Families will be cautioned to not enter into any rental agreement or pay any deposit or rental payment until the tenancy is approved by the PHA.

PHAs should be aware of potential local legal barriers to HCV participants using shared housing, which can create additional obstacles for shared housing:

- Municipalities may have occupancy limits for the number of unrelated persons who may share a housing unit
- Local zoning codes for single family housing may restrict occupancy in certain areas to households whose family members are related by blood

PHAs should work with local jurisdictions to find solutions that encourage affordable housing and are consistent with the Fair Housing Act, Title VI, and other federal, state, and local fair housing laws. PHAs should inform HUD if they encounter barriers to shared housing that may conflict with fair housing laws.

PHA Policy

The PHA will work with local jurisdictions as necessary to identify solutions consistent with fair housing laws and will inform HUD if the PHA encounters barriers to shared housing that conflict with fair housing laws

When providing HCV assistance in shared housing, a separate lease and HAP contract are executed for each assisted family. The standard form of the HAP contract is used (form HUD-52641) with the special housing type specified in Part A of the HAP contract, as follows: “This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Shared housing.”

15-IV.B. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION

The payment standard for a family in shared housing is the lower of the payment standard for the family unit size (voucher size) or the pro rata share of the payment standard for the shared housing unit size.

The pro rata share is calculated by dividing the number of bedrooms available for occupancy by the assisted family in the private, non-shared space by the total number of bedrooms in the unit.

Example: Family holds a two-bedroom voucher
Shared housing unit size: bedrooms available to assisted family = 2
Total bedrooms in the unit: 3
2 Bedrooms for the assisted family
÷ 3 Bedrooms in the unit
.667 pro rata share
2 BR payment standard \$1200
3 BR payment standard: \$1695_ \$1695 x .667 (pro rata share) = \$1131
\$1131 is lower than the \$1200 payment standard for the 2 BR family unit size
\$1131 is <u>the payment standard used to calculate the HAP</u>
<u>the payment standard used to calculate the HAP</u>

The HAP for a family in shared housing is the lower of the payment standard minus the TTP or the gross rent minus the TTP.

The utility allowance for an assisted family living in shared housing is the ~~lower of the utility allowance for the family unit size (voucher size) or the~~ pro rata share of the utility allowance for the shared housing unit.

Example: A family holds a 2-bedroom voucher. The family decides to occupy 3 out of 4 bedrooms available in the unit.

The utility allowance for a 4-bedroom unit equals \$200

The utility allowance for a 2-bedroom unit equals \$100

The pro rata share of the utility allowance is \$150 (3/4 of \$200)

The PHA will use the 2-bedroom utility allowance of \$100.

The rents paid for families living in shared housing are subject to generally applicable standards for rent reasonableness. The rent paid to the owner for the assisted family must not exceed the pro-rata portion of the reasonable rent for the shared unit. In determining reasonable rent, the PHA should consider whether sanitary and food preparation areas are private or shared.

15-IV.C. SHARED HOUSING: HOUSING QUALITY STANDARDS

The PHA may not give approval to reside in shared housing unless the entire unit, including the portion of the unit available for use by the assisted family under its lease, meets the housing quality standards.

Housing quality standards NSPIRE requirements described in Chapter 8 apply to shared housing except for the requirements stated below.

- *Facilities Available for the Family*: Facilities available to the assisted family, whether shared or private, must include a living room, a bathroom, and food preparation and refuse disposal facilities.
- *Space and Security*: The entire unit must provide adequate space and security for all assisted and unassisted residents. The private space for each assisted family must contain at least one bedroom for each two persons in the family. The number of bedrooms in the private space of an assisted family must not be less than the family unit size (voucher size). A zero-bedroom or one-bedroom unit may not be used for shared housing.

PART V: COOPERATIVE HOUSING

[24 CFR 982.619; [New HCV GB, Special Housing Types, p.14](#)]

15-V.A. OVERVIEW

This part applies to rental assistance for a cooperative member residing in cooperative housing. It does not apply to assistance for a cooperative member who has purchased membership under the HCV homeownership option, or to rental assistance for a family that leases a cooperative housing unit from a cooperative member.

A cooperative is a form of ownership (nonprofit corporation or association) in which the residents purchase memberships in the ownership entity. Rather than being charged “rent” a cooperative member is charged a “carrying charge.” The monthly carrying charge includes the member’s share of the cooperative debt service, operating expenses, and necessary payments to cooperative reserve funds. It does not include down payments or other payments to purchase the cooperative unit or to amortize a loan made to the family for this purpose.

The occupancy agreement or lease and other appropriate documents must provide that the monthly carrying charge is subject to Section 8 limitations on rent to the owner, and the rent must be reasonable as compared to comparable unassisted units.

When providing HCV assistance in cooperative housing, the standard form of the HAP contract is used with the special housing type specified in Part A of the HAP contract, as follows: “This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Cooperative housing.”

15-V.B. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION

The payment standard & utility allowance determined according to regular HCV program requirements.

The HAP for a cooperative housing unit is the lower of the payment standard minus the TTP or the gross rent (monthly carrying charge for the unit, plus any utility allowance) minus the TTP. The monthly carrying charge includes the member’s share of the cooperative debt service, operating expenses, and necessary payments to cooperative reserve funds. The carrying charge does not include down payments or other payments to purchase the cooperative unit or to amortize a loan made to the family for this purpose.

15-V.C. COOPERATIVE: HOUSING QUALITY STANDARDS

All [housing quality](#) standard ~~NSPIRE~~-requirements apply to cooperative housing units. There are no additional ~~NSPIRE~~-requirements. The PHA remedies described in 24 CFR 982.404 do not apply. Rather, if the unit and premises are not maintained in accordance with [NSPIRE-housing quality](#) standards, the PHA may exercise all available remedies regardless of whether the family or cooperative is responsible for the breach of [NSPIRE-housing quality](#) standards.

No housing assistance payment can be made unless unit meets [NSPIRE-housing quality standards](#) and the defect is corrected within the period as specified by the PHA and the PHA verifies correction (see Chapter 8).

In addition to regular ~~NSPIRE~~-deficiencies, breaches of [NSPIRE-housing quality](#) standards by the family include failure to perform any maintenance for which the family is responsible in accordance

with the terms of the cooperative occupancy agreement [HCV GB].

PART VI: MANUFACTURED HOMES

[24 CFR 982.620 through 982.624; FR Notice 1/18/17; *New HCV GB, Special Housing Types, p.15;*]

15-VI.A. OVERVIEW

A manufactured home is a manufactured structure, transportable in one or more parts, that is built on a permanent chassis, and designed for use as a principal place of residence. HCV-assisted families may occupy manufactured homes in two different ways.

- (1) A family ~~may~~ choose to rent a manufactured home already installed on a space and the PHA must permit it. In this instance program rules are the same as when a family rents any other residential housing, except that there are special housing quality NSPIRE requirements as provided in 15-VI.D. below.
- (2) A family can purchase a manufactured home under the Housing Choice Voucher Homeownership program.
- (3) HUD also permits an otherwise eligible family that owns a manufactured home to rent a space for the manufactured home and receive HCV assistance with the rent for the space as well as certain other housing expenses. PHAs may, but are not required to, provide assistance for such families.

15-VI.B. SPECIAL REQUIREMENTS POLICIES FOR MANUFACTURED HOMEOWNERS WHO LEASE A SPACE

Family Income

In determining the annual income of families leasing manufactured home spaces, the value of the family's equity in the manufactured home in which the family resides is not counted as a family asset.

Lease and HAP Contract

~~There is a separate Tenancy Addendum (Form 52642-a) and separate HAP Contract (Form 52642) for this special housing type.~~ There is a designated HAP Contract (Form HUD-52642) and designated Tenancy Addendum (Form HUD-52642-A) for this special housing type.

15-VI.C. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION [FR Notice 1/18/17]

Payment Standards

The PHA payment standard for manufactured homes is determined in accordance with 24 CFR 982.505 and is the payment standard used for the PHA's HCV program. It is based on the applicable FMR for the area in which the manufactured home space is located.

The payment standard for the family is the lower of the family unit size (voucher size) or the payment standard for the number of bedrooms in the manufactured home.

Utility Allowance [24 CFR 982.624]

The PHA must establish utility allowances for manufactured home space rental. For the first 12 months of the initial lease term only, the allowance must include an amount for a utility hook-up charge if the family actually incurred a hook-up charge because of a move. This allowance will not be given to a family that leases in place. Utility allowances for manufactured home space must not include the costs of digging a well or installing a septic system.

Space Rent [24 CFR 982.622]

Rent to owner for rental of a manufactured home space includes payment for maintenance and services that the owner must provide to the tenant under the lease for the space. Rent to owner does not include the costs of utilities and trash collection for the manufactured home. However, the owner may charge the family a separate fee for the cost of utilities or trash collection provided by the owner.

The rent for the manufactured home space (including other eligible housing expenses) is the total of:

- The rent charged for the manufactured home space;
- Owner maintenance and management charges for the space;
- The monthly payments made by the family to amortize the cost of purchasing the manufactured home, including any required insurance and property taxes; and
- The applicable allowance for tenant-paid utilities.

Amortization Costs

The monthly payment made by the family to amortize the cost of purchasing the manufactured home is the debt service established at the time of application to a lender for financing the purchase of the manufactured home if monthly payments are still being made. Any increase in debt service due to refinancing after purchase of the home may not be included in the amortization cost. Debt service for set-up charges incurred by a family may be included in the monthly amortization payments made by the family. In addition, set-up charges incurred before the family became an assisted family may be included in the amortization cost if monthly payments are still being made to amortize the charges.

Housing Assistance Payment [24 CFR 982.623(a)]

The HAP for a manufactured home space under the housing choice voucher program is the lower of the payment standard minus the TTP or the family's eligible housing expenses minus the TTP. ~~the manufactured home space rent (including other eligible housing expenses) minus the TTP.~~

Eligible Housing Expenses [24 CFR 982.623(b)]

The family's eligible housing expenses are the total of:

- The rent charged by the owner for the manufactured home space.
- Charges for the maintenance and management the space owner must provide under the lease.
- The monthly payments made by the family to amortize the cost of purchasing the manufactured home established at the time of application to a lender for financing the purchase of the manufactured home if monthly payments are still being made, including any required insurance and property taxes included in the loan payment to the lender.
 - Any increase in debt service or term due to refinancing after purchase of the home may not be included in the amortization cost.
 - Debt service for installation charges incurred by a family may be included in the monthly amortization payments. Installation charges incurred before the family became an assisted family may be included in the amortization cost if monthly payments are still being made to amortize the charges.
 - The applicable allowances for tenant-paid utilities, as determined under 24 CFR 982.517 and 982.624.

Rent Reasonableness [24 CFR 982.622(b)]

During the assisted tenancy, the rent to owner for the manufactured home space may not exceed a reasonable rent. Initially, and at least annually thereafter, the PHA must determine that the rent for the manufactured home space is reasonable based on rents for comparable manufactured home spaces. The PHA must consider the location and size of the space, and any services and maintenance to be provided by the owner in accordance with the lease (without a fee in addition to rent). By accepting the monthly housing assistance payment, the owner of the manufactured home space certifies that the rent does not exceed rents charged by the owner for comparable unassisted spaces in the same manufactured home park or elsewhere.

If requested by the PHA, the owner must give the PHA information on rents charged by the owner for other manufactured home spaces.

Distribution of HAP [24 CFR 982.623(c)]

The PHA pays the owner of the space the lesser of the housing assistance payment or the portion of the monthly rent due to the owner. The portion of the monthly rent due to the owner is the total of:

- The actual rent charged by the owner for the manufactured home space; and
- Charges for the maintenance and management the space owner must provide under the lease.

If the housing assistance payment exceeds the portion of the monthly rent due to the owner, the PHA may pay the balance of the housing assistance payment to the family. Alternatively, the PHA may pay the balance to the lender or utility company, in an amount no greater than the amount due for the month to each, respectively, subject to the lender's or utility company's willingness to accept the PHA's payment on behalf of the family.

PHA Policy

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

Single HAP to Family [24 CFR 982.623.(d)]

If the owner of the manufactured home space agrees, the PHA may make the entire housing assistance payment to the family, and the family is responsible for paying the owner directly for the full amount of rent of the manufactured home space due to the owner, including owner maintenance and management charges.

PHA Policy

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

15-VI.D. MANUFACTURED HOMES: HOUSING QUALITY STANDARDS~~NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE (NSPIRE)~~ [24 CFR 982.621]

Under either type of occupancy described in 15-VI.A. above, the manufactured home must meet all housing quality standards~~NSPIRE~~ performance requirements and acceptability criteria discussed in Chapter 8 of this plan. In addition, the following requirements ~~s applies~~apply:

Performance Requirement: ~~Manufactured Home Tie-Down~~ A manufactured home must be placed on the site in a stable manner and must be free from hazards such as sliding or wind damage.

~~A manufactured home must be placed on the site in a stable manner and must be free from hazards such as sliding or wind damage.~~

Acceptability Criteria: The home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist overturning and sliding.

Manufactured Home Tie-Down

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

PART VII: HOMEOWNERSHIP

[24 CFR 982.625 through 982.643]

15-VII.A. OVERVIEW [24 CFR 982.625]

The homeownership option is used to assist a family residing in a home purchased and owned by one or more members of the family. A family assisted under this option may be newly admitted or an existing participant in the HCV program. The PHA must have the capacity to operate a successful HCV homeownership program as defined by the regulations.

PHA Policy

The PHA has instituted a minimum homeowner down payment requirement of at least three percent of the purchase price and requires that at least one percent of the purchase price come from the family's personal resources. However, the downpayment requirements can be altered on a case-by-case basis – especially when dealing with outside agencies such as Habitat for Humanity.

There are two forms of homeownership assistance described in the regulations: monthly homeownership assistance payments and single down payment assistance grants. However, PHAs may not offer down payment assistance until and unless funding is allocated by Congress. Since this has not yet happened, only monthly homeownership assistance may be offered.

PHA Policy

The PHA will offer monthly homeownership assistance payments to qualified families.

The PHA may choose not to offer ownership assistance. However, the PHA must offer homeownership assistance if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities. It is the sole responsibility of the PHA to determine whether it is reasonable to implement a homeownership program as a reasonable accommodation. The PHA must determine what is reasonable based on the specific circumstances and individual needs of the person with a disability. The PHA may determine that it is not reasonable to offer homeownership assistance as reasonable accommodation in cases where the PHA has otherwise opted not to implement a homeownership program.

The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

15-VII.B. FAMILY ELIGIBILITY [24 CFR 982.627]

If the PHA offers the homeownership option, participation by the family is optional. However, the family must meet all of the requirements listed below before the commencement of homeownership assistance. The PHA may also establish additional initial requirements as long as they are described in the PHA administrative plan.

- The family must have been admitted to the Housing Choice Voucher program.
- The family must qualify as a first-time homeowner or may be a cooperative member.
- The family must meet the Federal minimum income requirement. The family must have a gross annual income equal to the Federal minimum wage multiplied by 2000, based on the income of adult family members who will own the home. The PHA may establish a higher income standard for families. However, a family that meets the federal minimum income requirement (but not the PHA's requirement) will be considered to meet the minimum income requirement if it can demonstrate that it has been pre-qualified or pre-approved for financing that is sufficient to purchase an eligible unit.

PHA Policy

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

- For disabled families, the minimum income requirement is equal to the current SSI monthly payment for an individual living alone, multiplied by 12.
- For elderly or disabled families, welfare assistance payments for adult family members who will own the home will be included in determining whether the family meets the minimum income requirement. It will not be included for other families.
- The family must satisfy the employment requirements by demonstrating that one or more adult members of the family who will own the home at commencement of homeownership assistance is currently employed on a full-time basis (the term *full-time employment* means not less than an average of 30 hours per week); and has been continuously so employed during the year before commencement of homeownership assistance for the family.

PHA Policy

Families will be considered "continuously employed" if the break in employment does not exceed four months.

The PHA will count self-employment in a business when determining whether the family meets the employment requirement.

- The employment requirement does not apply to elderly and disabled families. In addition, if a family, other than an elderly or disabled family includes a person with disabilities, the PHA must grant an exemption from the employment requirement if the PHA determines that it is needed as a reasonable accommodation.
- The family has not defaulted on a mortgage securing debt to purchase a home under the homeownership option.

- Except for cooperative members who have acquired cooperative membership shares prior to commencement of homeownership assistance, no family member has a present ownership interest in a residence at the commencement of homeownership assistance for the purchase of any home.
- Except for cooperative members who have acquired cooperative membership shares prior to the commencement of homeownership assistance, the family has entered ~~into~~ a contract of sale in accordance with 24 CFR 982.631(c).

PHA Policy

The PHA will impose additional eligibility requirements. To be eligible to participate in the homeownership option, families must meet the following criteria:

The family has had no family-caused violations of HUD's Housing quality standards within the past year.

The family is not within the initial one-year period of a HAP Contract.

The family owes no money to the PHA.

The family has not committed any serious or repeated violations of a PHA-assisted lease within the past year.

15-VII.C. SELECTION OF FAMILIES [24 CFR 982.626]

Unless otherwise provided (under the homeownership option), the PHA may limit homeownership assistance to families or purposes defined by the PHA and may prescribe additional requirements for commencement of homeownership assistance for a family. Any such limits or additional requirements must be described in the PHA administrative plan.

If the PHA limits the number of families that may participate in the homeownership option, the PHA must establish a system by which to select families to participate.

PHA Policy

~~The PHA will administer up to five new homeownership units per year. The PHA may exceed the number of units planned per year if it is necessary as a reasonable accommodation for a person with a disability. If this occurs, the PHA may reduce the number of homeownership units offered in subsequent years. At present, there is no threshold for the number of new homeownership units the PHA will administer per year. The PHA may offer homeownership assistance if it is necessary as a reasonable accommodation for a person with a disability. The PHA may reduce the number of homeownership units offered in subsequent years, if necessary.~~

Families who have been participating in the PHA's Family Self-Sufficiency program for at least six months, or have graduated from the FSS program, will be given preference over other families. Elderly and disabled families will automatically be given this preference.

Within preference and non-preference categories, families will be selected according to the date and time of their application for participation in the homeownership option is submitted to the PHA.

All families must meet eligibility requirements as defined in Section 15-VII.B. of this plan.

15-VII.D. ELIGIBLE UNITS [24 CFR 982.628]

In order for a unit to be eligible, the PHA must determine that the unit satisfies all of the following requirements:

- The unit must meet HUD's "eligible housing" requirements. The unit may not be any of the following:
 - A public housing or Indian housing unit;
 - A unit receiving Section 8 project-based assistance;
 - A nursing home, board and care home, or facility providing continual psychiatric, medical or nursing services;
 - A college or other school dormitory;
 - On the grounds of penal, reformatory, medical, mental, or similar public or private institutions.
- ~~The unit must be under construction or already exist at the time the family enters into the contract of sale.~~

- The unit must be a one-unit property or a single dwelling unit in a cooperative or condominium.
- ~~The unit must have been inspected by the PHA and by an independent inspector designated by the family.~~

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- The unit must meet ~~h~~Housing ~~q~~Quality ~~s~~Standards (see Chapter 8).
- For a unit where the family will not own fee title to the real property (such as a manufactured home), the home must have a permanent foundation, and the family must have the right to occupy the site for at least 40 years.

Families may enter into contracts of sale for units not yet under construction. However, the PHA will not commence homeownership assistance for the family for that unit until:

1. Either the responsible entity completed the environmental review as required by 24 CFR part 58 and HUD approved the environmental certification and request for release of funds prior to commencement of construction or HUD performed an environmental review under 24 CFR part 50 and notified the PHA in writing of environmental approval of the site prior to construction commencement; and
2. Construction of the unit has been completed and the unit has passed the required ~~NSPIRE~~ inspection and independent inspection as addressed elsewhere in this chapter.
 - For PHA-owned units (as defined in 24 CFR 982.4), all of the following conditions must be satisfied:
 - The PHA informs the family, both orally and in writing, that the family has the right to purchase any eligible unit and a PHA-owned unit is freely selected by the family without PHA pressure or steering;
 - The unit is not ineligible housing;
 - The PHA obtains the services of an independent agency entity (as defined in 24 CFR 982.4) to inspect the unit for compliance with NSPIRE standards, review the independent inspection report, review the contract of sale, and determine the reasonableness of the sales price and any PHA provided financing. All of these actions must be completed in accordance with program requirements.

The PHA must not approve the unit if the PHA has been informed that the seller is debarred, suspended, or subject to a limited denial of participation.

15-VII.E. ADDITIONAL PHA REQUIREMENTS FOR SEARCH AND PURCHASE [24 CFR 982.629]

It is the family's responsibility to find a home that meets the criteria for voucher homeownership assistance. The PHA may establish the maximum time that will be allowed for a family to locate and purchase a home and may require the family to report on their progress in finding and purchasing a home. If the family is unable to purchase a home within the maximum time established by the PHA, the PHA may issue the family a voucher to lease a unit or place the family's name on the waiting list for a voucher.

PHA Policy

Due to the limited housing market, there are no time constraints placed on the family to locate and complete the purchase of a home under the homeownership option.

During the period it takes to identify a unit and close on a home, the family will continue to receive HCV rental assistance in accordance with any applicable lease and HAP contract until the family vacates the rental unit for its purchased home.

The family will be required to report their progress on locating and purchasing a home to the PHA every 30 days until the home is purchased.

15-VII.F. HOMEOWNERSHIP COUNSELING [24 CFR 982.630]

Before commencement of homeownership assistance for a family, the family must attend and satisfactorily complete the pre-assistance homeownership and housing counseling program required by the PHA. HUD suggests the following topics for the PHA-required pre-assistance counseling:

- Home maintenance (including care of the grounds);
- Budgeting and money management;
- Credit counseling;
- How to negotiate the purchase price of a home;
- How to obtain homeownership financing and loan pre-approvals, including a description of types of financing that may be available, and the pros and cons of different types of financing;
- How to find a home, including information about homeownership opportunities, schools, and transportation in the PHA jurisdiction;
- Advantages of purchasing a home in an area that does not have a high concentration of low-income families and how to locate homes in such areas;
- Information on fair housing, including fair housing lending and local fair housing enforcement agencies; and
- Information about the Real Estate Settlement Procedures Act (12 U.S.C. 2601 et seq.) (RESPA), state and Federal truth-in-lending laws, and how to identify and avoid loans with oppressive terms and conditions.

The PHA may adapt the subjects covered in pre-assistance counseling (as listed) to local circumstances and the needs of individual families.

The PHA may also offer additional counseling after commencement of homeownership assistance (ongoing counseling). If the PHA offers a program of ongoing counseling for participants in the homeownership option, the PHA shall have discretion to determine whether the family is required to participate in the ongoing counseling.

If the PHA does not use a HUD-approved housing counseling agency to provide the counseling, the PHA should ensure that its counseling program is consistent with the counseling provided under HUD's Housing Counseling program.

PHA Policy

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

15-VII.G. HOME INSPECTIONS, CONTRACT OF SALE, AND PHA DISAPPROVAL OF SELLER [24 CFR 982.631]

Home Inspections

The PHA may not commence monthly homeownership assistance payments for a family until the PHA has inspected the unit and has determined that the unit ~~passes NSPIRE~~meets housing quality standards. ⁂

PHA Policy

When the family locates a home they wish to purchase and submits a copy of their purchase offer/contract, the PHA will conduct an ~~NSPIRE~~ inspection within 10 business days. Any items found not to meet ~~NSPIRE~~housing quality standards must be repaired before the unit can be determined eligible for the homeownership program.

An independent professional inspector selected by and paid for by the family must also inspect the unit. The independent inspection must cover major building systems and components, including foundation and structure, housing interior and exterior, and the roofing, plumbing, electrical, and heating systems. The independent inspector must be qualified to report on property conditions, including major building systems and components.

The PHA may not require the family to use an independent inspector selected by the PHA. The independent inspector may not be a PHA employee or contractor, or other person under control of the PHA. However, the PHA may establish standards for qualification of inspectors selected by families under the homeownership option.

PHA Policy

The family must hire an independent professional inspector, whose report must be submitted to the PHA for review. This inspector must be a member of the American Society of Home Inspectors (ASHI) or other recognized professional society, or a licensed engineer. The inspector cannot be a PHA employee or contractor.

The PHA may disapprove a unit for assistance based on information in the independent inspector's report, even if the unit was found to comply with housing quality standards.

PHA Policy

The PHA will review the professional report in a timely fashion and, based on the presence of major physical problems, may disapprove the purchase of the home.

If the PHA disapproves of the purchase of a home, the family will be notified in writing of the reasons for the disapproval.

While the family is receiving homeownership assistance, the PHA will not conduct an inspection while the family is receiving homeownership assistance.

The family may choose to purchase the home despite the PHA's advice.

Contract of Sale

Before commencement of monthly homeownership assistance payments, a member or members of the family must enter into a contract of sale with the seller of the unit to be acquired by the family. The family must give the PHA a copy of the contract of sale. The contract of sale must:

- Specify the price and other terms of sale by the seller to the purchaser;
- Provide that the purchaser will arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected by the purchaser;
- Provide that the purchaser is not obligated to purchase the unit unless the inspection is satisfactory to the purchaser;
- Provide that the purchaser is not obligated to pay for any necessary repairs; and
- Contain a certification from the seller that the seller has not been debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.
- A contract for the sale of a unit not yet under construction must meet all above requirements and the requirements below. Commencement of construction in violation of the below requirements voids the purchase contract.
 - The purchase is not obligated to purchase the unit unless an environmental review has been performed and the site received environmental approval prior to commencement of construction in accordance with 24 CFR 982.628; and
 - The construction will not commence until the environmental review has been completed and the seller has received written notice from the PHA that environmental approval has been obtained. Environmental approval may be conditioned on the contracting parties, agreement in modification to the unit design or to mitigation actions.

Disapproval of a Seller

In its administrative discretion, the PHA may deny approval of a seller for the same reasons a PHA may disapprove an owner under the regular HCV program [see 24 CFR 982.306(c)].

15-VII.H. FINANCING [24 CFR 982.632]

The PHA may establish requirements for financing purchase of a home under the homeownership option. This may include requirements concerning qualification of lenders, terms of financing, restrictions concerning debt secured by the home, lender qualifications, loan terms, and affordability of the debt. The PHA must establish policies describing these requirements in the administrative plan.

A PHA may not require that families acquire financing from one or more specified lenders, thereby restricting the family's ability to secure favorable financing terms.

PHA Policy

As a check against predatory lending, the PHA will review the financing of each purchase transaction, including estimated closing costs. The PHA will review the loans for features, such as balloon payments, adjustable-rate mortgages, and unusually high interest rates, all of which are prohibited. The PHA also will not approve "seller financing" or "owner-held" mortgages. Beyond these basic criteria, the PHA will rely on the lenders to determine that the loan will be affordable to program participants.

The mortgage the family applies for must require a minimum down payment of at least three percent of the sales price with one percent of the down payment coming from the purchaser's personal funds. The PHA will not require that the family have any more than the minimum of one percent of their own money in the transaction. However, in cases where a lender is requiring a larger amount, the family may be held to the underwriting guidelines set by their lending institution. It is important to note that the down payment requirements will be handled on a case-by-case basis.

The PHA will approve a family's request to utilize its Family Self-Sufficiency escrow account after final disbursement for down payment and/or closing costs when purchasing a unit under the HCV homeownership option.

15-VIII. CONTINUED ASSISTANCE REQUIREMENTS; FAMILY OBLIGATIONS [24 CFR 982.633]

Homeownership assistance may only be paid while the family is residing in the home. If the family moves out of the home, the PHA may not continue homeownership assistance after the month when the family moves out. The family or lender is not required to refund to the PHA the homeownership assistance for the month when the family moves out.

Before commencement of homeownership assistance, the family must execute a statement of family obligations in the form prescribed by HUD [form HUD-52649]. In the statement, ~~in~~ which the family agrees to comply with all family obligations under the homeownership option.

The family must comply with the following obligations:

- The family must comply with the terms of the mortgage securing debt incurred to purchase the home, or any refinancing of such debt.
- The family may not convey or transfer ownership of the home, except for purposes of financing, refinancing, or pending settlement of the estate of a deceased family member. Use and occupancy of the home are subject to 24 CFR 982.551 (h) and (i).
- The family must supply information to the PHA or HUD as specified in 24 CFR 982.551(b). The family must further supply any information required by the PHA or HUD concerning mortgage financing or refinancing, sale or transfer of any interest in the home, or homeownership expenses.
- The family must notify the PHA before moving out of the home.
- The family must notify the PHA if the family defaults on the mortgage used to purchase the home.
- The family must provide the PHA with information on any satisfaction or payment of the mortgage debt.
- No family member may have any ownership interest in any other residential property.
- The family must comply with the obligations of a participant family described in 24 CFR 982.551, except for the following provisions which do not apply to assistance under the homeownership option: 24 CFR 982.551(c), (d), (e), (f), (g) and (j).

PHA Policy

The PHA does not require any inspections of the home after the initial inspection.

15-VII.J. MAXIMUM TERM OF HOMEOWNER ASSISTANCE [24 CFR 982.634]

Except in the case of a family that qualifies as an elderly or disabled family, other family members (described below) shall not receive homeownership assistance for more than:

- Fifteen years, if the initial mortgage incurred to finance purchase of the home has a term of 20 years or longer; or
- Ten years, in all other cases.

The maximum term described above applies to any member of the family who:

- Has an ownership interest in the unit during the time that homeownership payments are made; or
- Is the spouse of any member of the household who has an ownership interest in the unit during the time homeownership payments are made.

In the case of an elderly family, the exception only applies if the family qualifies as an elderly family at the start of homeownership assistance. In the case of a disabled family, the exception applies if at any time during receipt of homeownership assistance the family qualifies as a disabled family.

If, during the course of homeownership assistance, the family ceases to qualify as a disabled or elderly family, the maximum term becomes applicable from the date homeownership assistance commenced. However, such a family must be provided at least 6 months of homeownership assistance after the maximum term becomes applicable (provided the family is otherwise eligible to receive homeownership assistance).

If the family has received such assistance for different homes, or from different PHAs, the total of such assistance terms is subject to the maximum term described in this part.

15-VII.K. HOMEOWNERSHIP ASSISTANCE PAYMENTS AND HOMEOWNERSHIP EXPENSES [24 CFR 982.635]

~~The m~~Monthly homeownership assistance payment is lower of: voucher payment standard minus total tenant payment, or the monthly homeownership expenses minus the total tenant payment. The payment standard amount may not be lower than what the payment standard amount was at commencement of homeownership assistance.

In determining the amount of the homeownership assistance payment, the PHA will use the same payment standard schedule, payment standard amounts, and subsidy standards as those described elsewhere in this plan for the Housing Choice Voucher program. The payment standard for a family is the greater of (i) The payment standard as determined at the commencement of homeownership assistance for occupancy of the home, or (ii) The payment standard at the most recent regular reexamination of family income and composition since the commencement of homeownership assistance for occupancy of the home.

~~The PHA may pay the homeownership assistance payments directly to the family, or at the PHA's discretion, to a lender on behalf of the family. If the assistance payment exceeds the amount due to the lender, the PHA must pay the excess directly to the family.~~

~~Homeownership assistance for a family terminates automatically 180 calendar days after the last homeownership assistance payment on behalf of the family. However, a PHA may grant relief from this requirement in those cases where automatic termination would result in extreme hardship for the family.~~

The PHA must adopt policies for determining the amount of homeownership expenses to be allowed by the PHA in accordance with HUD requirements.

Homeownership expenses (not including cooperatives) may only include amounts allowed by the PHA to cover:

- Principal and interest on initial mortgage debt, any refinancing of such debt, and any mortgage insurance premium incurred to finance purchase of the home;
- Real estate taxes and public assessments on the home;
- Home insurance;
- The PHA allowance for maintenance expenses;
- The PHA allowance for costs of major repairs and replacements;
- The PHA utility allowance for the home;
- Principal and interest on mortgage debt incurred to finance costs for major repairs, replacements or improvements for the home. If a member of the family is a person with disabilities, such debt may include debt incurred by the family to finance costs needed to make the home accessible for such person, if the PHA determines that allowance of such costs as homeownership expenses is needed as a reasonable accommodation so that the homeownership option is readily accessible to and usable by such person;
- Land lease payments where a family does not own fee title to the real property on which the home is located; [see 24 CFR 982.628(b)].₂
- For a condominium unit, condominium operating charges or maintenance fees are assessed by the condominium homeowner association.

The PHA does not have the discretion to exclude any of the listed homeownership expenses or to add any additional items.

Homeownership expenses for a cooperative member may only include amounts allowed by the PHA to cover:

- The cooperative charge under the cooperative occupancy agreement including payment for real estate taxes and public assessments on the home;
- Principal and interest on initial debt incurred to finance purchase of cooperative membership shares and any refinancing of such debt;
- Home insurance;
- The PHA allowance for maintenance expenses;
- The PHA allowance for costs of major repairs and replacements;
- The PHA utility allowance for the home; and
- Principal and interest on debt incurred to finance major repairs, replacements or improvements for the home. If a member of the family is a person with disabilities, such debt may include debt incurred by the family to finance costs needed to make the home accessible for such person, if the PHA determines that allowance of such costs as homeownership expenses is needed as a reasonable accommodation so that the homeownership option is readily accessible to and usable by such person.
- Cooperative operating charges or maintenance fees assessed by the cooperative homeowner association.

PHA Policy

The PHA will use the following amounts for homeownership expenses:

Monthly homeownership payment. This includes principal and interest on initial mortgage debt, taxes and insurance, any any mortgage insurance premium, if applicable.

Utility allowance. The PHA's utility allowance for the unit, based on the current HCV utility allowance schedule.

Monthly maintenance repair/replacement allowance. A single monthly maintenance/repair/replacement allowance will be provided at \$100 per month

Monthly co-op/condominium assessments. If applicable, the monthly amount of co-op or condominium association operation and maintenance assessments.

Monthly principal and interest on debt for improvements. Principal and interest for major home repair, replacements or improvements, if applicable.

Land lease payments. Land lease payments where a family does not own dee title to the real property on which the home is located.

Homeowner Association dues.

The PHA may pay the homeownership assistance payments directly to the family, or at the PHA's discretion, to a lender on behalf of the family. If the assistance payment exceeds the amount due to the lender, the PHA must pay the excess directly to the family.

PHA Policy

Commented [TC1]: This is not in the Nan McKay version. Instead, this is: "**Land lease payments.** Land lease payments where a family does not own dee title to the real property on which the home is located." Do we want to remove the dues and add in the Land lease payments?

Commented [PS2R1]: Add Land lease payments

The PHA's housing assistance payment will be paid directly to the lender.

15-VII.L. PORTABILITY [24 CFR 982.636, 982.637, 982.353(b) and (c), 982.552, 982.553]

Subject to the restrictions on portability included in HUD regulations and PHA policies, a family may exercise portability if the receiving PHA is administering a voucher homeownership program and accepting new homeownership families. The receiving PHA may absorb the family into its voucher program or bill the initial PHA.

The family must attend the briefing and counseling sessions required by the receiving PHA. The receiving PHA will determine whether the financing for, and the physical condition of the unit, are acceptable. The receiving PHA must promptly notify the initial PHA if the family has purchased an eligible unit under the program, or if the family is unable to purchase a home within the maximum time established by the PHA.

15-VII.M. MOVING WITH CONTINUED ASSISTANCE [24 CFR 982.637]

A family receiving homeownership assistance may move with continued tenant-based assistance or with voucher homeownership assistance.

The PHA must determine that all initial requirements have been satisfied if a family that has received homeownership assistance wants to move with continued homeownership assistance. However, the following do not apply:

- The requirement that a family must be a first-time homeowner is not applicable.
- The requirement for pre-assistance counseling is not applicable. However, the PHA may require that the family complete additional counseling (before or after moving to a new unit with continued homeownership assistance).

Continued tenant-based assistance for a new unit cannot begin so long as any family member holds title to the prior home. However, when the family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, stalking or human trafficking, and the move is needed to protect the health or safety of the family or family member (or any family members has been the victim of sexual assault that occurred on the premises during the 90-calendar-day period preceding the family's request to move), such family or family member may be assisted with continued tenant-based assistance even if they own any title or other interest in the prior home.

The PHA may deny permission to move to a new unit with continued voucher assistance:

- If the PHA has insufficient funding to provide continued assistance.
- In accordance with 24 CFR 982.638, regarding denial or termination of assistance.
- In accordance with the PHA's policy regarding number of moves within a 12-month period.

The PHA must deny the family permission to move to a new unit with continued voucher rental assistance if:

- The family defaulted on an FHA-insured mortgage; and
- The family fails to demonstrate that the family has conveyed, or will convey, title to the home, as required by HUD, to HUD or HUD's designee; and
- The family has moved, or will move, from the home within the period established or approved by HUD.

PHA Policy

For families participating in the homeownership option, requests to move must involve the family selling their home. If after selling their home, the family wishes to purchase another home, through the homeownership program, that is permitted. However, if the family receives such assistance for different homes, or from different PHAs, the total of such assistance terms is subject to the maximum term described in Section 15-VII.J. Maximum Term of Homeowner Assistance.

If the family sells their home purchased under the homeownership program and wishes to reenter the PHA Housing Choice Voucher program, then they can do so, if they qualify.

The PHA will not require additional counseling of any families who move with continued assistance.

15-VII.N. DENIAL OR TERMINATION OF ASSISTANCE [24 CFR 982.638]

At any time, the PHA may deny or terminate homeownership assistance in accordance with HCV program requirements in 24 CFR 982.552 (Grounds for denial or termination of assistance) or 24 CFR 982.553 (Crime by family members).

The PHA may also deny or terminate assistance for violation of participant obligations described in 24 CFR Parts 982.551 or 982.633 and in accordance with its own policy, with the exception of failure to meet obligations under the Family Self-Sufficiency program as prohibited under the alternative requirements set forth in FR Notice 12/29/14.

Homeownership assistance for a family terminates automatically 180 calendar days after the last homeownership assistance payment on behalf of the family. However, a PHA may grant relief from this requirement in those cases where automatic termination would result in extreme hardship for the family.

PHA Policy

In order for the PHA to consider granting relief from the requirement to automatically terminate homeownership assistance 180 days following the PHA's last housing assistance payment on behalf of the family, the family must submit a request to the PHA at least 30 days prior to the date of automatic termination. The request must include an explanation of the circumstances that will cause extreme hardship for the family (e.g., the imminent loss of income or employment) as well as documentation supporting the request. The PHA will determine on a case-by-case basis whether to grant relief from the requirement and for what period. In no

case will the PHA postpone termination beyond an additional 90 days.

The PHA must terminate voucher homeownership assistance for any member of family receiving homeownership assistance that is dispossessed from the home pursuant to a judgment or order of foreclosure on any mortgage (whether FHA insured or non-FHA) securing debt incurred to purchase the home, or any refinancing of such debt.

PHA Policy

The PHA will terminate a family's homeownership assistance if the family violates any of the homeowner obligations listed in Section 1, as well as for any of the reasons listed in Section 2 of form HUD-52649, Statement of Homeowner Obligations Housing Choice Homeownership Voucher Program.

In making its decision to terminate homeownership assistance, the PHA will consider alternatives as described in Section 12-II.C and other factors described in Section 12-II.D. Upon consideration of such alternatives and factors, the PHA may, on a case-by-case basis, choose not to terminate assistance.

Termination notices will be sent in accordance with the requirements and policies set forth in Section 12-II.F.

Chapter 16

PROGRAM ADMINISTRATION

INTRODUCTION

This chapter discusses administrative policies and practices that are relevant to the activities covered in this plan. The Omaha Housing Authority (OHA) will be referred to as the Public Housing Authority (PHA) or simply as the PHA throughout the Administrative Plan.

The policies are discussed in seven parts as described below:

Part I: Administrative Fee Reserve. This part describes the PHA's policies with regard to oversight of expenditures from its administrative fee reserve.

Part II: Setting Program Standards and Schedules. This part describes what payment standards are, and how they are updated, as well as how utility allowances are established and revised.

Part III: Informal Reviews and Hearings. This part outlines the requirements and procedures for informal reviews and hearings, and for informal hearings regarding citizenship status.

Part IV: Owner or Family Debts to the PHA. This part describes policies for recovery of monies that the PHA has overpaid on behalf of families, or to owners, and describes the circumstances under which the PHA will offer repayment agreements to owners and families. Also discussed are the consequences for failure to make payments in accordance with a repayment agreement.

Part V: Section 8 Management Assessment Program (SEMAP). This part describes what the SEMAP scores represent, how they are established, and how those scores affect a PHA.

Part VI: Record-Keeping. All aspects of the program involve certain types of record-keeping. This part outlines the privacy rights of applicants and participants and record retention policies the PHA will follow.

Part VII: Reporting and Record Keeping for Children with Elevated Blood Lead Level. This part describes the PHA's responsibilities for reporting, data collection, and record keeping relative to children with elevated blood lead levels that are less than six years of age and are receiving HCV assistance.

Part VIII: Determination of Insufficient Funding. This part describes the PHA's policies for determining if there is sufficient funding to issue vouchers, to approve moves to higher cost units or areas, and to continue assistance for all participant families.

Part IX: Violence against Women Act (VAWA): Notification, Documentation, Confidentiality. This part contains key terms used in VAWA and describes requirements related to notifying families and owners about their rights and responsibilities under VAWA; requesting documentation from victims of domestic violence, dating violence, sexual assault, stalking, and human trafficking; and maintaining the confidentiality of information obtained from victims.

PART I: ADMINISTRATIVE FEE RESERVE [24 CFR 982.155]

The PHA will maintain administrative fee reserves, or unrestricted net position (UNP) for the program to pay program administrative expenses in excess of administrative fees paid by HUD for a PHA fiscal year. HUD appropriations acts beginning with FFY 2004 have specified that administrative fee funding may be used only for activities related to the provision of HCV assistance, including related development activities. Notice PIH 2012-9 cites two examples of related development activities: unit modification for accessibility purposes and development of project-based voucher units. The notice makes clear that other activities may also qualify as related development activities. Administrative fees that remain in the UNP account from funding provided prior to 2004 may be used for “other housing purposes permitted by state and local law,” in accordance with 24 CFR 982.155(b)(1).

In addition, as specified in Notice PIH 2022-18, PHAs may use administrative fee funding for both administrative and “other expenses” needed to employ strategies and undertake activities beyond regular administrative responsibilities to facilitate the successful leasing and use of housing choice vouchers by families, such as through the use of security deposit assistance and landlord recruitment and incentive payments, among other allowable expenses specified in the notice. PHAs are also permitted to use UNP for these expenses [Notice PIH 2022-18].

If a PHA has not adequately administered its HCV program, HUD may prohibit use of funds in the UNP Account and may direct the PHA to use funds in that account to improve administration of the program, for HCV HAP expenses, or to reimburse ineligible expenses in accordance with the regulation at 24 CFR 982.155(b)(3).

HUD requires the PHA Board of Commissioners or other authorized officials to establish the maximum amount that may be charged against the UNP account without specific approval.

PHA Policy

Expenditures from the UNP account will be made in accordance with all applicable federal requirements. Expenditures will not exceed \$10,000 per occurrence without the prior approval of the PHA’s Board of Commissioners.



PART II: SETTING PROGRAM STANDARDS AND SCHEDULES

16-II.A. OVERVIEW

Although many of the program's requirements are established centrally by HUD, the HCV program's regulations recognize that some flexibility is required to allow the PHA to adapt the program to local conditions. This part discusses how the PHA establishes and updates certain schedules and standards that are used to administer the program locally. Details about how these schedules are applied to individual families are provided in other chapters. The schedules and standards discussed here include:

- *Payment Standards*, which dictate the maximum subsidy a family can receive (application of the payment standards is discussed in Chapter 6); and
- *Utility Allowances*, which specify how a family's payment should be adjusted to account for tenant-paid utilities (application of utility allowances is discussed in Chapter 6).

PHA Policy

Copies of the payment standard and utility allowance schedules are available for review in the PHA's offices during normal business hours and on the PHA's website.

Families, owners, and members of the public may submit written comments on the schedules discussed in this part, at any time, for consideration during the next revision cycle.

The PHA will maintain documentation to support its annual review of payment standards and utility allowance schedules. This documentation will be retained for at least three years.

16-II.B. PAYMENT STANDARDS [24 CFR 982.503; HCV GB, Chapter 7; and Notice PIH 2024-34]

The payment standard sets the maximum subsidy payment a family can receive from the PHA each month [24 CFR 982.505(a)]. Payment standards are based on fair market rents (FMRs) published annually by HUD. FMRs are set at a percentile within the rent distribution of standard quality rental housing units in each FMR area. For most jurisdictions FMRs are set at the 40th percentile of gross rents in the market area.

In the HCV program, the FMR may be established at the ZIP code level, metropolitan market area level, or nonmetropolitan county level. Within each FMR area, the applicable FMR is the HUD-published:

- Small Area FMR (SAFMR);
 - For any metropolitan area designated as an SAFMR area; or
 - Anywhere a PHA has notified HUD it will voluntarily use SAFMRs;
- Metropolitan FMR for any other metropolitan area; or
- FMR for any other non-metropolitan county.

The PHA must establish a payment standard schedule that establishes payment standard amounts for each FMR area within the PHA's jurisdiction and for each unit size within each of the FMR areas. In many cases a single FMR area will cover the PHA's entire jurisdiction. Some PHAs' jurisdictions include more than one FMR area. The PHA's established payment standards within the payment standard area always must be within the basic range of the applicable FMR area, or any HUD-approved exception payment standard. Program regulations and this policy refer to the "applicable FMR." The "applicable FMR" is the HUD-published SAFMR for PHAs in mandatory SAFMR areas or for those PHAs that have opted-in to using the SAFMR, both of which are discussed below.

Small Area FMR PHAs (Mandatory and Opt-In) [Notice PIH 2018-01; Notice PIH 2023-32; Notice PIH 2024-34; and Implementing Small Area Fair Market Rents (SAFMR) Guidebook]

SAFMRs are FMRs calculated at the ZIP Code level, rather than for an entire metropolitan or non-metropolitan county.

HUD identifies which metropolitan areas are required to use SAFMRs based on significant voucher concentration challenges and market conditions. PHAs administering the HCV program in those areas are required to use the SAFMRs when establishing payment standards (mandatory SAFMR PHAs). Mandatory SAFMR PHAs must use the SAFMR for any part of their jurisdiction located in the SAFMR area.

Upon notification to HUD, PHAs not located in mandatory SAFMR areas may opt-in and voluntarily adopt SAFMRs for one or more of the FMR areas in which the PHA administers vouchers (opt-in PHAs). A PHA that exercises this option in one metropolitan area or non-metropolitan county is not required to exercise this option in other metropolitan areas or non-metropolitan counties. A PHA that opts in to SAFMRs may subsequently opt out through revision of the administrative plan and notification to HUD.

Alternatively, PHAs may elect to use SAFMRs only as the basis for exception payment standards in some or all of those non-mandatory SAFMR areas that cover or are within their jurisdictions. These PHAs are not considered opt-in PHAs.

When applicable, SAFMRs apply to all tenant-based vouchers in the PHA's jurisdiction, including special vouchers such as the Veterans Affairs Supportive Housing (VASH) program, the Family Unification Program (FUP), and special housing types such as Single Room Occupancies (SROs) and homeownership vouchers. SAFMRs do not apply to manufactured home space rental.

PHA Policy

The PHA is a mandatory SAFMR PHA.

The Basic Range [24 CFR 982.503(c) and Notice PIH 2024-34]

The PHA may establish a payment standard within the "basic range" established by HUD—between 90 and 110 percent of the published FMR for each unit size—without HUD approval or prior notification to HUD. For each payment standard area, the PHA must establish a payment standard amount for each unit size which may be based on the same percentage of the published FMR (for example, all units at 100 percent of FMR), or the PHA may set different payment standards for different unit sizes (for example, 1-bedrooms at 90 percent and 2-bedrooms at 100 percent of the FMR).

Designated Payment Standard Areas [24 CFR 982.503(a)(3) and Notice PIH 2024-34]

The PHA may establish designated payment standard areas within each FMR area where the PHA establishes different payment standards, provided each area is no smaller than a census tract block group. If

the PHA designates payment standard areas, then it must include the criteria used to determine the designated areas and the payment standard amounts for those areas in the administrative plan.

PHA Policy

The PHA has established designated payment standard areas.

Exception Payment Standards [24 CFR 982.503(d), Notice PIH 2018-01, Notice PIH 2024-34, and FR Notice 9/27/21]

There are several options available to increase payment standards above the basic range. These are known as *exception payment standards*, which are payment standards that exceed 110 percent of the published FMR.

The following are types of exception payment standards:

- Payment standards based on SAFMRs in ZIP codes where the SAFMR is higher than the applicable metropolitan or non-metropolitan county FMR
- Payment standards greater than 110 percent up to 120 percent of the applicable FMR
- Payment standards over 120 percent of the applicable FMR
- Payment standards up to 120 percent of the FMR for Veterans Affairs Supportive Housing (HUD-VASH)
- Payment standards necessary as a reasonable accommodation

Payment Standards based on SAFMRs in ZIP codes where the SAFMR is Higher than the FMR: Upon notification to HUD, a PHA that is not located in a SAFMR area or that has not opted to voluntarily adopt SAFMRs may establish an exception payment standard for a ZIP code area that exceeds the basic range for the metropolitan area or county FMR of up to and including 110 percent of the SAFMR for that ZIP code area. If an exception area crosses one or more FMR boundaries, then the maximum exception payment standard amount that a PHA may adopt for the area without HUD approval is 110 percent of the ZIP code area with the lowest SAFMR amount. A PHA that adopts an exception payment standard pursuant to this authority must apply it to the entire ZIP code area.

SAFMRs effective 1/1/2025

Omaha Housing Authority has been designated by the U.S. Department of Housing and Urban Development (HUD) as a Public Housing Agency (PHA) for the purpose of implementing Small Area Fair Market Rents (SAFMR). In accordance with 24 CFR 888.113(c)(3), OHA is required to adopt SAFMR-based payment standards by January 1, 2025.

SAFMRs will apply to all tenant-based vouchers within OHA's jurisdiction, including special vouchers such as the Veterans Affairs Supportive Housing (HUD-VASH) Program, and specific housing types such as Single Room Occupancies (SROs) and homeownership vouchers. OHA may choose to apply SAFMRs to Project-Based Voucher (PBV) units as permitted under 24 CFR 888.113(c)(5) and (h).

OHA will not apply SAFMRs to the Project-Based Voucher Program. Instead, the Metropolitan Area Fair Market Rents (MAFMRs) will be used for the Project-Based Voucher Program (PBV). All Project-Based Voucher Program (PBV) rents must comply with rent reasonableness requirements, OHA's Project-Based Voucher Program (PBV) policies outlined in this plan, and any other applicable rent-setting regulations in accordance with 24 CFR 983.301.

SAFMR-Hold Harmless Policy

Small Area Fair Market Rent (SAFMRs) Small Area Fair Market Rents (SAFMRs) are Fair Market Rents (FMRs) calculated at the ZIP code level rather than for the entire metropolitan area. SAFMRs are designed to help families access low-poverty, high-opportunity areas by offering rental assistance that matches the local market rent, making housing in these neighborhoods more affordable for families. The PHA has been designated by HUD as an SAFMR PHA and, in accordance with 24 CFR 888.113(c)(3), is required to implement SAFMR-based payment standards no later than January 1, 2025. SAFMRs will apply to all tenant-based vouchers in the PHA's jurisdiction, including special vouchers such as the Veterans Affairs Supportive Housing (HUD-VASH) Program, the Family Unification Program (FUP), and special housing types such as Single Room Occupancies (SROs) and homeownership vouchers. A family that will be affected by a payment standard reduction must receive a written notice twelve months before the effective date of the reduced payment standard. The PHA may, without HUD approval, establish an exception payment standard of up to and including 120% of the SAFMR if required as a reasonable accommodation for a family that includes a person with a disability (or, in the case of HUD-VASH, up to 140% of the SAFMR). The PHA may request HUD approval to establish a payment standard exceeding 120% of the SAFMR (or 140% in the case of HUD-VASH), if necessary, as a reasonable accommodation for such a family.

PHA Policy The PHA will establish payment standards for each ZIP code or groups of ZIP codes in its jurisdiction to ensure they are between the 90–110% basic range of the SAFMR or any exception payment standard, if applicable. If the amount on the payment standard schedule is decreased while the family continues to reside in the assisted unit, the payment standard in effect as of the recertification prior to the decrease will remain in place. The payment standard shall be frozen at this level until such time as one of the following occurs:

- The payment standard is equal to or above the frozen level
 - The family moves
- SAFMR Sample Admin Plan Language: Hold Harmless © 2024 The Department of Housing and Urban Development. All Rights Reserved. Content contribution and development by CVR Associates, Inc. Page 2

A change in household composition requires a change in payment standard at the next annual reexamination

Payment Standards Greater than 110 Percent Up to 120 Percent: Upon notification to HUD, a PHA may establish exception payment standards between 110 percent and 120 percent of the applicable FMR if the PHA meets one of the following criteria:

- Success rate: Fewer than 75 percent of families to which the PHA has issued tenant-based vouchers during the most recent 12-month period for which there is success rate data available have become participants on the program; or
- Rent burden: More than 40 percent of families with tenant-based assistance pay more than 30 percent of their adjusted income as their family share.

The PHA may revert back to the basic range at any time without notification to HUD.

PHAs may combine exception payment standards based on the SAFMR and exception payment standards greater than 110 and up to 120 percent.

Other Exception Payment Standards: PHAs may request HUD approval to establish exception payment standards up to 120 percent of the FMR when the above criteria do not apply or in order to establish exception payment standards that exceed 120 percent of the FMR. Requests may be made for an entire FMR area or a designated part of the FMR area.

Exception Payment Standards for VASH: In addition, HUD allows PHAs to establish a HUD-Veterans Affairs Supportive Housing (HUD-VASH) exception payment standard. PHAs may go up to but no higher than 120 percent of the FMR or SAFMR specifically for VASH families. PHAs who want to establish a VASH exception payment standard over 120 percent must still request a waiver from HUD (See Section 19-III.E.).

Once exception payment standards are adopted, the PHA may use the exception payment standard for all units, or for only units of a particular size. The exception payment standard may be established for a designated part of the FMR area (called an “exception area”) or for the entire FMR area. Exception areas are typically county, city, town, ZIP code, or census tract areas. However, so long as the exception area is no smaller than census tract block group, the PHA may determine the area for the exception area.

PHA Policy

The PHA has established exception payment standards effective 1/1/2025.

Reasonable Accommodation [24 CFR 982.503(d)(5), 24 CFR 982.505(d), Notice PIH 2024-34, and Notice PIH 2010-26]

Unit-by-unit exceptions to the PHA's payment standards generally are not permitted. However, an exception may be made on a case-by-case basis as a reasonable accommodation for a family that includes a person with disabilities. (See Chapter 2 for a discussion of reasonable accommodations.) This type of exception does not affect the PHA's payment standard schedule.

If required as a reasonable accommodation, the PHA may make an exception to the payment standard without HUD approval if the exception amount does not exceed 120 percent of the applicable FMR/SAFMR for the unit size (or in the case of VASH, up to 140 percent of the FMR/SAFMR). The PHA may request HUD approval for an exception to the payment standard for a particular family if the required amount exceeds 120 percent of the FMR/SAFMR.

PHA Policy

A family that requires a reasonable accommodation may request a higher payment standard at the time the Request for Tenancy Approval (RTA) is submitted. The family must document the need for the exception. In order to approve an exception, or request an exception from HUD, the PHA must determine that:

There is a shortage of affordable units that would be appropriate for the family;

The family share would otherwise exceed 40 percent of adjusted monthly income; and

The rent for the unit is reasonable.

Payment Standard below the Basic Range [24 CFR 982.503(e) and Notice PIH 2024-34]

The PHA must request HUD approval to establish a payment standard amount that is lower than the basic range. At HUD's sole discretion, HUD may approve establishment of a payment standard lower than the basic range. HUD will consider rent burden on families assisted under the program.

Updating Payment Standards [24 CFR 982.503(c)(3) and Notice PIH 2023-24]

HUD publishes FMRs in the *Federal Register* and also makes them available on the HUD website with an effective date of October 1. When HUD updates FMRs, the PHA must revise its payment standard amounts and schedule no later than three months following the effective date of the published FMR if revisions are necessary to stay within the basic range. HUD may require the PHA to make further adjustments if it determines that rent burdens for assisted families in the PHA's jurisdiction are unacceptably high [24 CFR 982.503(h)]. PHAs must include a copy of the payment standard schedule in the voucher briefing materials, and HUD strongly encourages PHAs to post their payment standard schedule on their website.

PHA Policy

The PHA will review the appropriateness of the payment standards on an annual basis when the new FMR is published, and at other times as determined necessary. In addition to ensuring the payment standards are always within the “basic range,” the PHA will consider the following factors when determining whether an adjustment should be made to the payment standard schedule:

Funding Availability: The PHA will review projected HAP expenditures to determine the impact projected subsidy adjustments will have on funding available for the program and the number of families served. The PHA will compare the number of families who could be served under revised payment standard amounts with the number assisted under current payment standard amounts.

Rent Burden of Participating Families: Rent burden will be determined by identifying the percentage of families, for each unit size, that are paying more than 30 percent of their monthly adjusted income as the family share. When 40 percent or more of families, for any given unit size, are paying more than 30 percent of adjusted monthly income as the family share, the PHA will consider increasing the payment standard. In evaluating rent burdens, the PHA will not include families renting a larger unit than their family unit size.

Quality of Units Selected: The PHA may review the quality of units selected by participant families when making the determination of the percent of income families are paying for housing, to ensure that payment standard increases are only made when needed to reach the mid-range of the market.

Changes in Rent to Owner: The PHA may review a sample of the units to determine how often owners are increasing or decreasing rents and the average percent of increases and decreases by bedroom size.

Unit Availability: The PHA may review the availability of units for each unit size, particularly in areas with low concentrations of poor and minority families.

Lease-up Time and Success Rate: The PHA may consider the percentage of families that are unable to locate suitable housing before the voucher expires and whether families are leaving the jurisdiction to find affordable housing.

Effective dates of changes to payment standard amounts will be determined at the time of update. The PHA will always ensure the payment standards will be within the basic range. The PHA will post its payment standards schedule on the PHA’s website and include a copy in the voucher briefing materials.

16-II.C. UTILITY ALLOWANCES [24 CFR 982.517]

A PHA-established utility allowance schedule is used in determining family share and PHA subsidy. The PHA must maintain a utility allowance schedule for (1) all tenant-paid utilities, (2) the cost of tenant-supplied refrigerators and ranges, and (3) other tenant-paid housing services such as trash collection. The PHA must maintain an area-wide utility allowance schedule. The utility allowance schedule must be determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, the PHA must use normal patterns of consumption for the community as a whole, and current utility rates.

The utility allowance must include the utilities and services that are necessary in the locality to provide housing that complies with housing quality standards. Costs for telephone, cable/satellite television, and internet services are not included in the utility allowance schedule.

In the utility allowance schedule, the PHA must classify utilities and other housing services according to the following general categories: space heating; air conditioning; cooking; water heating; water; sewer; trash collection; other electric; cost of tenant-supplied refrigerator; cost of tenant-supplied range; applicable surcharges; and other specified housing services.

The cost of each utility and housing service must be stated separately by unit size and type. Chapter 18 of the *HCV Guidebook* provides detailed guidance to the PHA about establishing utility allowance schedules.

The PHA must state its policy for utility allowance payments in the administrative plan and apply it consistently to all households. The PHA must provide a copy of the utility allowance schedule to HUD.

Energy Efficient Utility Allowance [24 CFR 982.517(b)(2)(ii)]

In addition to the area-wide utility allowance standard, the PHA may maintain an area-wide, energy efficient utility allowance schedule to be used for units that are in a building that meets Leadership in Energy and Environmental Design (LEED) or Energy Star standards.

PHA Policy

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

Air Conditioning [24 CFR 982.517(b)(1)(iii)]

The PHA must provide a utility allowance for air-conditioning when the majority of housing units in the market provide central air-conditioning or are wired for tenant-installed air conditioners.

PHA Policy

The PHA has included an allowance for air-conditioning in its schedule. Central air-conditioning or a portable air conditioner must be present in a unit before the PHA will apply this allowance to a family's rent and subsidy calculations.

Reasonable Accommodation and Individual Relief

Upon request from a family that includes a person with disabilities, the PHA must approve a utility allowance which 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 and usable by the family member with a disability [24 CFR 982.517(e)]. See Chapter 2 for policies regarding the request and approval of reasonable accommodations.

Further, the PHA may grant requests for relief from charges in excess of the utility allowance on reasonable grounds, such as special needs of the elderly, ill, or residents with disabilities, or special factors not within control of the resident, as the PHA deems appropriate. The family must request the higher allowance and provide the PHA with an explanation of the need for the individual relief and information about the amount of additional allowance required [see HCV GB, p. 18-8].

PHAs should develop criteria for granting individual relief and to notify residents about the availability of individual relief, and also to notify participants about the availability of individual relief programs (sometimes referred to as “Medical Baseline discounts”) offered by the local utility company. Policies for granting exception utility allowances can be found in Section 6-III.D. of this plan.

Utility Allowance Revisions

The PHA must review its schedule of utility allowances each year and must revise the schedule if there has been a change of 10 percent or more in any utility rate since the last time the allowance for that utility was revised [24 CFR 982.517(c)(1)].

The PHA must maintain information supporting its annual review of utility allowance and any revisions made in its utility allowance schedule.



PART III: INFORMAL REVIEWS AND HEARINGS

16-III.A. OVERVIEW

Both applicants and participants have the right to disagree with, and appeal, certain decisions of the PHA that may adversely affect them. PHA decisions that may be appealed ~~to~~ by applicants and participants are discussed in this section.

The process for applicant appeals of PHA decisions is called the “informal review.” For participants (or applicants denied admission because of citizenship issues), the appeal process is called an “informal hearing.” PHAs are required to include informal review procedures for applicants and informal hearing procedures for participants in their administrative plans [24 CFR 982.54(d)(12) and (13)].

16-III.B. INFORMAL REVIEWS

Informal reviews are provided for program applicants. An applicant is someone who has applied for admission to the program, but is not yet a participant in the program. Informal reviews are intended to provide a “minimum hearing requirement” [24 CFR 982.554~~7~~,] and need not be as elaborate as the informal hearing requirements [*Federal Register* 60, no. 127 (3 July 1995): 34690].

Decisions Subject to Informal Review [24 CFR 982.554(a) and (c)]

The PHA must give an applicant the opportunity for an informal review of a decision denying assistance [24 CFR 982.554(a)]. Denial of assistance may include any or all of the following [24 CFR 982.552(a)(2)]:

- Denying listing on the PHA waiting list
- Denying or withdrawing a voucher
- Refusing to enter into a HAP contract or approve a lease
- Refusing to process or provide assistance under portability procedures
- Informal reviews are *not* required for the following reasons [24 CFR 982.554(c)]:
 - Discretionary administrative determinations by the PHA
 - General policy issues or class grievances
 - A determination of the family unit size under the PHA subsidy standards
 - A PHA determination not to approve an extension of a voucher term
 - A PHA determination not to grant approval of the tenancy
 - A PHA determination that the unit is not in compliance with the housing quality standards
 - A PHA determination that the unit does not meet space standards

PHA Policy

The PHA will only offer an informal review to applicants for whom assistance is being denied. Denial of assistance includes: denying listing on the PHA waiting list; denying or withdrawing a voucher; refusing to enter into a HAP contract or approve a lease; refusing to process or provide assistance under portability procedures.

Notice to the Applicant [24 CFR 982.554(a)]

The PHA must give an applicant prompt notice of a decision denying assistance. The notice must contain a brief statement of the reasons for the PHA decision and must also state that the applicant may request an informal review of the decision. The notice must describe how to obtain the informal review.

Scheduling an Informal Review

PHA Policy

A request for an informal review must be made in writing and delivered to the PHA either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of the PHA's denial of assistance.

The PHA must schedule and send written notice of the informal review within 10 business days of the family's request.

If the informal review will be conducted remotely, at the time the PHA notifies the family of the informal review, the family will be informed:

- Regarding the processes to conduct a remote informal review;

- That, if needed, the PHA will provide technical assistance prior to and during the informal review; and

- If the family or any individual witness has any technological, resource, or accessibility barriers preventing them from fully accessing the remote informal review, the family may inform the PHA and the PHA will assist the family in either resolving the issues or allow the family to participate in an in-person informal review, as appropriate.

Informal Review Procedures [24 CFR 982.554(b)]

The informal review must be conducted by a person other than the one who made or approved the decision under review, or a subordinate of this person.

The applicant must be provided an opportunity to present written or oral objections to the decision of the PHA.

Remote Informal Reviews [Notice PIH 2020-32]

There is no requirement that informal reviews be conducted in-person and, as such, HUD allows PHAs to conduct all or a portion of their informal review remotely either over the phone, via video conferencing, or through other virtual platforms. -If the PHA chooses to conduct remote informal reviews, applicants may still request an in-person informal review, as applicable.

PHA Policy

The PHA has the sole discretion to require that informal reviews be conducted remotely in case of local, state, or national physical distancing orders, and in cases of inclement weather or natural disaster.

In addition, the PHA will conduct an informal review remotely upon request of the applicant as a reasonable accommodation for a person with a disability, if an applicant does not have childcare or transportation that would enable them to attend the informal review, or if the applicant believes an in-person informal review would create an undue health risk. The PHA will consider other reasonable requests for a remote informal review on a case-by-case basis.

Ensuring Accessibility for Persons with Disabilities and LEP Individuals

As with in-person informal reviews, the platform for conducting remote informal reviews must be accessible to persons with disabilities and the informal review must be conducted in accordance with Section 504 and accessibility requirements. -This includes ensuring any information, websites, emails, digital notifications, and other virtual platforms are accessible for persons with vision, hearing, and other disabilities. -Further, providing effective communication in a digital context may require the use of individualized auxiliary aids or services, such as audio description, captioning, sign language and other types of interpreters, keyboard accessibility, accessible documents, screen reader support, and transcripts. -Auxiliary aids or services must be provided in accessible formats, in a timely manner, and in such a way to protect the privacy and independence of the individual. -PHAs may never request or require that individuals with disabilities provide their own auxiliary aids or services, including for remote informal hearings.

PHAs are required to make reasonable accommodations in policies, practices, and procedures to ensure persons with disabilities have a full and equal opportunity to participate in and benefit from all aspects of the informal review process. -See Chapter 2 for a more detailed discussion of reasonable accommodation requirements.

If no method of conducting a remote informal review is available that appropriately accommodates an individual's disability, the PHA may not hold against the individual their inability to participate in the remote informal review, and the PHA should consider whether postponing the remote informal review to a later date is appropriate or whether there is a suitable alternative.

Due to the individualized nature of disability, the appropriate auxiliary aid or service necessary, or reasonable accommodation, will depend on the specific circumstances and requirements.

As with in-person reviews, Limited English Proficiency (LEP) requirements also apply to remote informal reviews, including the use of interpretation services and document translation. -See Chapter 2 for a more thorough discussion of accessibility and LEP requirements, all of which apply in the context of remote informal reviews.

Conducting Remote Informal Reviews

The PHA must ensure that the lack of technology or inability to use technology for remote informal reviews does not pose a disadvantage to families that may not be apparent to the PHA. -The PHA should determine through a survey or other means if these barriers exist prior to conducting the remote informal review and, if the family does not have the proper technology to fully participate, either postpone the informal review or provide an alternative means of access.

As with in-person informal reviews, the PHA must provide all materials presented, whether paper or electronic, to the family prior to the remote informal review. The family must also be provided with an accessible means by which to transmit their own evidence.

The PHA must ensure that the applicant has the right to hear and be heard. -All PHA policies and processes for remote informal reviews must be conducted in accordance with due process requirements and be in compliance with HUD regulations at 24 CFR 982.554 and guidance specified in Notice PIH 2020-32.

PHA Policy

The PHA will conduct remote informal reviews via a video conferencing platform, when available. If, after attempting to resolve any barriers, applicants are unable to adequately access the video conferencing platform at any point, or upon applicant request, the informal review will be conducted by telephone conferencing call-in. If the family is unable to adequately access the telephone conferencing call-in at any point, the remote informal review will be postponed, and an in-person alternative will be provided promptly within a reasonable time.

At least five business days prior to the scheduled remote review, the PHA will provide the family with login information and/or conferencing call-in information and an electronic and/or physical copy of all materials being presented via first class mail and/or email. The notice will advise the family of technological requirements for the informal review and request the family notify the PHA of any known barriers. The PHA will resolve any barriers using the guidance in Section 6 of Notice PIH 2020-32, including offering the family the opportunity to attend an in-person informal review.

If the informal review is to be conducted remotely, the PHA will require the family to provide any documents directly relevant to the informal review at least 24 hours before the scheduled review through the mail, via email, or text. The PHA will scan and email copies of these documents to the PHA representative the same day.

Documents will be shared electronically whenever possible.

The PHA will follow up the email with a phone call and/or email to the applicant at least one business day prior to the remote informal review to ensure that the applicant received all information and is comfortable accessing the video conferencing or call-in platform.

The PHA will ensure that all electronic information stored or transmitted with respect to the informal review is secure, including protecting personally identifiable information (PII), and meets the requirements for accessibility for persons with disabilities and persons with LEP.

Informal Review Decision [24 CFR 982.554(b)]

The PHA must notify the applicant of the PHA's final decision, including a brief statement of the reasons for the final decision.

PHA Policy

In rendering a decision, the PHA will evaluate the following matters:

Whether or not the grounds for denial were stated factually in the notice to the family.

The validity of the grounds for denial of assistance. If the grounds for denial are not specified in the regulations, then the decision to deny assistance will be overturned.

The validity of the evidence. The PHA will evaluate whether the facts presented prove the grounds for denial of assistance. If the facts prove that there are grounds for denial, and the denial is required by HUD, the PHA will uphold the decision to deny assistance.

If the facts prove the grounds for denial, and the denial is discretionary, the PHA will consider the recommendation of the person conducting the informal review in making the final decision whether to deny assistance.

The PHA will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed within 10 business days of the informal review, to the applicant and their representative, if any, along with proof of mailing.

If the decision to deny is overturned as a result of the informal review, processing for admission will resume.

If the family fails to appear for their informal review, the denial of admission will stand and the family will be so notified.

16-III.C. INFORMAL HEARINGS FOR PARTICIPANTS [24 CFR 982.555]

PHAs must offer an informal hearing for certain PHA determinations relating to the individual circumstances of a participant family. A participant is defined as a family that has been admitted to the PHA's HCV program and is currently assisted in the program. The purpose of the informal hearing is to consider whether the PHA's decisions related to the family's circumstances are in accordance with the law, HUD regulations and PHA policies.

The PHA is not permitted to terminate a family's assistance until the time allowed for the family to request an informal hearing has elapsed, and any requested hearing has been completed.

Termination of assistance for a participant may include any or all of the following:

- Refusing to enter into a HAP contract or approve a lease
- Terminating housing assistance payments under an outstanding HAP contract
- Refusing to process or provide assistance under portability procedures

Decisions Subject to Informal Hearing

Circumstances for which the PHA must give a participant family an opportunity for an informal hearing are as follows:

- A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment
- A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the PHA utility allowance schedule
- A determination of the family unit size under the PHA's subsidy standards
- A determination to terminate assistance for a participant family because of the family's actions or failure to act
- A determination to terminate assistance because the participant has been absent from the assisted unit for longer than the maximum period permitted under PHA policy and HUD rules

~~A determination to terminate a family's PHA Policy~~

The PHA will also give participant families an opportunity for an informal hearing for:

Any denial of a request for a reasonable accommodation for a person with disabilities (see Chapter 2).

- Families participating in the Family Self-Sufficiency ~~contract, withhold~~(FSS) program, when the PHA withholds the coordination of supportive services; or ~~propose forfeiture of the family's escrow account~~terminates a family's participation in the FSS program because the PHA determines the FSS family has failed to comply without good cause with the requirements of the FSS Contract of Participation in accordance with the FSS Action Plan [24 CFR 984.303(i)].

Circumstances for which an informal hearing is not required are as follows:

- Discretionary administrative determinations by the PHA
- General policy issues or class grievances
- Establishment of the PHA schedule of utility allowances for families in the program
- A PHA determination not to approve an extension of a voucher term
- A PHA determination not to approve a unit or tenancy
- A PHA determination that a unit selected by the applicant is not in compliance with housing quality standards
- A PHA determination that the unit is not in accordance with space standards because of family size
- A determination by the PHA to exercise or not to exercise any right or remedy against an owner under a HAP contract

PHA Policy

~~The PHA will only offer participants the opportunity for an informal hearing when required to by the regulations, and if the PHA denies a request for a reasonable accommodation (see Chapter 2).~~

Remote Informal Hearings [-Notice PIH 2020-32-]

There is no requirement that informal hearings be conducted in-person, and as such, HUD allows PHAs to conduct all or a portion of their informal hearings remotely either over the phone, via video conferencing, or through other virtual platforms. If the PHA chooses to conduct remote informal hearings, applicants may still request an in-person informal hearing, as applicable.

~~The PHA's essential responsibility is to ensure informal hearings meet the requirements of due process and comply with HUD regulations. Therefore, all PHA policies and processes for remote informal hearings will be conducted in accordance with due process requirements and will be in compliance with HUD regulations.~~

PHA Policy

The PHA has the sole discretion to require that informal hearings be conducted remotely in case of local, state, or national physical distancing orders, and in cases of inclement weather or natural disaster.

In addition, the PHA will conduct an informal hearing remotely upon request as a reasonable accommodation for a person with a disability, if a participant does not have childcare or transportation that would enable them to attend the informal hearing, or if the participant believes an in-person hearing would create an undue health risk. The PHA will consider other reasonable requests for a remote informal hearing on a case-by-case basis.

Ensuring Accessibility for Persons with Disabilities and LEP Individuals

As with in-person informal hearings, the platform for conducting remote informal hearings must be accessible to persons with disabilities and the informal hearings must be conducted in accordance with Section 504 and accessibility requirements. -This includes ensuring any information, websites, emails, digital notifications, and other virtual platforms are accessible for persons with vision, hearing, and other disabilities. -Further, providing effective communication in a digital context may require the use of individualized auxiliary aids or services, such as audio ~~descript~~description, captioning, sign language and other types of interpreters, keyboard accessibility, accessible documents, screen reader support, and transcripts. -Auxiliary aids or services must be provided in accessible formats, in a timely manner, and in such a way to protect the privacy and independence of the individual. -PHAs may never request or require that individuals with disabilities provide their own auxiliary aids or services, including for remote informal hearings.

PHAs are required to make reasonable accommodations in policies, practices, and procedures to ensure persons with disabilities have a full and equal opportunity to participate in and benefit from all aspects of the informal hearing process. -See Chapter 2 for a more detailed discussion of reasonable accommodation requirements.

If no method of conducting a remote informal hearing is available that appropriately accommodates an individual's disability, the PHA may not hold against the individual their inability to participate in the remote informal hearing, and the PHA should consider whether ~~positioning~~postponing the remote ~~informal~~ hearing to a later date is appropriate or whether there is a suitable alternative.

Due to the individualized nature of disability, the appropriate auxiliary aid or service necessary, or reasonable accommodation, will depend on the specific circumstances and requirements.

As with in-person reviews, Limited English Proficiency (LEP) requirements also apply to remote informal hearings, including the use of interpretation services and document translation. -See Chapter 2 for a more thorough discussion of accessibility and LEP requirements, all of which apply in the context of remote informal hearings.

Conducting Informal Hearings Remotely

The PHA must ensure that the lack of technology or inability to use technology for remote informal hearings does not pose a disadvantage to families that may not be apparent to the PHA. -The PHA should determine through a survey or other means if these barriers exist prior to conducting the remote informal ~~review~~hearing and, if the family does not have the proper technology to fully participate, either postpone the informal ~~review~~hearing or provide an ~~alternate~~alternative means of access.

As with in-person informal ~~reviews~~hearings, the PHA must provide all materials presented, whether paper or electronic, to the family prior to the remote informal ~~review~~hearing. The family must also be provided with an accessible means by which to transmit their own evidence.

~~PHA must ensure the applicant has the right to hear and be heard. All PHA policies and processes for remote informal reviews must be conducted in accordance with due process requirements be in compliance with HUD regulations at 24CFR 982.554 and guidance specified in Notice PIH 2020-32.~~

~~In conducting any informal hearing remotely, the PHA shall ensure due process and that all parties are able to have full access to the hearing.~~

The PHA's essential responsibility is to ensure informal hearings meet the requirements of due process and comply with HUD regulations. Therefore, all PHA policies and processes for remote informal hearings will be conducted in accordance with due process requirements and will be in compliance with HUD regulations at 24 CFR 982.555 and the guidance for conducting remote hearings specified in Notice PIH 2020-32.

PHA Policy

The PHA will conduct remote informal hearings via a video conferencing platform, when available. If, after attempting to resolve any barriers, ~~applicants~~participants are unable to adequately access the video conferencing platform at any point, or upon ~~applicant~~ request, the informal hearing will be conducted by telephone conferencing call-in. If the family is unable to adequately access the telephone conferencing call-in at any point, the remote informal hearing will be postponed, and an in-person alternative will be provided promptly within a reasonable time.

At least five business days prior to ~~scheduling~~ the scheduled remote hearing, the PHA will provide the family with login information and/or conferencing call-in information and an electronic copy of all materials being presented via first class mail and/or email. The notice will advise the family of technological requirements for the ~~informal~~ hearing and request the family notify the PHA of any known barriers. The PHA will resolve any barriers using the guidance in Section 6 of Notice PIH 2020-32, including offering the family the opportunity to attend an in-person ~~informal~~ hearing.

~~If the informal hearing is to be conducted remotely, the PHA will require the family to provide any documents directly relevant to the informal hearing at least 24 hours before the scheduled hearing through the mail, via email, or text. The PHA will scan and email copies of these documents to the PHA representative the same day.~~

~~Documents will be shared electronically whenever possible.~~

The PHA will follow up ~~the email~~ with a phone call and/or email to the ~~applicant~~family at least one business day prior to the remote informal hearing to ensure that the ~~applicant~~family received all information and is comfortable accessing the video conferencing or call-in platform.

The PHA will ensure that all electronic information stored or transmitted with respect to the informal hearing is secure, including protecting personally identifiable information (PII), and meets the requirements for accessibility for persons with disabilities and persons with LEP.

~~The PHA will conduct remote informal hearings via telephone conferencing call-in or via videoconferencing. If the informal hearing will be conducted via videoconferencing, the PHA will ensure that all participants, participant representatives, advocates, witnesses, PHA representatives, and the hearing officer can adequately access the platform (i.e., hear, be heard, see, and be seen).~~

~~If any participant, representative, advocate, witness, PHA representative, or hearing officer is unable to effectively utilize the videoconferencing platform, the informal hearing will be conducted by telephone conferencing call-in.~~

~~Whether the informal hearing is to be conducted via videoconferencing or telephone call-in, the PHA will provide all parties login information and/or telephone call-in information before the hearing.~~

Informal Hearing Procedures

Notice to the Family [24 CFR 982.555(c)]

When the PHA makes a decision that is subject to informal hearing procedures, the PHA must inform the family of its right to an informal hearing at the same time that it informs the family of the decision.

For decisions related to the family's annual or adjusted income, the determination of the appropriate utility allowance, and the determination of the family unit size, the PHA must notify the family that they may ask for an explanation of the basis of the determination, and that if they do not agree with the decision, they may request an informal hearing on the decision.

For decisions related to the termination of the family's assistance, or the denial of a family's request for an exception to the PHA's subsidy standards, the notice must contain a brief statement of the reasons for the decision, a statement that if the family does not agree with the decision, the family may request an informal hearing on the decision, and a statement of the deadline for the family to request an informal hearing.

PHA Policy

In cases where the PHA makes a decision for which an informal hearing must be offered, the notice to the family will include all of the following:

- The proposed action or decision of the PHA.

- A brief statement of the reasons for the decision, including the regulatory reference.

- The date the proposed action will take place.

- A statement of the family's right to an explanation of the basis for the PHA's decision.

- A statement that if the family does not agree with the decision the family may request an informal hearing of the decision.

- A deadline for the family to request the informal hearing.

- To whom the hearing request should be addressed.

- A copy of the PHA's hearing procedures.

- That the family may request a remote informal hearing.

~~If the PHA will require that the hearing be conducted remotely, at the time the notice is sent to the family informing them of the right to request an informal hearing, the family will be notified that the informal hearing will be conducted remotely. The family will be informed of the processes involved in a remote informal hearing and that the PHA will provide technical assistance, if needed, before the informal hearing.~~

Scheduling an Informal Hearing [24 CFR 982.555(d)]

When an informal hearing is required, the PHA must proceed with the hearing in a reasonably expeditious manner upon the request of the family.

PHA Policy

A request for an informal hearing must be made in writing and delivered to the PHA either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of the PHA's decision or notice to terminate assistance.

The PHA must schedule and send written notice of the informal hearing to the family within 10 business days of the family's request.

If the PHA hearing will be conducted remotely, at the time the notice is sent to the family, the family will be notified:

Regarding the processes involved in a remote informal hearing;

That the PHA will provide technical assistance prior to and during the informal hearing, if needed; and

That if the family or any individual witness has any technological, resource, or accessibility barriers, the family may inform the PHA and the PHA will assist the family in either resolving the issue or allow the family to participate in an in-person hearing, as appropriate.

The family may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family. Requests to reschedule a hearing must ~~may~~ be made orally or in writing prior to the hearing date, ~~or by phone, fax or email~~. At its discretion, the PHA may request documentation of the "good cause" prior to rescheduling the hearing.

If the family does not appear within 20 minutes of the scheduled time, and was unable to reschedule the hearing in advance due to the nature of the conflict, the family must contact the PHA ~~by the end of the business day~~ within 24 hours of the scheduled hearing date, excluding weekends and holidays. The PHA will reschedule the hearing only if the family can show good cause for the failure to appear, or if it is needed as a reasonable accommodation for a person with disabilities. If the family cannot show good cause for the failure to appear, or a rescheduling is not needed as a reasonable accommodation, the PHA's decision will ~~stand~~.

Pre-Hearing Right to Discovery [24 CFR 982.555(e)]

Participants and the PHA are permitted pre-hearing discovery rights. The family must be given the opportunity to examine before the hearing any PHA documents that are directly relevant to the hearing. The family must be allowed to copy any such documents at their own expense. If the PHA does not make the document available for examination on request of the family, the PHA may not rely on the document at the hearing.

For the purpose of informal hearings, *documents* include records and regulations.

PHA Policy

The family will be allowed to copy any documents related to the hearing at ~~no~~ cost ~~of \$.25 per page to the family~~. The family must request discovery of PHA documents no later than 12:00 p.m. on the business day prior to the scheduled hearing date.

If the hearing will be conducted remotely, the PHA will compile a hearing packet, consisting of all documents the PHA intends to produce at the informal hearing. The PHA will mail copies of the hearing packet to the family, the family's representatives, if any, and the hearing officer at least three days before the scheduled remote informal hearing. The original hearing packet will be in the possession of the PHA representative and retained by the PHA.

Documents will be shared electronically whenever possible.

The PHA hearing procedures may provide that the PHA must be given the opportunity to examine at the PHA offices before the hearing any family documents that are directly relevant to the hearing. The PHA must be allowed to copy any such document at the PHA's expense. If the family does not make the document available for examination on request of the PHA, the family may not rely on the document at the hearing.

PHA Policy

For in-person hearings, the PHA will not require pre-hearing discovery by the PHA of family documents directly relevant to the hearing.

If the informal hearing is to be conducted remotely, the PHA will require the family to provide any documents directly relevant to the informal hearing ~~within 5 days after the hearing date~~ at least 24 hours before the ~~is-scheduled hearing~~. ~~through the mail, via email, or text~~. The PHA will scan and email copies of these documents to the hearing officer and the PHA representative the same day.

Documents will be shared electronically whenever possible.

Participant's Right to Bring Counsel [24 CFR 982.555(e)(3)]

At its own expense, the family may be represented by a lawyer or other representative at the informal hearing.

Informal Hearing Officer [24 CFR 982.555(e)(4)]

Informal hearings will be conducted by a person or persons approved by the PHA, other than the person who made or approved the decision or a subordinate of the person who made or approved the decision.

Attendance at the Informal Hearing

PHA Policy

Hearings may be attended by a hearing officer and the following applicable persons: ~~A PHA representative(s) and any witnesses for the PHA~~

A PHA representative(s) and any witnesses for the PHA

The participant and any witnesses for the participant

The participant's counsel or other representative

Any other person approved by the PHA as a reasonable accommodation for a person with a disability

Conduct at Hearings

The person who conducts the hearing may regulate the conduct of the hearing in accordance with the PHA's hearing procedures [24 CFR 982.555(4)(ii)].

PHA Policy

The hearing officer is responsible to manage the order of business and to ensure that hearings are conducted in a professional and businesslike manner. Attendees are expected to comply with all hearing procedures established by the hearing officer and guidelines for conduct. Any person demonstrating disruptive, abusive or otherwise inappropriate behavior will be excused from the hearing at the discretion of the hearing officer.

Evidence [24 CFR 982.555(e)(5)]

The PHA and the family must be given the opportunity to present evidence and question any witnesses. In general, all evidence is admissible at an informal hearing. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

PHA Policy

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.

Oral evidence: the testimony of witnesses

Documentary evidence: a writing which is relevant to the case, for example, a letter written to the PHA. Writings include all forms of recorded communication or representation, including letters, words, pictures, sounds, videotapes or symbols or combinations thereof.

Demonstrative evidence: Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.

Real evidence: A tangible item relating directly to the case.

Hearsay Evidence is evidence based not on a witness' personal knowledge. In and of itself, hearsay evidence carries no weight when making a finding of fact. The hearing officer may include hearsay evidence when considering their decision if it is corroborated by other evidence. Even though hearsay evidence is generally admissible in a hearing, the hearing officer will not base a hearing decision on hearsay alone unless there is clear probative value and credibility of the evidence, and the party seeking the change has met the burden of proof.

~~*Hearsay Evidence is evidence of a statement that was made other than by a witness while testifying at the hearing and that is offered to prove the truth of the matter. Even though evidence, including hearsay, is generally admissible, hearsay evidence alone cannot be used as the sole basis for the hearing officer's decision.*~~

If either the PHA (or the family, if required in a remote hearing) fail to comply with the discovery requirements described above, the hearing officer will refuse to admit such evidence.

Other than the failure of a party to comply with discovery, the hearing officer has the authority to overrule any objections to evidence.

Procedures for Rehearing or Further Hearing

PHA Policy

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the action of the PHA will take effect and another hearing will not be granted.

Hearing Officer's Decision [24 CFR 982.555(e)(6)]

The person who conducts the hearing must issue a written decision, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing.

PHA Policy

In rendering a decision, the hearing officer will consider the following matters:

PHA Notice to the Family: The hearing officer will determine if the reasons for the PHA's decision are factually stated in the Notice.

Discovery: The hearing officer will determine if the PHA and the family were given the opportunity to examine any relevant documents in accordance with PHA policy.

PHA Evidence to Support the PHA Decision: The evidence consists of the facts presented. Evidence is not conclusion, and it is not argument. The hearing officer will evaluate the facts to determine if they support the PHA's conclusion.

Validity of Grounds for Termination of Assistance (when applicable): The hearing officer will determine if the termination of assistance is for one of the grounds specified in the HUD regulations and PHA policies. If the grounds for termination are not specified in the regulations or in compliance with PHA policies, then the decision of the PHA will be overturned.

The hearing officer will issue a written decision to the family and the PHA no later than 10 business days after the hearing. The report will contain the following information:

Hearing information:

Name of the participant;

Date, time and place of the hearing; ~~Name of the hearing officer;~~

Name of the hearing officer;

Name of the PHA representative; and

Name of family representative (if any).

Background: A brief, impartial statement of the reason for the hearing.

Summary of the Evidence: The hearing officer will summarize the testimony of each witness and identify any documents that a witness produced in support of ~~his/her~~their testimony and that are admitted into evidence.

Findings of Fact: The hearing officer will include all findings of fact, based on a preponderance of the evidence. *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. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Conclusions: The hearing officer will render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion will result in a determination of whether these facts uphold the PHA's decision.

Order: The hearing report will include a statement of whether the PHA's decision is upheld or overturned. If it is overturned, the hearing officer will instruct the PHA to change the decision in accordance with the hearing officer's determination. In the case of termination of assistance, the hearing officer will instruct the PHA to restore the participant's program status.
(Update form)

Issuance of Decision [24 CFR 982.555(e)(6)]

A copy of the hearing order must be furnished promptly to the family.

PHA Policy

The hearing officer will mail a "Notice of Hearing Decision" to the PHA and to the participant on the same day. This notice will be sent by first-class mail. The participant will be mailed the original "Notice of Hearing Decision" and a copy of the proof of mailing. A copy of the "Notice of Hearing Decision" will be maintained in the PHA's file.

~~PHA's file. At the family's request, this information can be transferred by email.~~

Effect of Final Decision [24 CFR 982.555(f)]

The PHA is not bound by the decision of the hearing officer for matters in which the PHA is not required to provide an opportunity for a hearing, decisions that exceed the authority of the hearing officer, decisions that conflict with or contradict HUD regulations, requirements, or are otherwise contrary to federal, state, or local laws.

If the PHA determines it is not bound by the hearing officer's decision in accordance with HUD regulations, the PHA must promptly notify the family of the determination and the reason for the determination.

PHA Policy

The Executive Director ~~and Department Director have~~ has the authority to determine that the PHA is not bound by the decision of the hearing officer because the PHA was not required to provide a hearing, the decision exceeded the authority of the hearing officer, the decision conflicted with or contradicted HUD regulations, requirements, or the decision was otherwise contrary to federal, state, or local laws.

In such a case, the PHA will mail a "Notice of Final Decision" to the PHA program director and the participant on the same day. The "Notice of Final Decision" will be sent by first-class mail. A copy of this notice will be maintained in the PHA's file.

16-III.D. HEARING AND APPEAL PROVISIONS FOR NONCITIZENS [24 CFR 5.514]

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. Applicants who are denied assistance due to immigration status are entitled to an informal hearing, not an informal review.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while the PHA hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or the PHA informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]

The notice of denial or termination of assistance for noncitizens must advise the family:

- That financial assistance will be denied or terminated⁷ and provide a brief explanation of the reasons for the proposed denial or termination of assistance.
- The family may be eligible for proration of assistance.
- In the case of a participant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].
- That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.
- That the family has a right to request an informal hearing with the PHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.
- For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

USCIS Appeal Process [24 CFR 5.514(e)]

When the PHA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, the PHA must notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide the PHA with a copy of the written request for appeal and the proof of mailing.

PHA Policy

The PHA will notify the family in writing of the results of the USCIS secondary verification within 10 business days of receiving the results.

The family must provide the PHA with a copy of the written request for appeal and proof of mailing within 10 business days of sending the request to the USCIS.

The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.

The USCIS will notify the family, with a copy to the PHA, of its decision. When the USCIS notifies the PHA of the decision, the PHA must notify the family of its right to request an informal hearing.

PHA Policy

The PHA will send written notice to the family of its right to request an informal hearing within 10 business days of receiving notice of the USCIS decision regarding the family's immigration status.

Informal Hearing Procedures for Applicants [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that the PHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the PHA notice of denial, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for applicant families are described below.

Informal Hearing Officer

The PHA must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision. See Section 16-III.C. for a listing of positions that serve as informal hearing officers.

Evidence

The family must be provided the opportunity to examine and copy at the family's expense, at a reasonable time in advance of the hearing, any documents in the possession of the PHA pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.

PHA Policy

The family will be allowed to copy any documents related to the hearing at ~~a cost of \$.25 per page~~ no charge. The family must request discovery of PHA documents no later than

12:00 p.m. on the business day prior to the hearing.

The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family must also be provided the opportunity to refute evidence relied upon by the PHA, and to confront and cross-examine all witnesses on whose testimony or information the PHA relies.

Representation and Interpretive Services

The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf.

The family is entitled to request an interpreter. Upon request, the PHA will provide competent interpretation services, free of charge.

Recording of the Hearing

The family is entitled to have the hearing recorded by audiotape. The PHA may, but is not required to provide a transcript of the hearing.

PHA Policy

The PHA will not provide a transcript of an audio taped hearing.

Hearing Decision

The PHA must provide the family with a written final decision, based solely on the facts presented at the hearing, within 14 calendar days of the date of the informal hearing. The decision must state the basis for the decision.

Informal Hearing Procedures for Residents [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that the PHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the PHA notice of termination, or within 30 days of receipt of the USCIS appeal decision.

For the informal hearing procedures that apply to participant families whose assistance is being terminated based on immigration status, see Section 16-III.C.

Retention of Documents [24 CFR 5.514(h)]

The PHA must retain for a minimum of 5 years the following documents that may have been submitted to the PHA by the family, or provided to the PHA as part of the USCIS appeal or the PHA informal hearing process:

- The application for assistance
- The form completed by the family for income reexamination
- Photocopies of any original documents, including original USCIS documents
- The signed verification consent form
- The USCIS verification results
- The request for a USCIS appeal
- The final USCIS determination
- The request for an informal hearing
- The final informal hearing decision

PART IV: OWNER OR FAMILY DEBTS TO THE PHA

16-IV.A. OVERVIEW

PHAs are required to include in the administrative plan, policies concerning repayment by a family of amounts owed to the PHA [24 CFR 982.54]. ~~If the family breaches an agreement with the PHA to pay amounts owed to a PHA, or amounts paid to an owner by a PHA, the PHA, at its discretion, may offer a family the opportunity to enter an agreement to pay amounts owed to a PHA or amounts paid to an owner by a PHA. The PHA may prescribe the terms of the agreement [24 CFR 982.552 (c)(1)(vii). If the family breaches an agreement with the PHA to pay amounts owed to a PHA, or amounts paid to an owner by a PHA, the PHA, at its discretion, may offer a family the opportunity to enter an agreement to pay amounts owed to a PHA or amounts paid to an owner by a PHA. The PHA may prescribe the terms of the agreement [24 CFR 982.552(c)(1)(vii)].~~ This part describes the PHA's policies for recovery of monies owed to the PHA by families or owners.

PHA Policy

When an action or inaction of an owner or participant results in the overpayment of housing assistance, the PHA holds the owner or participant liable to return any overpayments to the PHA.

The PHA will enter into repayment agreements in accordance with the policies contained in this part as a means to recover overpayments.

16-IV.B. REPAYMENT POLICY

Owner Debts to the PHA

PHA Policy

Any amount due to the PHA by an owner must be repaid by the owner within 30 days of the PHA determination of the debt. ~~However, these debt payment plans can be handled on a case-by-case basis.~~

If the owner fails to repay the debt within the required time frame and is entitled to future HAP payments, the PHA will reduce the future HAP payments by the amount owed until the debt is paid in full.

If the owner is not entitled to future HAP payments the PHA may, in its sole discretion, offer to enter into a repayment agreement on terms prescribed by the PHA.

If the owner refuses to repay the debt, does not enter into a repayment agreement, or breaches a repayment agreement, the PHA will ban the owner from future participation in the program and pursue other modes of collection.

When an owner ~~or participant~~ refuses to repay monies owed to the PHA, the PHA will utilize other available collection alternatives including, but not limited to, the following:

- Collection agencies

- Small claims court

- Civil lawsuit

- State income tax set-off program

~~OIG~~

Family Debts to the PHA

Families are required to reimburse the PHA if they were charged less rent than required because the family either underreported or failed to report income. PHAs are required to determine retroactive rent amounts as far back as the PHA has documentation of family unreported income [Notice PIH 2018-18].

PHA Policy

Any amount owed to the PHA by an HCV family must be repaid by the family. If the family is unable to repay the debt within 30 days, the PHA will offer to enter into a repayment agreement in accordance with the policies below.

Criminal Prosecution for Program Fraud/Abuse

Local, state or federal criminal prosecution should be considered by the PHA in flagrant cases, if the abuse was committed over several years, the fraud and/or underpayments are substantial and the PHA documents that a family and/or owner willfully intended to misrepresent the truth [HUD OIG Integrity Bulletin, Summer 2015].

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

Refusal to Enter into an Agreement

If the family refuses to repay the debt, does not enter into a repayment agreement, or breaches a repayment agreement, the PHA ~~will terminate assistance in accordance with the policies in Chapter 12 and pursue other modes of collection.~~

~~Refusal to Enter into an Agreement~~

~~If the family refuses to repay the debt, or does not enter into a repayment agreement, or breaches a repayment agreement, the PHA must terminate assistance [Notice PIH 2018-18].~~

PHA Policy

When a family refuses to repay monies owed to the PHA, in addition to termination of program assistance, the PHA will utilize other available collection alternatives including, but not limited to, the following:

Collection agencies

Small claims court

Civil lawsuit

State income tax set-off program

Repayment Agreement [24 CFR 792.103]

The term *repayment agreement* refers to a formal written document signed by a tenant or owner and provided to the PHA in which a tenant or owner acknowledges a debt in a specific amount and agrees to repay the amount due at specific time periods.

General Repayment Agreement Guidelines for Families

Down Payment Requirement

PHA Policy

Before executing a repayment agreement with a family, the PHA will generally require a down payment of 10 percent of the total amount owed. If the family can provide evidence satisfactory to the PHA that a down payment of 10 percent would impose an undue hardship, the PHA may, in its sole discretion, require a lesser percentage or waive the requirement.

Payment Thresholds

Notice PIH ~~2017-12~~2018-18 recommends that the total amount that a family must pay each month—the family’s monthly share of rent plus the monthly debt repayment amount—should not exceed 40 percent of the family’s monthly adjusted income. However, a family may already be paying 40 per cent or more of its monthly adjusted income in rent. Moreover, Notice PIH ~~2017-12~~2018-18 acknowledges that PHAs have the discretion to establish “thresholds and policies” for repayment agreements with families [24 CFR 982.552(c)(1)(vii)].

PHA Policy

The PHA has established the following thresholds for repayment of debts:

Amounts ~~between~~over \$3,000 ~~and the federal or state threshold for criminal prosecution~~ must be repaid within 36 months.

Amounts between \$2,000 and \$2,999 must be repaid within 30 months.

Amounts between \$1,000 and \$1,999 must be repaid within 24 months.

Amounts under \$1,000 must be repaid within 12 months.

If a family can provide evidence satisfactory to the PHA that the threshold applicable to the family’s debt would impose an undue hardship, the PHA may, in its sole discretion, determine that a lower monthly payment amount is reasonable. In making its determination, the PHA will consider all relevant information, including the following:

The amount owed by the family to the PHA

The reason for the debt, including whether the debt was the result of family action/inaction or circumstances beyond the family’s control

The family’s current and potential income and expenses

The family’s current family share, as calculated under 24 CFR 982.515 ~~The family’s history of meeting its financial responsibilities~~

The family’s history of meeting its financial responsibilities

Execution of the Agreement

All repayment agreements must be in writing, dated, and signed by both the family and the PHA [Notice PIH 2018-18].

PHA Policy

Any repayment agreement between the PHA and a family must be signed and dated by the PHA and by the head of household and spouse/cohead (if applicable) ~~as well as all other adults in the household.~~

Due Dates

PHA Policy

All payments are due by the close of business on the 15th day of the month. If the 15th does not fall on a business day, the due date is the close of business on the first business day after the 15th.

Late or Missed Payments

PHA Policy

If a payment is not received by the end of the business day on the date due, and prior approval for the missed payment has not been given by the PHA, the PHA will send the family a delinquency notice giving the family 10 business days to make the late payment. If the payment is not received by the due date of the delinquency notice, it will be considered a breach of the agreement and the PHA will terminate assistance in accordance with the policies in Chapter 12.

If a family receives three delinquency notices for unexcused late payments in a 12-month period, the repayment agreement will be considered in default, and the PHA will terminate assistance in accordance with the policies in Chapter 12.

No Offer of Repayment Agreement

PHA Policy

The PHA generally will not enter into a repayment agreement with a family if there is already a repayment agreement in place with the family or if the ~~amount owed by the family exceeds the federal or state threshold for criminal prosecution. under any of the following conditions: PHA, in consultation with HUD and local law enforcement, determine to pursue criminal charges in connection with the conduct and the amounts owed.~~

~~The family is already under an existing repayment agreement with the PHA.~~

~~The PHA determines that the family's debt is a result of program abuse or fraud (as defined in Chapter 14 of this plan).~~

~~The amount owed by the family exceeds the federal or state threshold for criminal prosecution.~~

~~If the family can provide documented proof of \$0 income.~~

Repayment Agreement Terms Involving Improper Payments

All repayment agreements must be in writing, dated, ~~and~~ signed by both the family and the PHA, include the total retroactive rent amount owed, any amount of lump sum payment made at time of execution, if applicable, and the monthly repayment amount. -Notice PIH ~~2017-12~~2018-18 requires certain provisions ~~to,~~ at a minimum, be included in any repayment agreement involving amounts owed by a family because it underreported or failed to report income:

- A reference to the items in the family briefing packet that state the family's obligation to provide true and complete information at every reexamination and the grounds on which the PHA may terminate assistance because of a family's action or failure to act
- A statement clarifying that each month the family not only must pay to the PHA the monthly payment amount specified in the agreement but must also pay to the owner the family's monthly share of the rent to owner
- A statement that the terms of the repayment agreement may be renegotiated if the family's income decreases or increases
- A statement that late or missed payments constitute default of the repayment agreement and may result in termination of assistance

PART V: SECTION 8 MANAGEMENT ASSESSMENT PROGRAM (SEMAP)

16-V.A. OVERVIEW

The Section 8 Management Assessment Program (SEMAP) is a tool that allows HUD to measure PHA performance in key areas to ensure program integrity and accountability. SEMAP scores translate into a rating for each PHA as high performing, standard, or troubled. Scores on individual SEMAP indicators, as well as overall SEMAP ratings, can affect the PHA in several ways.

- High-performing PHAs can be given a competitive advantage under notices of funding availability [24 CFR 985.103].
- PHAs with deficiencies on one or more indicators are required to correct the deficiencies and report to HUD [24 CFR 985.106].
- PHAs with an overall rating of “troubled” are subject to additional HUD oversight, including on-site reviews by HUD staff, a requirement to develop a corrective action plan, and monitoring to ensure the successful implementation of the corrective action plan. In addition, PHAs that are designated “troubled” may not use any part of the administrative fee reserve for other housing purposes [24 CFR 985.107].
- HUD may determine that a PHA's failure to correct identified SEMAP deficiencies or to prepare and implement a corrective action plan required by HUD constitutes a default under the ACC [24 CFR 985.109].

16-V.B. SEMAP CERTIFICATION [24 CFR 985.101]

PHAs must submit the HUD-required SEMAP certification form within 60 calendar days after the end of its fiscal year. The certification must be approved by PHA board resolution and signed by the PHA executive director. If the PHA is a unit of local government or a state, a resolution approving the certification is not required, and the certification must be executed by the Section 8 program director.

PHAs with less than 250 voucher units are only required to be assessed every other PHA fiscal year. HUD will assess such PHAs annually if the PHA elects to have its performance assessed on an annual basis; or is designated as “troubled” [24 CFR 985.105].

Failure of a PHA to submit its SEMAP certification within the required time frame will result in an overall performance rating of “troubled.”

A PHA’s SEMAP certification is subject to HUD verification by an on-site confirmatory review at any time. For small PHAs, HUD may conduct a remote confirmatory review.

Upon receipt of the PHA’s SEMAP certification, HUD will rate the PHA’s performance under each SEMAP indicator in accordance with program requirements.

HUD Verification Method

Several of the SEMAP indicators are scored based on a review of a quality control sample selected for this purpose. The PHA or the Independent Auditor must select an unbiased sample that provides an adequate representation of the types of information to be assessed, in accordance with SEMAP requirements [24 CFR 985.2].

If the HUD verification method for the indicator relies on data in the Form-50058 module (formerly known as MTCS) in the PIH Information Center (PIC), and HUD determines that those data are insufficient to verify the PHA's certification on the indicator due to the PHA's failure to adequately report family data, HUD will assign a zero rating for the indicator [24 CFR 985.3].

16-V.C. SEMAP INDICATORS [24 CFR 985.3 and ~~form~~Form HUD-52648]

The table below lists each of the SEMAP indicators, contains a description of each indicator, and explains the basis for points awarded under each indicator.

A PHA that expends less than \$300,000 in Federal awards and whose Section 8 programs are not audited by an independent auditor, is not ~~to~~ be rated under SEMAP indicators 1-7.

SEMAP Indicators
Indicator 1: Selection from the waiting list Maximum Score: 15 - This indicator shows whether the PHA has written policies in its administrative plan for selecting applicants from the waiting list and whether the PHA follows these policies when selecting applicants ~~for admission~~ from the waiting list. - Points are based on the percent of families that are selected from the waiting list in accordance with the PHA's written policies, according to the PHA's quality control samples.
Indicator 2: Rent reasonableness Maximum Score: 20 - This indicator shows whether the PHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units at the required times. - Points are based on the percent of units for which the PHA follows its written method to determine reasonable rent and has documented its determination that the rent to owner is reasonable, according to the PHA's quality control sample.
Indicator 3: Determination of adjusted income Maximum Score: 20 - This indicator measures whether the PHA verifies and correctly determines adjusted income for each assisted family, and where applicable, uses the appropriate utility allowances for the unit leased in determining the gross rent. - Points are based on the percent of files that are calculated and verified correctly, according to the PHA's quality control sample.
Indicator 4: Utility allowance schedule Maximum Score: 5 - This indicator shows whether the PHA maintains an up-to-date utility allowance schedule. - Points are based on whether the PHA has reviewed the utility allowance schedule and adjusted it when required, according to the PHA's certification.

Indicator 5: HQS quality control inspections**Maximum Score: 5**

- This indicator shows whether a PHA supervisor reinspects a sample of units under contract during the PHA fiscal year, which meets the minimum sample size requirements for quality control of HQS inspections.
- Points are based on whether the required quality control reinspections were completed, according to the PHA's certification.

Indicator 6: HQS enforcement**Maximum Score: 10**

- This indicator shows whether, following each ~~HQS~~ inspection of a unit under contract where the unit fails to meet ~~HQS~~housing quality standards, any cited life-threatening deficiencies are corrected within 24 hours from the inspection and all other deficiencies are corrected within no more than 30 calendar days from the inspection or any PHA-approved extension.
- Points are based on whether the PHA corrects all ~~HQS~~ deficiencies in accordance with required time frames, according to the PHA's certification.

Indicator 7: Expanding housing opportunities**Maximum Points: 5**

- Only applies to PHAs with jurisdiction in metropolitan FMR areas.
- This indicator shows whether the PHA has adopted and implemented a written policy to encourage participation by owners of units located outside areas of poverty or minority concentration; informs voucher holders of the full range of areas where they may lease units both inside and outside the PHA's jurisdiction; and supplies a list of landlords or other parties who are willing to lease units or help families find units, including units outside areas of poverty or minority concentration.
- Points are based on whether the PHA has adopted and implemented written policies in accordance with SEMAP requirements, according to the PHA's certification.

Indicator 8: FMR limit and payment standards**Maximum Points: 5 points**

- This indicator shows whether the PHA has adopted a payment standard schedule that establishes payment standard amounts by unit size for each FMR area in the PHA's jurisdiction, that are within the basic range of 90 to 110 percent of the published FMR.
- Points are based on whether the PHA has appropriately adopted a payment standard schedule(s), according to the PHA's certification.

Indicator 9: Annual reexaminations**Maximum Points: 10**

- This indicator shows whether the PHA completes a reexamination for each participating family at least every 12 months.
- Points are based on the percent of reexaminations that are ~~more~~less than ~~2~~two months overdue, according to data from PIC.

Indicator 10: Correct tenant rent calculations**Maximum Points: 5**

- This indicator shows whether the PHA correctly calculates the family's share of the rent to owner.
- Points are based on the percent of correct calculations of family share of the rent, according to data from PIC.

Indicator 11: Pre-contract ~~HQS~~ inspections**Maximum Points: 5**

- This indicator shows whether newly leased units pass ~~HQS~~ inspection on or before the effective date of the assisted lease and HAP contract.
- Points are based on the percent of newly leased units that passed ~~HQS~~ inspection ~~prior to on~~ or before the effective date of the lease and HAP contract, according to data from PIC.

Indicator 12: Annual ~~HQS~~ inspections**Maximum Points: 10**

- This indicator shows whether the PHA inspects each unit under contract at least annually.
- Points are based on the percent of annual ~~HQS~~ inspections of units under contract that are more than 2 months overdue, according to data from PIC.

Indicator 13: Lease-up**Maximum Points: 20 points**

- This indicator shows whether the PHA enters HAP contracts for at least 98 percent of the number of the PHA's baseline voucher units in the ACC for the calendar year ending on or before the PHA's fiscal year, or whether the PHA has expended at least 98 percent of its allocated budget authority for the same calendar year. The PHA can receive 15 points if 95 to 97 percent of vouchers are leased or budget authority is utilized.
- Points are based on utilization of vouchers and HAP expenditures as reported in the voucher management system (VMS) for the most recently completed calendar year.

Indicator 14: Family self-sufficiency (FSS) enrollment and escrow account balances**Maximum Points: 10**

- Only applies to PHAs with mandatory FSS programs.
- This indicator shows whether the PHA has enrolled families in the FSS program as required, and measures the percent of current FSS participants that have had increases in earned income which resulted in escrow account balances.
- Points are based on the percent of mandatory FSS slots that are filled and the percent of families with escrow account balances, according to data from PIC.



Success Rate of Voucher Holders**Maximum Points: 5**

- Only applies to PHAs that have received approval to establish success rate payment standard amounts, and isn't effective until the second full PHA fiscal year following the date of HUD approval of success rate payment standard amounts.
- This indicator shows whether voucher holders were successful in leasing units with voucher assistance.
- Points are based on the percent of families that were issued vouchers, and that became participants in the voucher program.

Deconcentration Bonus Indicator**Maximum Points: 5**

- Submission of data for this indicator is mandatory for a PHA using one or more payment standard amount(s) that exceed(s) 100 percent of the published FMR set at the ~~50~~-50th percentile rent, starting with the second full PHA fiscal year following initial use of payment standard amounts based on the FMRs set at the 50th percentile.
- Additional points are available to PHAs that have jurisdiction in metropolitan FMR areas and that choose to submit the required data.
- Points are based on whether the data that is submitted meets the requirements for bonus points.

PART VI: RECORD KEEPING

16-VI.A. OVERVIEW

The PHA must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. All such records must be made available to HUD or the Comptroller General of the United States upon request.

In addition, the PHA must ensure that all applicant and participant files are maintained in a way that protects an individual's privacy rights.

16-VI.B. RECORD RETENTION [24 CFR 982.158; 24 CFR 908.101]

During the term of each assisted lease, and for at least three years thereafter, the PHA must keep:

- A copy of the executed lease;
- The HAP contract; and
- The application from the family.

In addition, the PHA must keep the following records for at least three years:

- Records that provide income, racial, ethnic, gender, and disability status data on program applicants and participants;
- An application from each ineligible family and notice that the applicant is not eligible;
- HUD-required reports;
- Unit inspection reports;
- Lead-based paint records as required by 24 CFR 35, Subpart B.
- Accounts and other records supporting PHA budget and financial statements for the program;
- Records to document the basis for PHA determination that rent to owner is a reasonable rent (initially and during the term of a HAP contract); and
- Other records specified by HUD.

The PHA must keep the last three years of the Form HUD-50058 and supporting documentation during the term of each assisted lease, and for a period of at least three years from the end of ~~the~~ participation (EOP) date [24 CFR 908.101].

The PHA must maintain Enterprise Income Verification (EIV) system Income Reports in the tenant file for the duration of the tenancy ~~but~~ for a period not to exceed three years from the EOP date [Notice PIH 2018-18].

Notice PIH 2014-20 requires PHAs to keep records of all complaints, investigations, notices, and corrective actions related to violations of the Fair Housing Act or the equal access final rule.

PHA Policy

The PHA will keep for at least three years records of all complaints, investigations, notices, and corrective actions related to violations of the Fair Housing Act, the equal access final rule, or VAWA.

The PHA must keep confidential records of all emergency transfer requested by victims of domestic violence, dating violence, sexual assault, ~~and~~ stalking, and human trafficking under the PHA's Emergency Transfer Plan, as well as the outcomes of such requests, and retain the records for a period of three years [see 24 CFR 5.2002(e)(12)].

If an informal hearing to establish a family's citizenship status is held, longer retention requirements apply for some types of documents. For specific requirements, see Section 16--III.D., Retention of Documents.

16-VI.C. RECORDS MANAGEMENT

PHAs must maintain applicant and participant files and information in accordance with the regulatory requirements described below.

PHA Policy

All applicant and participant information will be kept in a secure location and access will be limited to authorized PHA staff.

PHA staff will not discuss personal family information unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

Privacy Act Requirements [24 CFR 5.212 and Form-9886-A]

The collection, maintenance, use, and dissemination of social security numbers (SSN), employer identification numbers (EIN), any information derived from these numbers, and income information of applicants and participants must be conducted, to the extent applicable, in compliance with the Privacy Act of 1974, and all other provisions of Federal, State, and local law.

~~local law.~~

Applicants and participants, including all adults in the household, are required to sign a consent form, HUD-9886-A, Authorization for Release of Information. This form incorporates the Federal Privacy Act Statement and describes how the information collected using the form may be used, and under what conditions HUD or the PHA may release the information collected.

Upfront Income Verification (UIV) Records

PHAs that access UIV data through HUD's Enterprise Income Verification (EIV) system are required to adopt and follow specific security procedures to ensure that all EIV data is protected in accordance with federal laws, regardless of the media on which the data is recorded (e.g. electronic, paper). These requirements are contained in the HUD-issued document, *Enterprise Income Verification (EIV) System, Security Procedures for Upfront Income Verification data*.

PHA Policy

Prior to utilizing HUD's EIV system, the PHA will adopt and implement EIV security procedures required by HUD ~~requirements~~.

Criminal Records

The PHA may only disclose the criminal conviction records which the PHA receives from a law enforcement agency to officers or employees of the PHA, or to authorized representatives of the PHA who have a job-related need to have access to the information [24 CFR 5.903(e)].

The PHA must establish and implement a system of records management that ensures that any criminal record received by the PHA from a law enforcement agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the PHA action without institution of a challenge or final disposition of any such litigation [24 CFR 5.903(g)].

The PHA must establish and implement a system of records management that ensures that any sex offender registration information received by the PHA from a State or local agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the PHA action without institution of a challenge or final disposition of any such litigation. However, a record of the screening, including the type of screening and the date performed must be retained [Notice PIH 2012-28]. This requirement does not apply to information that is public information or is obtained by a PHA other than under 24 CFR 5.905.

Medical/Disability Records

PHAs are not permitted to inquire about the nature or extent of a person's disability. The PHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the PHA receives a verification document that provides such information, the PHA should not place this information in the tenant file. The PHA should destroy the document.

Documentation of Domestic Violence, Dating Violence, Sexual Assault, ~~or~~ Stalking, or Human Trafficking

For requirements and PHA policies related to management of documentation obtained from victims of domestic violence, dating violence, sexual assault, ~~or~~ stalking, or human trafficking see section 16-IX.E.





PART VII: REPORTING AND RECORD KEEPING FOR CHILDREN WITH ELEVATED BLOOD LEAD LEVEL

16-VII.A. OVERVIEW

The PHA has certain responsibilities relative to children with elevated blood lead levels that are receiving HCV assistance. The notification, verification, and hazard reduction requirements are discussed in Chapter 8. This part deals with the reporting requirements, and data collection and record keeping responsibilities that the PHA is subject to.

16-VII.B. REPORTING REQUIREMENT [24 CFR 35.1225(e); Notice PIH 2017-13]

The owner must report the name and address of a child identified as having an elevated blood lead level to the public health department within five business days of being so notified by any other medical health care professional. The owner must also notify the HUD field office and the HUD Office of Lead Hazard Control and Healthy Homes (OLHCHH) of the child's address within five business days. The PHA may collaborate with the owner on the notification process, such as by agreeing with the owner to provide the required notifications on the owner's behalf.

PHA Policy

Upon notification by the owner, the PHA will provide the public health department ~~with~~ written notice of the name and address of any child identified as having an elevated blood lead level within five business days.

Upon notification by the owner, the PHA will notify the HUD field office and the HUD Office of Lead Hazard Control and Healthy Homes (OLHCHH) of the child's address within five business days.

16-VII.C. DATA COLLECTION AND RECORD KEEPING [24 CFR 35.1225(f)]

At least quarterly, the PHA must attempt to obtain from the public health department(s) with a similar area of jurisdiction, the names and/or addresses of children less than 6 years old with an elevated blood lead level.

If the PHA obtains names and addresses of elevated blood lead level children from the public health department(s), the PHA must match this information with the names and addresses of families receiving HCV assistance, unless the public health department performs such a procedure. If a match occurs, the PHA must carry out the notification, verification, and hazard reduction requirements discussed in Chapter 8, and the reporting requirement discussed above.

At least quarterly, the PHA must also report an updated list of the addresses of units receiving assistance under the HCV program to the same public health department(s), unless the public health department(s) states that it does not wish to receive such a report.

PHA Policy

The public health department(s) has stated they **do not** wish to receive a report of an updated list of the addresses of units receiving assistance under the HCV program, on a quarterly basis. Therefore, the PHA is not providing such a report.

The PHA provides an updated list of the addresses of units receiving assistance under the HCV program to the local public health department(s) on a quarterly basis. The reports are provided for the periods ending March 30th, June 30th, September 30th, and December 31st.



PART VIII: DETERMINATION OF INSUFFICIENT FUNDING

16-VIII.A. OVERVIEW

The HCV regulations allow PHAs to deny families permission to move and to terminate Housing Assistance Payments (HAP) contracts if funding under the consolidated ACC is insufficient to support continued assistance [24 CFR 982.354(e)(1) and 982.454]. If a PHA denies a family a portability move based on insufficient funding, the PHA is required to notify the local HUD office within 10 business days [24 CFR 982.354]. Insufficient funding may also impact the PHA's ability to issue vouchers to families on the waiting list. This part discusses the methodology the PHA will use to determine whether or not the PHA has sufficient funding to issue vouchers, approve moves, and to continue subsidizing all families currently under a HAP contract. The PHA must identify in the administrative plan, in the event of insufficient funding, considering any cost saving measures taken by the PHA, a description of the factors the PHA will consider when determining which HAP contracts to terminate first. See Chapter 12 for a description of these factors. ~~HAP contract.~~

16-VIII.B. METHODOLOGY

PHA Policy

The PHA will determine whether there is adequate funding to issue vouchers, approve moves to higher cost units and areas, and continue subsidizing all current participants by comparing the PHA's annual budget authority to the annual total HAP needs on a monthly basis. The total HAP needs for the calendar year will be projected by establishing the actual HAP costs year to date. To that figure, the PHA will add anticipated HAP expenditures for the remainder of the calendar year. Projected HAP expenditures will be calculated by multiplying the projected number of units leased per remaining months by the most current month's average HAP. The projected number of units leased per month will take into account the average monthly turnover of participant families. If the total annual HAP needs equal or exceed the annual budget authority and funding reserves, or if the PHA cannot support the cost of the proposed subsidy commitment (voucher issuance or move) based on the funding analysis, the PHA will be considered to have insufficient funding.





PART IX: VIOLENCE AGAINST WOMEN ACT (VAWA): NOTIFICATION, DOCUMENTATION, CONFIDENTIALITY

16-IX.A. OVERVIEW

The Violence ~~against~~Against Women Act ~~of 2013~~ (VAWA) provides special protections for victims of domestic violence, dating violence, sexual assault ~~and~~, stalking, and human trafficking who are applying for or receiving assistance under the housing choice voucher (HCV) program. If your state or local laws provide greater protection for such victims, those laws apply in conjunction with VAWA.

- Although the VAWA 2022 statute does not ~~speciall~~specifically include human trafficking in the list of victims protected under VAWA, in 2022 HUD began including human trafficking ~~in~~as part of the list of victims protected under VAWA (as seen in Notices PIH 2022-06~~;~~₂ PIH 2022-22, and PIH 2022-24).- In the absence of a final rule implementing VAWA 2022 and to mirror HUD's recent usage, this policy includes human trafficking in addition to domestic violence, dating violence, sexual assault, and stalking anywhere such a list appears.

In addition to definitions of key terms used in VAWA, this part contains general VAWA requirements and PHA policies in three areas: notification, documentation, and confidentiality. Specific VAWA requirements and PHA policies are located primarily in the following sections: 3-I.C, "Family Breakup and Remaining Member of Tenant Family"; 3-III.~~GH~~, "Prohibition against Denial of Assistance to Victims of Domestic Violence, Dating Violence, ~~and~~Sexual Assault, Stalking, and Human Trafficking"; 10-I.A, "Allowable Moves"; 10-I.B, "Restrictions on Moves"; 12-II.E, "Terminations Related to Domestic Violence, Dating Violence, ~~or~~Sexual Assault, Stalking, or Human Trafficking"; and 12-II.F, "Termination Notice."

16-IX.B. DEFINITIONS [24 CFR 5.2003, 42 USC 13925]

As used in VAWA:

- The term *affiliated individual* means, with respect to a person:
 - A spouse, parent, brother or sister, or child of that individual, or an individual to whom that individual stands in the position or place of a parent; or
 - Any other individual, tenant, or lawful occupant living in the household of the victim of domestic violence, dating violence, sexual assault, or stalking.
- The term *bifurcate* means, with respect to a public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members' lease and occupancy rights are allowed to remain intact.
- The term *dating violence* means violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:
 - The length of the relationship
 - The type of relationship
 - The frequency of interaction between the persons involved in the relationship

- The term *domestic violence* includes felony or misdemeanor crimes ~~of violence~~ committed by a current or former spouse or intimate partner of the victim, ~~by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner, by a person similarly situated to a spouse of the victim~~ under the family or domestic ~~or family~~ violence laws of the jurisdiction receiving grant funding, and in the case of victim services, includes the user or attempted use of physical abuse or sexual abuse, or a pattern of any other coercive behavior committed, enabled, or solicited to gain or maintain power and control over a victim, including verbal, psychological, economic, or technological abuse that may or may not constitute criminal behavior, by a person who is: ~~monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.~~
- The current or former spouse or intimate partner of the victim, or person similarly situated to a spouse or intimate partner of the victim
- A person who is cohabitating or has cohabitated with the victim as a spouse or intimate partner
- A person with whom the victim shares a child in common
- A person who commits acts against aan youth or adult victim who is protected from those acts under the domestic or family violence laws of the jurisdiction
- The term *economic abuse* means behavior that is coercive, deceptive, or unreasonably controls or restrains a person's ability to acquire, use, or maintain economic resources to which they are entitled, including using coercion, fraud, and manipulation to:
 - Restrict a person's access to money, assets, credit, or financial information
 - Unfairly use a person's personal economic resources, including money, assets, and credit, for one's own advantage
 - Exert undue influence over a person's financial and economic behavior or decisions, including forcing default on joint or other financial obligations, exploiting powers of attorney, guardianship, or conservatorship, or to whom one has a fiduciary duty.

- ~~The term *affiliated individual* means, with respect to a person:~~

~~-~~

~~- A spouse, parent, brother or sister, or child of that individual, or an individual to whom that individual stands in the position or place of a parent; or~~

~~- Any other individual, tenant, or lawful occupant living in the household of the victim of domestic violence, dating violence, sexual assault, or stalking.~~

- The term *sexual assault* means:
 - Any nonconsensual sexual act proscribed by federal, tribal, or state law, including when the victim lacks the capacity to consent
- The term *stalking* means:
 - To engage in a course of conduct directed at a specific person that would cause a reasonable person to fear for ~~his or her~~their safety or the safety of others, or suffer substantial emotional distress.

- The term *technological abuse* means an act or pattern of behavior that occurs within domestic violence, dating violence, sexual assault, or stalking and is intended to harm, threaten, intimidate, control, stalk, harass, impersonate, exploit, extort, or monitor another person, except as otherwise permitted by law, that occurs using any form of technology, including but not limited to:
 - Internet enabled devices
 - Online spaces and platforms
 - ~~Computers~~
 - Mobile devices
 - ~~Cameras and imaging programs~~
 - ~~Apps~~
 - ~~Location tracking devices~~
 - ~~Communication technologies~~
 - ~~Any other emergency technologies.~~

16-IX.C. NOTIFICATION [24 CFR 5.2005(a)]

Notification to Public

The PHA adopts the following policy to help ensure that all actual and potential beneficiaries of its HCV program are aware of their rights under VAWA.

PHA Policy

The PHA will post the following information regarding VAWA in its offices and on its website. It will also make the information readily available to anyone who requests it.

A copy of ~~the notice~~ Form HUD-5380, Notice of ~~occupancy rights~~ Occupancy Rights under VAWA, to housing choice voucher program applicants and participants who are or have been victims of domestic violence, dating violence, sexual assault, or stalking (~~Form HUD-5380, see~~ Exhibit 16-1)

A copy of ~~form~~ Form HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation (~~see~~ Exhibit 16-2)

A copy of the PHA's emergency transfer plan (Exhibit 16-3)

A copy of Form HUD-5383, HUD's Emergency Transfer Request for Certain Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, ~~Form HUD-5383~~ (Exhibit 16-4)

The National Domestic Violence Hot Line: 1-800-799-SAFE (7233) or 1-800-787-3224 (TTY) (included in Exhibits 16-1 and 16-2)

Contact information for local victim advocacy groups or service providers

Notification to Program Applicants and Participants [24 CFR 5.2005(a)(1)]

PHAs are required to inform program applicants and participants of their rights under VAWA, including their right to confidentiality and the limits thereof, when they are denied assistance, when they are admitted to the program, and when they are notified of an eviction or termination of housing benefits.

PHA Policy

The PHA will provide all applicants with information about VAWA at the time they request an application for housing assistance, as part of the written briefing packet, and at the time the family is admitted to the program. The PHA will also include information about VAWA in all notices of denial of assistance (see section 3-III.~~GH~~).

The PHA will provide all participants with information about VAWA at the time of admission (see section 5-I.B) and at annual reexamination. The PHA will also include information about VAWA in notices of termination of assistance, as provided in section-12-II.F.

The VAWA information provided to applicants and participants will consist of the notices in Exhibits 16-1 and 16-2.

The PHA is not limited to providing VAWA information at the times specified in the above policy. If the PHA decides to provide VAWA information to a participant following an incident of domestic violence, Notice PIH 2017-08 cautions against sending the information by mail, since the abuser may be monitoring the mail. The notice recommends that in such cases the PHA make alternative delivery arrangements that will not put the victim at risk.

PHA Policy

Whenever the PHA has reason to suspect that providing information about VAWA to a participant might place a victim of domestic violence at risk, it will attempt to deliver the information by hand directly to the victim or by having the victim come to an office or other space that may be safer for the individual, making reasonable accommodations as necessary. For example, the PHA may decide not to send mail regarding VAWA protections to the victim's unit if the PHA believes the perpetrator may have access to the victim's mail, unless requested by the victim.

When discussing VAWA with the victim, the PHA will take reasonable precautions to ensure that no one can overhear the conversation, such as having conversations in a private room.

The victim may, but is not required to, designate an attorney, advocate, or other secure contact for communications regarding VAWA protections.

Notification to Owners and Managers

While PHAs are no longer required by regulation to notify owners and managers participating in the HCV program of their rights and obligations under VAWA, the PHA may still choose to inform them.

PHA Policy

The PHA will provide owners and managers with information about their rights and obligations under VAWA when they begin their participation in the program and at least annually thereafter.

The VAWA information provided to owners will consist of the notice in Exhibit 16-5 and ~~a~~ a copy of ~~form~~Form HUD-5382, Certification of Domestic Violence, Dating Violence, ~~and~~Sexual Assault, or Stalking and Alternate Documentation.

16-IX.D. DOCUMENTATION [24 CFR 5.2007]

A PHA presented with a claim for initial or continued assistance based on status as a victim of domestic violence, dating violence, sexual assault, stalking, human trafficking, or criminal activity related to any of these forms of abuse may—but is not required to—request that the individual making the claim document the abuse. Any request for documentation must be in writing, and the individual must be allowed at least 14 business days after receipt of the request to submit the documentation. The PHA may extend this time period at its discretion. [24 CFR 5.2007(a)]

The individual may satisfy the PHA's request by providing any one of the following three forms of documentation [24 CFR 5.2007(b)]:

- (1) A completed and signed HUD-approved certification form (HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking), which must include the name of the perpetrator only if the name of the perpetrator is safe to provide and is known to the victim. The form may be filled out and submitted on behalf of the victim.
- (2) A federal, state, tribal, territorial, or local police report or court record, or an administrative record
- (3) Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, sexual assault ~~or~~, stalking, human trafficking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; a mental health professional; or a medical professional. The person signing the documentation must attest under penalty of perjury to the person's belief that the incidents in question are bona fide incidents of abuse. The victim must also sign the documentation.

The PHA may not require third-party documentation (forms 2 and 3) in addition to certification (form 1), except as specified below under "Conflicting Documentation," nor may it require certification in addition to third-party documentation [~~VAWA final rule~~FR Notice 11/16/16].

PHA Policy

Any request for documentation of domestic violence, dating violence, sexual assault ~~or~~, stalking, or human trafficking will be in writing, will specify a deadline of 14 business days following receipt of the request, will describe the three forms of acceptable documentation, will provide explicit instructions on where and to whom the documentation must be submitted, and will state the consequences for failure to submit the documentation or request an extension in writing by the deadline.

The PHA may, in its discretion, extend the deadline for 10 business days. In determining whether to extend the deadline, the PHA will consider factors that may contribute to the victim's inability to provide documentation in a timely manner, including cognitive limitations, disabilities, limited English proficiency, absence from the unit, administrative delays, the danger of further violence, and the victim's need to address health or safety issues. Any extension granted by the PHA will be in writing.

Once the victim provides documentation, the PHA will acknowledge receipt of the documentation within 10 business days.

Conflicting Documentation [24 CFR 5.2007(e)]

In cases where the PHA receives conflicting certification documents from two or more members of a household, each claiming to be a victim and naming one or more of the other petitioning household members as the perpetrator, the PHA may determine which is the true victim by requiring each to provide acceptable third-party documentation, as described above (forms 2 and 3). The PHA may also request third-party documentation when submitted documentation contains information that conflicts with existing information already available to the PHA. Individuals have 30 calendar days to return third-party verification to the PHA. If the PHA does not receive third-party documentation, and the PHA will deny or terminate assistance as a result, the PHA must hold separate hearings for the tenants [Notice PIH 2017-08].

The PHA must honor any court orders issued to protect the victim or to address the distribution of property.

PHA Policy

If presented with conflicting certification documents from members of the same household, the PHA will attempt to determine which is the true victim by requiring each of them to provide third-party documentation in accordance with 24 CFR 5.2007(e) and by following any HUD guidance on how such determinations should be made.

When requesting third-party documents, the PHA will provide contact information for local domestic violence and legal aid offices. In such cases, applicants or tenants will be given 30 calendar days from the date of the request to provide such documentation.

If the PHA does not receive third-party documentation within the required timeframe (and any extensions) the PHA will deny VAWA protections and will notify the applicant or tenant in writing of the denial. If, as a result, the applicant or tenant is denied or terminated from the program, the PHA will hold separate hearings for the applicants

or tenants.

Discretion to Require No Formal Documentation [24 CFR 5.2007(d)]

The PHA has the discretion to provide benefits to an individual based solely on the individual's statement or other corroborating evidence—i.e., without requiring formal documentation of abuse in accordance with 24 CFR 5.2007(b). HUD recommends documentation in a confidential manner when a verbal statement or other evidence is accepted.

PHA Policy

If the PHA accepts an individual's statement or other corroborating evidence (as determined by the victim) of domestic violence, dating violence, sexual assault ~~or~~, stalking, or human trafficking, the PHA will document acceptance of the statement or evidence in the individual's file.

Failure to Provide Documentation [24 CFR 5.2007(c)]

In order to deny relief for protection under VAWA, a PHA must provide the individual requesting relief with a written request for documentation of abuse. If the individual fails to provide the documentation within 14 business days from the date of receipt, or such longer time as the PHA may allow, the PHA may deny relief for protection under VAWA.

16-IX.E. CONFIDENTIALITY [24 CFR 5.2007(b)(4)]

All information provided to the PHA regarding domestic violence, dating violence, sexual assault ~~or~~, stalking, or human trafficking, including the fact that an individual is a victim ~~of such violence or stalking~~, must be retained in confidence. This means that the PHA (1) may not enter the information into any shared database, (2) may not allow employees or others to access the information unless they are explicitly authorized to do so and have a need to know the information for purposes of their work, and (3) may not provide the information to any other entity or individual, except to the extent that the disclosure is (a) requested or consented to by the individual in writing, (b) required for use in an eviction proceeding, or (c) otherwise required by applicable law.

PHA Policy

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, the PHA will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

**EXHIBIT 16-1: SAMPLE NOTICE OF OCCUPANCY RIGHTS UNDER THE
VIOLENCE AGAINST WOMEN ACT, FORM HUD-5380**

**EXHIBIT 16-1: SAMPLE NOTICE OF OCCUPANCY RIGHTS UNDER THE VIOLENCE
AGAINST WOMEN ACT, FORM HUD-5380**

[Insert Name of Housing Provider]

Notice of Occupancy Rights under the Violence Against Women ~~Act~~¹ Act¹

To all Tenants and Applicants

The Violence Against Women Act (VAWA) provides protections for victims of domestic violence, dating violence, sexual assault, or stalking. VAWA protections are not only available to women, but are available equally to all individuals regardless of sex, gender identity, or sexual orientation.²² The U.S. Department of Housing and Urban Development (HUD) is the federal agency that oversees that the housing choice voucher program is in compliance with VAWA. This notice explains your rights under VAWA. A HUD-approved certification form is attached to this notice. You can fill out this form to show that you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking, and that you wish to use your rights under VAWA.

Protections for Applicants

If you otherwise qualify for assistance under the housing choice voucher program, you cannot be denied admission or denied assistance because you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking.

Protections for Tenants

If you are receiving assistance under the housing choice voucher program, you may not be denied assistance, terminated from participation, or be evicted from your rental housing because you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking.

Also, if you or an affiliated individual of yours is or has been the victim of domestic violence, dating violence, sexual assault, or stalking by a member of your household or any guest, you may not be denied rental assistance or occupancy rights under the housing choice voucher program solely on the basis of criminal activity directly relating to that domestic violence, dating violence, sexual assault, or stalking.

Affiliated individual means your spouse, parent, brother, sister, or child, or a person to whom you stand in the place of a parent or guardian (for example, the affiliated individual is in your care, custody, or control); or any individual, tenant, or lawful occupant living in your household.

¹ ~~Despite the name of this law, VAWA protection is available regardless of sex, gender identity, or sexual orientation.~~

¹ Despite the name of this law, VAWA protection is available regardless of sex, gender identity, or sexual orientation.

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

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

Removing the Abuser or Perpetrator from the Household

The PHA may divide (bifurcate) your lease in order to evict the individual or terminate the assistance of the individual who has engaged in criminal activity (the abuser or perpetrator) directly relating to domestic violence, dating violence, sexual assault, or stalking.

If the PHA chooses to remove the abuser or perpetrator, the PHA may not take away the rights of eligible tenants to the unit or otherwise punish the remaining tenants. If the evicted abuser or perpetrator was the sole tenant to have established eligibility for assistance under the program, the PHA must allow the tenant who is or has been a victim and other household members to remain in the unit for a period of time, in order to establish eligibility under the program or under another HUD housing program covered by VAWA, or, find alternative housing.

In removing the abuser or perpetrator from the household, the PHA must follow federal, state, and local eviction procedures. In order to divide a lease, the PHA may, but is not required to, ask you for documentation or certification of the incidences of domestic violence, dating violence, sexual assault, or stalking.

Moving to Another Unit

Upon your request, the PHA may permit you to move to another unit, subject to the availability of other units, and still keep your assistance. In order to approve a request, the PHA may ask you to provide documentation that you are requesting to move because of an incidence of domestic violence, dating violence, sexual assault, or stalking. If the request is a request for emergency transfer, the housing provider may ask you to submit a written request or fill out a form where you certify that you meet the criteria for an emergency transfer under VAWA. The criteria are:

1. **1. You are a victim of domestic violence, dating violence, sexual assault, or stalking.** If your housing provider does not already have documentation that you are a victim of domestic violence, dating violence, sexual assault, or stalking, your housing provider may ask you for such documentation, as described in the documentation section below.
2. **2. You expressly request the emergency transfer.** Your housing provider may choose to require that you submit a form, or may accept another written or oral request.
3. **3. You reasonably believe you are threatened with imminent harm from further violence if you remain in your current unit.** This means you have a reason to fear that if you do not receive a transfer you would suffer violence in the very near future.

OR

You are a victim of sexual assault and the assault occurred on the premises during the 90-calendar-day period before you request a transfer. If you are a victim of sexual assault, then in addition to qualifying for an emergency transfer because you reasonably believe you are threatened with imminent harm from further violence if you remain in your unit, you may qualify for an emergency transfer if the sexual assault occurred on the premises of the property from which you are seeking your transfer, and that assault happened within the 90-calendar-day period before you expressly request the transfer.

The PHA will keep confidential requests for emergency transfers by victims of domestic violence, dating violence, sexual assault, or stalking, and the location of any move by such victims and their families.

The PHA's emergency transfer plan provides further information on emergency transfers, and the PHA must make a copy of its emergency transfer plan available to you if you ask to see it.

Documenting You Are or Have Been a Victim of Domestic Violence, Dating Violence, Sexual Assault or Stalking

The PHA can, but is not required to, ask you to provide documentation to "certify" that you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking. Such request from the PHA must be in writing, and the PHA must give you at least 14 business days (Saturdays, Sundays, and federal holidays do not count) from the day you receive the request to provide the documentation. The PHA may, but does not have to, extend the deadline for the submission of documentation upon your request.

You can provide one of the following to the PHA as documentation. It is your choice which of the following to submit if the PHA asks you to provide documentation that you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking.

- A complete HUD-approved certification form given to you by the PHA with this notice, that documents an incident of domestic violence, dating violence, sexual assault, or stalking. The form will ask for your name, the date, time, and location of the incident of domestic violence, dating violence, sexual assault, or stalking, and a description of the incident. The certification form provides for including the name of the abuser or perpetrator if the name of the abuser or perpetrator is known and is safe to provide.
- A record of a Federal, State, tribal, territorial, or local law enforcement agency, court, or administrative agency that documents the incident of domestic violence, dating violence, sexual assault, or stalking. Examples of such records include police reports, protective orders, and restraining orders, among others.
- A statement, which you must sign, along with the signature of an employee, agent, or ~~volunteervounteer~~ of a victim service provider, an attorney, a medical professional or a mental ~~healthhelth~~ professional (collectively, "professional") from whom you sought assistance in addressing domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse, and with the professional selected by you attesting under penalty of perjury that ~~he or she believes~~they believe that the incident or incidents of domestic violence, dating violence, sexual assault, or stalking are grounds for protection.
- Any other statement or evidence that the PHA has agreed to accept.

If you fail or refuse to provide one of these documents within the 14 business days, the PHA does not have to provide you with the protections contained in this notice.

If the PHA receives conflicting evidence that an incident of domestic violence, dating violence, sexual assault, or stalking has been committed (such as certification forms from two or more members of a household each claiming to be a victim and naming one or more of the other petitioning household members as the abuser or perpetrator), the PHA has the right to request that you provide third-party documentation within thirty 30 calendar days in order to resolve the conflict. If you fail or refuse to provide third-party documentation where there is conflicting evidence, the PHA does not have to provide you with the protections contained in this notice.

Confidentiality

The PHA must keep confidential any information you provide related to the exercise of your rights under VAWA, including the fact that you are exercising your rights under VAWA.

The PHA must not allow any individual administering assistance or other services on behalf of the PHA (for example, employees and contractors) to have access to confidential information unless for reasons that specifically call for these individuals to have access to this information under applicable Federal, State, or local law.

The PHA must not enter your information into any shared database or disclose your information to any other entity or individual. The PHA, however, may disclose the information provided if:

- You give written permission to the PHA to release the information on a time limited basis.
- The PHA needs to use the information in an eviction or termination proceeding, such as to evict your abuser or perpetrator or terminate your abuser or perpetrator from assistance under this program.
- A law requires the PHA or your landlord to release the information.

VAWA does not limit the PHA's duty to honor court orders about access to or control of the property. This includes orders issued to protect a victim and orders dividing property among household members in cases where a family breaks up.

Reasons a Tenant Eligible for Occupancy Rights under VAWA May Be Evicted or Assistance May Be Terminated

You can be evicted and your assistance can be terminated for serious or repeated lease violations that are not related to domestic violence, dating violence, sexual assault, or stalking committed against you. However, the PHA cannot hold tenants who have been victims of domestic violence, dating violence, sexual assault, or stalking to a more demanding set of rules than it applies to tenants who have not been victims of domestic violence, dating violence, sexual assault, or stalking.

The protections described in this notice might not apply, and you could be evicted and your assistance terminated, if the PHA can demonstrate that not evicting you or terminating your assistance would present a real physical danger that:

1. Would occur within an immediate time frame, and
2. Could result in death or serious bodily harm to other tenants or those who work on the property.

If the PHA can demonstrate the above, the PHA should only terminate your assistance or evict you if there are no other actions that could be taken to reduce or eliminate the threat.

Other Laws

VAWA does not replace any federal, state, or local law that provides greater protection for victims of domestic violence, dating violence, sexual assault, or stalking. You may be entitled to additional housing protections for victims of domestic violence, dating violence, sexual assault, or stalking under other Federal laws, as well as under State and local laws.

Non-Compliance with The Requirements of This Notice

You may report a covered housing provider's violations of these rights and seek additional assistance, if needed, by contacting or filing a complaint with ~~the~~**[insert contact information for any intermediary, if applicable] or [insert HUD field office].**

For Additional Information

You may view a copy of HUD's final VAWA rule at: ~~<https://www.gpo.gov/fdsys/pkg/FR-2016-11-16/pdf/2016-25888.pdf>~~**<https://www.gpo.gov/fdsys/pkg/FR-2016-11-16/pdf/2016-25888.pdf>**.

Additionally, the PHA must make a copy of HUD's VAWA regulations available to you if you ask to see them.

For questions regarding VAWA, please contact ~~+~~**[insert name of program or rental assistance contact information able to answer questions on VAWA]**.

For help regarding an abusive relationship, you may call the National Domestic Violence Hotline at 1-800-799-7233 or, for persons with hearing impairments, 1-800-787-3224 (TTY). You may also contact ~~+~~**[Insert contact information for relevant local organizations]**.

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

For help regarding sexual assault, you may contact: ~~+~~**[Insert contact information for relevant organizations]**

Victims of stalking seeking help may contact ~~+~~**[Insert contact information for relevant organizations]**.

Attachment: ~~Form~~**Form** HUD-5382 ~~+~~**[form approved for this program to be included]**

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**EXHIBIT 16-2: CERTIFICATION OF DOMESTIC VIOLENCE, DATING VIOLENCE,
SEXUAL ASSAULT, OR STALKING AND ALTERNATE DOCUMENTATION,
FORM HUD-5382**

CERTIFICATION OF _____



**EXHIBIT 16-2: CERTIFICATION OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL
ASSAULT, OR STALKING AND ALTERNATE DOCUMENTATION,
FORM HUD-5382**

CERTIFICATION OF _____ U.S. Department of Housing _____ OMB Approval No. 2577-0286
DOMESTIC VIOLENCE, _____ and Urban Development _____

Exp. 06/30/2017 ~~DATING VIOLENCE,~~

DATING VIOLENCE,

**SEXUAL ASSAULT, OR STALKING,
AND ALTERNATE DOCUMENTATION**

Purpose of Form: The Violence Against Women Act (“VAWA”) protects applicants, tenants, and program participants in certain HUD programs from being evicted, denied housing assistance, or terminated from housing assistance based on acts of domestic violence, dating violence, sexual assault, or stalking against them. Despite the name of this law, VAWA protection is available to victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation.

Use of This Optional Form: If you are seeking VAWA protections from your housing provider, your housing provider may give you a written request that asks you to submit documentation about the incident or incidents of domestic violence, dating violence, sexual assault, or stalking.

In response to this request, you or someone on your behalf may complete this optional form and submit it to your housing provider, or you may submit one of the following types of third-party documentation:

- (+) (1) A document signed by you and an employee, agent, or volunteer of a victim service provider, an attorney, or medical professional, or a mental health professional (collectively, “professional”) from whom you have sought assistance relating to domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse. The document must specify, under penalty of perjury, that the professional believes the incident or incidents of domestic violence, dating violence, sexual assault, or stalking occurred and meet the definition of “domestic violence,” “dating violence,” “sexual assault,” or “stalking” in HUD’s regulations at 24 CFR 5.2003.
- (-) (2) A record of a Federal, State, tribal, territorial or local law enforcement agency, court, or administrative agency; or
- (-) (3) At the discretion of the housing provider, a statement or other evidence provided by the applicant or tenant.

Submission of Documentation: The time period to submit documentation is 14 business days from the date that you receive a written request from your housing provider asking that you provide documentation of the occurrence of domestic violence, dating violence, sexual assault, or stalking. Your housing provider may, but is not required to, extend the time period to submit the documentation, if you request an extension of the time period. If the requested information is not received within 14 business days of when you received the request for the documentation, or any extension of the date provided by your housing provider, your housing provider does not need to grant you any of the VAWA protections. Distribution or issuance of this form does not serve as a written request for certification.

Confidentiality: All information provided to your housing provider concerning the incident(s) of domestic violence, dating violence, sexual assault, or stalking shall be kept confidential and such details shall not be entered into any shared database. Employees of your housing provider are not to have access to these details unless to grant or deny VAWA protections to you, and such employees may not disclose this information to any other entity or individual, except to the extent that disclosure is: (i) consented to by you in writing in a time-limited release; (ii) required for use in an eviction proceeding or hearing regarding termination of assistance; or (iii) otherwise required by applicable law.

TO BE COMPLETED BY OR ON BEHALF OF THE VICTIM OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

1. Date the written request is received by victim: _____

2. Name of victim: _____

3. Your name (if different from victim's): _____

4. Name(s) of other family member(s) listed on the lease: _____

5. Residence of victim: _____

6. Name of the accused perpetrator (if known and can be safely disclosed): _____

7. Relationship of the accused perpetrator to the victim: _____

8. Date(s) and times(s) of incident(s) (if known): _____

10. Location of incident(s): _____

In your own words, briefly describe the incident(s):
In your own words, briefly describe the incident(s):

This is to certify that the information provided on this form is true and correct to the best of my knowledge and recollection, and that the individual named above in Item 2 is or has been a victim of domestic violence, dating violence, sexual assault, or stalking. I acknowledge that submission of false information could jeopardize program eligibility and could be the basis for denial of admission, termination of assistance, or eviction.

Signature _____ Signed on (Date) _____

Public Reporting Burden: The public reporting burden for this collection of information is estimated to average 1 hour per response. This includes the time for collecting, reviewing, and reporting the data. The information provided is to be used by the housing provider to request certification that the applicant or tenant is a victim of domestic violence, dating violence, sexual assault, or stalking. The information is subject to the confidentiality requirements of VAWA. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget control number.

**~~EXHIBIT 16-3: EMERGENCY TRANSFER PLAN FOR VICTIMS OF DOMESTIC
VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING
(HCV VERSION)~~**

**EXHIBIT 16-3: EMERGENCY TRANSFER PLAN FOR VICTIMS OF DOMESTIC VIOLENCE,
DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING
(HCV VERSION)**

Attachment: Certification form HUD-5382

[Insert name of covered housing provider]

**Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault, or
Stalking
Housing Choice Voucher Program**

Emergency Transfers

The PHA is concerned about the safety of its tenants, and such concern extends to tenants who are victims of domestic violence, dating violence, sexual assault, or stalking. In accordance with the Violence Against Women Act (VAWA),³³ the PHA allows tenants who are victims of domestic violence, dating violence, sexual assault, or stalking to request an emergency transfer from the tenant's current unit to another unit. The ability to request a transfer is available regardless of sex, gender identity, or sexual orientation.⁴⁴ The ability of the PHA to honor such request for tenants currently receiving assistance, however, may depend upon a preliminary determination that the tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, and on whether the PHA has another dwelling unit that is available and is safe to offer the tenant for temporary or more permanent occupancy.

This plan identifies tenants who are eligible for an emergency transfer, the documentation needed to request an emergency transfer, confidentiality protections, how an emergency transfer may occur, and guidance to tenants on safety and security. This plan is based on a model emergency transfer plan published by the U.S. Department of Housing and Urban Development (HUD), the federal agency that oversees that the **public housing and housing choice voucher (HCV) programs** are in compliance with VAWA.

Eligibility for Emergency Transfers

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

³³Despite the name of this law, VAWA protection is available to all victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation.

⁴⁴Housing providers cannot discriminate on the basis of any protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age. HUD-assisted and HUD-insured housing must be made available to all otherwise eligible individuals regardless of actual or perceived sexual orientation, gender identity, or marital status.

³Despite the name of this law, VAWA protection is available to all victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation.

⁴Housing providers cannot discriminate on the basis of any protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age. HUD-assisted and HUD-insured housing must be made available to all otherwise eligible individuals regardless of actual or perceived sexual orientation, gender identity, or marital status.

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

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

Emergency Transfer Request Documentation

To request an emergency transfer, the tenant shall notify the PHA's management office and submit a written request for a transfer to **any PHA office**. The PHA will provide reasonable accommodations to this policy for individuals with disabilities. The tenant's written request for an emergency transfer should include either:

1. A statement expressing that the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant were to remain in the same dwelling unit assisted under the PHA's program; OR
2. A statement that the tenant was a sexual assault victim and that the sexual assault occurred on the premises during the 90-calendar-day period preceding the tenant's request for an emergency transfer.

Confidentiality

The PHA will keep confidential any information that the tenant submits in requesting an emergency transfer, and information about the emergency transfer, unless the tenant gives the PHA written permission to release the information on a time-limited basis, or disclosure of the information is required by law or required for use in an eviction proceeding or hearing regarding termination of assistance from the covered program. This includes keeping confidential the new location of the dwelling unit of the tenant, if one is provided, from the person or persons that committed an act of domestic violence, dating violence, sexual assault, or stalking against the tenant. See the Notice of Occupancy Rights under the Violence against Women Act for All Tenants for more information about the PHA's responsibility to maintain the confidentiality of information related to incidents of domestic violence, dating violence, sexual assault, or stalking.

Emergency Transfer Timing and Availability

The PHA cannot guarantee that a transfer request will be approved or how long it will take to process a transfer request. The PHA will, however, act as quickly as possible to move a tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking to another unit, subject to availability and safety of a unit. If a tenant reasonably believes a proposed transfer would not be safe, the tenant may request a transfer to a different unit. If a unit is available, the transferred tenant must agree to abide by the terms and conditions that govern occupancy in the unit to which the tenant has been transferred. The PHA may be unable to transfer a tenant to a particular unit if the tenant has not or cannot establish eligibility for that unit.

If the PHA has no safe and available units for which a tenant who needs an emergency transfer is eligible, the PHA will assist the tenant in identifying other housing providers who may have safe and available units to which the tenant could move. At the tenant's request, the PHA will also assist tenants in contacting the local organizations offering assistance to victims of domestic violence, dating violence, sexual assault, or stalking that are attached to this plan.

Emergency Transfers: Housing Choice Voucher (HCV) Program

Tenant-based assistance: If you are a participant in the tenant-based HCV program and request an emergency transfer as described in this plan, the PHA will assist you to move to a safe unit quickly using your existing voucher assistance. The PHA will make exceptions to program regulations restricting moves as required.

At your request, the PHA will refer you to organizations that may be able to further assist you.

Project-based assistance: If you are assisted under the project-based voucher (PBV) program, you may request an emergency transfer under the following programs for which you are not required to apply:

- Tenant-based voucher, if available
- Project-based assistance in the same project (if a vacant unit is available and you determine that the vacant unit is safe)
- Project-based assistance in another development owned by the PHA

Emergency transfers under VAWA will take priority over waiting list admissions for these types of assistance.

You may also request an emergency transfer under the following programs for which you are required to apply:

- Public housing program
- PBV assistance in another development not owned by the PHA
- **[Insert other programs the PHA provides, such as LIHTC or HOME]**

Emergency transfers will not take priority over waiting list admissions for these programs. At your request, the PHA will refer you to organizations that may be able to further assist you.

Safety and Security of Tenants

Pending processing of the transfer and the actual transfer, if it is approved and occurs, the tenant is urged to take all reasonable precautions to be safe.

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

Tenants who have been victims of sexual assault may call the Rape, Abuse, and Incest National Network's National Sexual Assault Hotline at 1-800-656-HOPE, or visit the online hotline at:

~~<https://ohl.rainn.org/online/>~~ <https://ohl.rainn.org/online/>.

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

Attachment: Local organizations offering assistance to victims of domestic violence, dating violence, sexual assault, or stalking.

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**EXHIBIT 16-4: EMERGENCY TRANSFER REQUEST FOR CERTAIN VICTIMS OF
DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING,
FORM HUD-5383**

EMERGENCY TRANSFER



EXHIBIT 16-4: EMERGENCY TRANSFER REQUEST FOR CERTAIN VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING, FORM HUD-5383

EMERGENCY TRANSFER _____ **U.S. Department of Housing** _____ OMB Approval No. 2577-0286
REQUEST FOR CERTAIN _____ **and Urban Development** _____

Exp. 06/30/2017 **VICTIMS OF DOMESTIC**

VICTIMS OF DOMESTIC

**VIOLENCE, DATING VIOLENCE,
SEXUAL ASSAULT, OR STALKING**

Purpose of Form: If you are a victim of domestic violence, dating violence, sexual assault, or stalking, and you are seeking an emergency transfer, you may use this form to request an emergency transfer and certify that you meet the requirements of eligibility for an emergency transfer under the Violence Against Women Act (VAWA). Although the statutory name references women, VAWA rights and protections apply to all victims of domestic violence, dating violence, sexual assault or stalking. Using this form does not necessarily mean that you will receive an emergency transfer. See your housing provider's emergency transfer plan for more information about the availability of emergency transfers.

The requirements you must meet are:

(1) You are a victim of domestic violence, dating violence, sexual assault, or stalking. If your housing provider does not already have documentation that you are a victim of domestic violence, dating violence, sexual assault, or stalking, your housing provider may ask you for such documentation. In response, you may submit Form HUD-5382, or any one of the other types of documentation listed on that Form.

(2) You expressly request the emergency transfer. Submission of this form confirms that you have expressly requested a transfer. Your housing provider may choose to require that you submit this form, or may accept another written or oral request. Please see your housing provider's emergency transfer plan for more details.

(3) You reasonably believe you are threatened with imminent harm from further violence if you remain in your current unit. This means you have a reason to fear that if you do not receive a transfer you would suffer violence in the very near future.

OR

You are a victim of sexual assault and the assault occurred on the premises during the 90-calendar-day period before you request a transfer. If you are a victim of sexual assault, then in addition to qualifying for an emergency transfer because you reasonably believe you are threatened with imminent harm from further violence if you remain in your unit, you may qualify for an emergency transfer if the sexual assault occurred on the premises of the property from which you are seeking your transfer, and that assault happened within the 90-calendar-day period before you submit this form or otherwise expressly request the transfer.

Submission of Documentation: If you have third-party documentation that demonstrates why you are eligible for an emergency transfer, you should submit that documentation to your housing provider if it is safe for you to do so. Examples of third party documentation include, but are not limited to: a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom you have sought assistance; a current restraining order; a recent court order or other court records; a law enforcement report or records; communication records from the perpetrator of the violence or family members or friends of the perpetrator of the violence, including emails, voicemails, text messages, and social media posts.

Confidentiality: All information provided to your housing provider concerning the incident(s) of domestic violence, dating violence, sexual assault, or stalking, and concerning your request for an emergency transfer shall be kept confidential. Such details shall not be entered into any shared database. Employees of your housing provider are not to have access to these details unless to grant or deny VAWA protections or an emergency transfer to you. Such employees may not disclose this information to any other entity or individual, except to the extent that disclosure is: (i) consented to by you in writing in a time-limited release; (ii) required for use in an eviction proceeding or hearing regarding termination of assistance; or (iii) otherwise required by applicable law.

TO BE COMPLETED BY OR ON BEHALF OF THE PERSON REQUESTING A TRANSFER

1. **1. Name of victim requesting an emergency transfer:** _____

2. **2. Your name (if different from victim's):** _____

3. **3. Name(s) of other family member(s) listed on the lease:** _____

4. **4. Name(s) of other family member(s) who would transfer with the victim:** _____

5. **5. Address of location from which the victim seeks to transfer:** _____

6. **6. Address or phone number for contacting the victim:** _____

7. **7. Name of the accused perpetrator (if known and can be safely disclosed):** _____

8. **8. Relationship of the accused perpetrator to the victim:** _____

9. **9. Date(s), Time(s) and location(s) of incident(s):** _____

10. **10. Is the person requesting the transfer a victim of a sexual assault that occurred in the past 90 days on the premises of the property from which the victim is seeking a transfer? If yes, skip question 11. If no, fill out question 11.** _____

11. **11. Describe why the victim believes they are threatened with imminent harm from further violence if they remain in their current unit.**

~~12.~~ **12.** If voluntarily provided, list any third-party documentation you are providing along with this notice:

This is to certify that the information provided on this form is true and correct to the best of my knowledge, and that the individual named above in Item 1 meets the requirement laid out on this form for an emergency transfer. I acknowledge that submission of false information could jeopardize program eligibility and could be the basis for denial of admission, termination of assistance, or eviction.

Signature _____ Signed on (Date) _____

|

**EXHIBIT 16-5: MODEL OWNER NOTIFICATION OF RIGHTS AND
OBLIGATIONS**



EXHIBIT 16-5: MODEL OWNER NOTIFICATION OF RIGHTS AND OBLIGATIONS

[Insert Name of Housing Provider]

NOTIFICATION OF YOUR RIGHTS AND OBLIGATIONS UNDER THE VIOLENCE AGAINST WOMEN ACT (VAWA)

VAWA provides protections for Section 8 Housing Choice Voucher (HCV) and PBV applicants, tenants, and participants from being denied assistance on the basis or as a direct result of being a victim of domestic violence, dating violence, sexual assault, stalking and human trafficking.

Purpose

Many of VAWA's protections to victims of domestic violence, dating violence, sexual assault, stalking, and human trafficking involve action by the public housing agency (PHA), but some situations involve action by owners of assisted housing. The purpose of this notice (herein called "Notice") is to explain your rights and obligations under VAWA, as an owner of housing assisted through **[insert name of housing provider]** HCV program. Each component of this Notice also provides citations to HUD's applicable regulations.

Denial of Tenancy

Protections for applicants: Owners cannot deny tenancy based on the applicant having been or currently being a victim of domestic violence, dating violence, sexual assault, stalking ~~and, or~~ human trafficking. However, the applicant must be otherwise eligible for tenancy. (See 24 Code of Federal Regulations (CFR) 982.452(b)(1).)

Eviction

Protections for HCV participants: Incidents or threats of domestic violence, dating violence, sexual assault, stalking ~~and, or~~ human trafficking will not be considered a serious or repeated lease violation by the victim, or good cause to terminate the tenancy of the victim (see 24 CFR 5.2005(c)). Protection also applies to criminal activity related directly to domestic violence, dating violence, sexual assault, stalking, ~~and/or~~ human trafficking, conducted by a member of a tenant's household or any guest or other person under the tenant's control, if the tenant or an affiliated individual of the tenant is the victim or threatened victim of such domestic violence, dating violence, sexual assault, ~~stalking and, or~~ human trafficking (24 CFR 5.2005(b)(2)).

Limitations of VAWA protections:

- ~~a.~~ **a.** Nothing in ~~the VAWA-Final Rule~~ limits the authority of an owner, when notified of a court order, to comply with a court order with respect to (24 CFR 5.2005(d)(1)):
- ~~1)~~ **1)** The rights of access or control of property, including civil protection orders issued to protect a victim of domestic violence, dating violence, sexual assault, stalking, ~~and/or~~ human trafficking; or
 - ~~2)~~ **2)** The distribution or possession of property among members of a household in a case.
- ~~b.~~ **b.** Nothing in ~~the VAWA-Final Rule~~ limits an owner from evicting a victim of domestic violence, dating violence, sexual assault, stalking, ~~and/or~~ human trafficking, for a lease violation that is not premised on an act of domestic violence, dating violence, sexual assault, stalking, ~~and/or~~ human trafficking, as long as the owner does not subject the victim to more demanding standards than other tenants when deciding whether to evict. (See 24 CFR 5.2005(d)(2).)

~~e.~~ c. Nothing in ~~the VAWA-Final Rule~~ limits an owner from evicting a tenant (including the victim of domestic violence, dating violence, sexual assault, stalking, ~~and/or~~ human trafficking) if the owner can demonstrate an actual and imminent threat to other tenants or those employed at or providing services to the HCV property would be present if the tenant or lawful occupant is not evicted. (See 24 CFR 5.2005(d)(3).)

~~i.~~ i. In this context, words, gestures, actions, or other indicators will be considered an “actual and imminent threat” if they meet the following standards: An actual and imminent threat consists of a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include: the duration of the risk, the nature and severity of the potential harm, the likelihood that the potential harm will occur, and the length of time before the potential harm would occur. (See 24 CFR 5.2003.)

~~ii.~~ ii. Any eviction due to “actual and imminent threat” should be utilized by an owner only when there are no other actions that could be taken to reduce or eliminate the threat, including, but not limited to, transferring the victim to a different unit, barring the perpetrator from the property, contacting law enforcement to increase police presence or develop other plans to keep the property safe, or seeking other legal remedies to prevent the perpetrator from acting on a threat. Restrictions predicated on public safety cannot be based on stereotypes, but must be tailored to particularized concerns about individual residents. (See 24 CFR 5.2005(d)(4).)

Documentation of Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking

If an applicant or tenant requests VAWA protection based on status as a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, the owner has the option to request that the victim document or provide written evidence to demonstrate that the violence occurred. However, nothing in HUD’s regulation requires a covered housing provider to request this documentation. (See 24 CFR 5.2007(b)(3).)

If the owner chooses to request this documentation, the owner must make such request in writing. The individual may satisfy this request by providing any one document type listed under 24 CFR 5.2007(b)(1):

~~a.~~ a. Form HUD-55383 (Self-Certification Form); or

~~b.~~ b. A document: 1) Signed by an employee, agent, or volunteer of a victim service provider, an attorney, or medical professional or a mental health professional (collectively, “professional”) from whom the victim has sought assistance relating to domestic violence, dating violence, sexual assault, stalking, or human trafficking, or the effects of abuse:

~~2)~~ 2) Signed by the applicant or tenant; and

~~3)~~ 3) That specifies, under penalty of perjury, that the professional believes in the occurrence of the incident of domestic violence, dating violence, sexual assault, stalking, or human trafficking that is the ground for protection and remedies under 24 CFR part 5, subpart L, and that the incident meets the applicable definition of domestic violence, dating violence, sexual assault, stalking, or human trafficking under 24 CFR 5.2003; or

~~c.~~ c. A record of a Federal, State, tribal, territorial or local law enforcement agency, court, or administrative agency; or

~~d.~~ d. At the discretion of a covered housing provider, a statement or other evidence provided by the applicant or tenant.

The owner must accept any of the above items (a – c). The owner has discretion to accept a statement or other evidence (d).

The owner is prohibited from requiring third-party documentation of the domestic violence, dating violence, sexual assault, stalking, or human trafficking, unless the submitted documentation contains conflicting information.

If the owner makes a written request for documentation, the owner may require submission of that documentation within 14 business days after the date that the individual received the written request for documentation. (24 CFR 5.2007(a)(2)). The owner may extend this time period at its discretion. During the 14 business day period and any granted extensions of that time, no adverse actions, such as evictions or terminations, can be taken against the individual requesting VAWA protection.

Once a victim provides documentation of domestic violence, dating violence, sexual assault, stalking, ~~and/or~~ human trafficking, the owner is encouraged to acknowledge receipt of the documentation in a timely manner.

If the applicant or tenant fails to provide documentation that meets the criteria in 24 CFR 5.2007 within 14 business days after receiving the written request for that documentation or within the designated extension period, nothing in VAWA ~~Final Rule~~ may be construed to limit the authority of the covered housing provider to:

- ~~a.~~ a. Deny admission by the applicant or tenant to the housing or program;
- ~~b.~~ b. Deny assistance under the covered housing program to the applicant or tenant;
- ~~c.~~ c. Terminate the participation of the tenant in the covered housing program; or
- ~~d.~~ d. Evict the tenant, or a lawful occupant that commits a violation of a lease.

An individual's failure to timely provide documentation of domestic violence, dating violence, sexual assault, stalking, ~~and/or~~ human trafficking, does not result in a waiver of the individual's right to challenge the denial of assistance or termination, nor does it preclude the individual's ability to raise an incident of domestic violence, dating violence, sexual assault, stalking, or human trafficking at eviction or termination proceedings.

Owners may not coerce, intimidate, threaten, interfere with, or retaliate against any person who exercises or assists or encourages a person to exercise any rights or protections under VAWAs (See FR Notice 1/4/23.)

Moves

A victim of domestic violence, dating violence, sexual assault, stalking, ~~and/or~~ human trafficking, may move in violation of their lease if the move is required to protect their safety. If a move results in the termination of the Housing Assistance Payment Contract, the lease is automatically terminated.

Lease Bifurcation

Owners may choose to bifurcate a lease, or remove a household member from a lease in order to evict, remove, terminate occupancy rights, or terminate assistance to such member who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, stalking, or human trafficking against an affiliated individual or other individual. (See 24 CFR 5.2009(a).) If an owner chooses to bifurcate the lease, the owner must comply with the reasonable time to establish eligibility under the covered housing program or find alternative housing following lease bifurcation provision in 24 CFR 5.2009(b). VAWA protections, including bifurcation, do not apply to guests or unreported members of a household or anyone else residing in a household who is not a tenant.

Eviction, removal, termination of occupancy rights, or termination of assistance must be effected in accordance with the procedures prescribed by federal, state, or local law for termination of leases.

To avoid unnecessary delay in the bifurcation process, HUD recommends that owners seek court-ordered eviction of the perpetrator pursuant to applicable laws. This process results in the underlying lease becoming null and void once the owner regains possession of the unit. The owner would then execute a new lease with the victim.

Evictions Due to “Actual and Imminent Threat” or Violations Not Premised on Abuse

~~The VAWA-Final Rule~~ generally prohibits eviction on the basis or as a direct result of the fact that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, if the applicant or tenant otherwise qualifies for assistance, participation or occupancy. (See 24 CFR 5.2005.)

However, ~~the VAWA-Final Rule~~ does not prohibit an owner from evicting a tenant for any violation not premised on an act of domestic violence, dating violence, sexual assault, stalking, or human trafficking, that is in question against the tenant or an affiliated individual of the tenant. Nor does ~~the VAWA-Final Rule~~ prohibit an owner from evicting a tenant if the owner can demonstrate an actual and imminent threat to other tenants or those employed at or providing services to property of the owner would be present if that tenant or lawful occupant is not evicted or terminated from assistance. (See 5.2005(d)(2) and (3).)

In order to demonstrate an actual and imminent threat to other tenants or employees at the property, the covered housing provider must have objective evidence of words, gestures, actions, or other indicators that meet the standards in the following definition:

Actual and imminent threat refers to a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include:

- The duration of the risk;
 - The nature and severity of the potential harm;
 - The likelihood that the potential harm will occur; and
 - The length of time before the potential harm would occur.
- (See 24 CFR 5.2003 and 5.2005(d)(2).)

Confidentiality

Any information submitted to a covered housing provider under 24 CFR 5.2007, including the fact that an individual is a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, must be maintained in strict confidence by the covered housing provider. (See 24 CFR 5.2007(c).)

Employees of the owner (or those within their employ, e.g., contractors) must not have access to the information unless explicitly authorized by the owner for reasons that specifically call for these individuals to have access to this information under applicable ~~Federal, State~~federal, state, or local law (e.g., the information is needed by an employee to provide the VAWA protections to the victim).

The owner must not enter this information into any shared database, or disclose this information to any other entity or individual, except to the extent that disclosure is:

- ~~a.~~ a. Requested or consented to in writing by the individual (victim) in a time-limited release;
- ~~b.~~ b. Required for use in an eviction proceeding or hearing regarding termination of assistance from the covered program; or
- ~~c.~~ c. Otherwise required by applicable law.

When communicating with the victim, owners must take precautions to ensure compliance with these confidentiality requirements.

Service Providers

[insert name of housing provider] has extensive relationships with local service providers. **[insert name of housing provider]** staff are available to provide referrals to shelters, counselors, and advocates. These resources are also provided in **[insert name of housing provider]** Annual and 5-Year Plan, Administrative Plan, VAWA Notice of Occupancy Rights, and Emergency Transfer Plan. A list of local service providers is attached to this Notice.

Definitions

Actual and imminent threat refers to a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include: the duration of the risk, the nature and severity of the potential harm, the likelihood that the potential harm will occur, and the length of time before the potential harm would occur.

Affiliated individual, with respect to an individual, means:

- (1) A spouse, parent, brother, sister, or child of that individual, or a person to whom that individual stands in the place of a parent or guardian (for example, the affiliated individual is a person in the care, custody, or control of that individual); or
- (2) Any individual, tenant, or lawful occupant living in the household of that individual.

Bifurcate means to divide a lease as a matter of law, subject to the permissibility of such process under the requirements of the applicable HUD-covered program and State or local law, such that certain tenants or lawful occupants can be evicted or removed and the remaining tenants or lawful occupants can continue to reside in the unit under the same lease requirements or as may be revised depending upon the eligibility for continued occupancy of the remaining tenants and lawful occupants.

Dating violence means violence committed by a person:

- (+) (1) Who is or has been in a social relationship of a romantic or intimate nature with the victim; and
- (-) (2) Where the existence of such a relationship shall be determined based on a consideration of the following factors:
 - (+) (i) The length of the relationship;
 - (+) (ii) The type of relationship; and
 - (+) (iii) The frequency of interaction between the persons involved in the relationship.

Domestic violence includes felony or misdemeanor crimes of ~~violence~~ committed by a current or former spouse or intimate partner of the victim, ~~by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner, by a person similarly situated to a spouse of the victim~~ under the family or domestic ~~or family~~ violence laws of the jurisdiction receiving grant funding, and in the case of victim services, includes the user or attempted use of physical abuse or sexual abuse, or a pattern of any other coercive behavior committed, enabled, or solicited to gain or maintain power and control over a victim, including verbal, psychological, economic, or technological abuse that may or may not constitute criminal behavior, by a person who is: ~~monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.~~

- The current or former spouse or intimate partner of the victim, or person similarly situated to a spouse or intimate partner of the victim
- A person ~~who~~ who is ~~cohabitation~~ cohabitating or has cohabitated with the victim as a spouse or intimate partner
- A person with whom the victim shares a child in common
- A person who commits acts against an youth or adult victim who is protected from those acts under the domestic or family violence laws of the jurisdiction

Sexual assault means any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks capacity to consent.

Stalking means engaging in a course of conduct directed at a specific person that would cause a reasonable person to:

- (+) (1) Fear for the person's individual safety or the safety of others; or
- (-) (2) Suffer substantial emotional distress.

VAWA means the Violence Against Women Act of 1994, as amended (42 U.S.C. 13925 and 42 U.S.C. 14043e et seq.).

Attached:

Legal services and the domestic violence resources for the Metro area
Form HUD-5382 Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking

[insert name of housing provider] VAWA Notice of Occupancy Rights

Chapter 17

PROJECT-BASED VOUCHERS

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

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

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

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

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

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

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

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

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

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

The Omaha Housing Authority (OHA) will be referred to as the Public Housing Authority (PHA) or simply as the PHA throughout the Administrative Plan.

PART I: GENERAL REQUIREMENTS

17-I.A. OVERVIEW [24 CFR 983.5; FR Notice 1/18/17; Notice PIH 2017-21]

The project-based voucher (PBV) program allows PHAs that already administer a tenant-based voucher program under an annual contributions contract (ACC) with HUD to take up to 20 percent of its authorized units and attach the funding to specific units rather than using it for tenant-based assistance [24 CFR 983.6]. PHAs may only operate a PBV program if doing so is consistent with the PHA's Annual Plan, and the goal of deconcentrating poverty and expanding housing and economic opportunities [42 U.S.C. 1437f(o)(13)].

PHA Policy

The PHA will operate a project-based voucher program using up to 20 percent of its authorized units for project-based assistance. [The PHA may project base additional units beyond the 20 percent as described below.](#)

See Exhibit 17-1 for information on projects to which the PHA has attached PBV assistance.

PBV assistance may be attached to existing housing or newly constructed or rehabilitated housing [24 CFR 983.52]. If PBV units are already selected for project-based assistance either under an agreement to enter into HAP Contract (Agreement) or a HAP contract, the PHA is not required to reduce the number of these units if the number of authorized units is subsequently reduced. However, the PHA is responsible for determining the amount of budget authority that is available for project-based vouchers and ensuring that the amount of assistance that is attached to units is within the amounts available under the ACC, regardless of whether the PHA has vouchers available for project-basing [FR Notice 1/18/17].

Additional Project-Based Units [FR Notice 1/18/17; Notice PIH 2017-21; FR Notice 1/24/22]

The PHA may project-base an additional 10 percent of its units above the 20 percent program limit. The units may be distributed among one, all, or a combination of the categories as long as the total number of units does not exceed the 10 percent cap.

[For units under a HAP contract that was first executed on or after April 18, 2017](#), units qualify under this exception if the units:

- Are specifically made available to house individuals and families that meet the definition of homeless under section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302) and contained in the Continuum of Care Interim Rule at 24 CFR 578.3.
- Are specifically made available to house families that are comprised of or include a veteran.
 - *Veteran* means an individual who has served in the United States Armed Forces.
- Provide supportive housing to persons with disabilities or elderly persons as defined in 24 CFR 5.403.
- Are located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year Estimates.

PBV units that house eligible youth receiving FUPY/FYI assistance are also covered by this 10 percent exception authority, if the units are under a HAP contract that became effective after December 27, 2020, and if the unit is occupied by an eligible youth receiving FUPY/FYI assistance. FYI TPV's that were awarded under Notice PIH 2019-20 are not part of this exception since PHAs are prohibited from project-basing FYI TPVs. Units added after December 27, 2020, through an amendment of a HAP contract that became effective after December 27, 2020, are eligible for this 10 percent exception authority. In contrast, units added after December 27, 2020, through an amendment of a HAP contract that became effective on or prior to December 27, 2020, are not eligible for this 10 percent exception authority [FR Notice 1/24/22]. See Chapter 19 for policies specific to project-basing FUPY vouchers.

Only units that are under a HAP contract that was first executed on or after April 18, 2017, are covered by the 10 percent exception.

PHA Policy

The PHA may project-base up to an additional 10 percent of its authorized units, up to 30 percent, in accordance with HUD regulations and requirements.

See Exhibit 17-1 for information on projects to which the PHA has attached PBV assistance.

~~The PHA will not set aside units above the 20 percent program limit.~~

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

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

In addition, units that were previously subject to certain federal rent restrictions or were receiving another type of long-term housing subsidy provided by HUD are not subject to the cap. The unit must be covered under a PBV HAP contract that first became effective on or after April 18, 2017.

PHA Policy

The PHA may project-base units not subject to the 20 percent cap in accordance with HUD regulations and requirements.

~~The PHA will not project-base any units not subject to the 20 percent cap.~~

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

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

PHA Policy

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, the PHA policies for the tenant-based voucher program contained in this administrative plan also apply to the PBV program and its participants.

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

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

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

The acquisition of real property for a PBV project is subject to the URA and 49 CFR part 24, subpart B. It is the responsibility of the PHA to ensure the owner complies with these requirements.

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

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

PART II: ~~SELECTION OF~~ PBV OWNER PROPOSALS

17-II.A. OVERVIEW

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

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

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

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

Units Selected Non-Competitively [FR Notice 1/18/17; Notice PIH 2017-21; 24 CFR 983.51(b)]

For certain public housing projects where the PHA has an ownership interest or control, the PHA may attach PBV assistance non-competitively without following one of the two processes above.

This exception applies when the PHA is engaged in an initiative to improve, develop, or replace a public housing property or site. The public housing units may either currently be in the public housing inventory or may have been removed from the public housing inventory within five years of the date on which the PHA entered into the AHAP or HAP.

If the PHA is planning rehabilitation or new construction on the project, a minimum threshold of \$25,000 per unit in hard costs must be expended.

Commented [TC1]: This phrase is not in the Nan McKay version

Commented [TC2R1]: Per Philisa, "Yes, you can remove."

If the PHA plans to replace public housing by attaching PBV assistance to existing housing in which the PHA has an ownership interest or control, then the \$25,000 per unit minimum threshold does not apply as long as the existing housing substantially complies with **NSPIRE standards HQS**.

The PHA must include in the administrative plan what work it plans to do on the property or site and how many PBV units will be added to the site.

PHA Policy

The PHA intends to project base units noncompetitively in order to replace public housing units in a project in which the PHA has an ownership interest or control at public housing developments which meet the requirements under HOTMA to select units non-competitively.

The PHA will detail the work it plans to do on the public housing property or site as well as how many units it plans to project-base at the property or site through the annual and/or five-year plan process.

The PHA will ensure that units are eligible for PBV assistance and meet all statutory and regulatory requirements for the PBV program. The existing housing will substantially comply with HQS, which the PHA defines as units with no life-threatening violations that will pass HQS the earlier of 2 months of PBV HAP contract execution or at the end of the construction period.

The following policies in this chapter on solicitation and selection of owner proposals do not apply to units selected under this option.

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

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

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

PHA Policy

PHA Request for Proposals for Rehabilitated and Newly Constructed Units

The PHA will advertise its request for proposals (RFP) for rehabilitated and newly constructed housing in the ~~following newspapers and trade journals appropriate~~ newspapers.

~~Omaha World Herald~~

~~El Perico~~

~~OHA Website~~.

The advertisement will state ~~the number of vouchers available to be project-based~~, the type of units that will be considered, the submission deadline, and will note how to obtain the full RFP with information on the application and selection process. Advertisements will also contain a statement that participation in the PBV program requires compliance with Fair Housing and Equal Opportunity (FHEO) requirements.

~~In addition, the PHA will post the RFP and proposal submission and rating and ranking procedures on its electronic website.~~

~~The PHA will publish its advertisement in the newspapers and trade journals mentioned above for at least one day per week for three consecutive weeks. The advertisement will specify the number of units the PHA estimates that it will be able to assist under the funding the PHA is making available. Proposals will be due in the PHA office by close of business 30 calendar days from the date of the last publication.~~

In order for the proposal to be considered, the owner must submit the proposal to the PHA by the published deadline date, and the proposal must respond to all requirements as outlined in the RFP. Incomplete proposals will not be reviewed.

The PHA will rate and rank proposals for rehabilitated and newly constructed housing using the following criteria:

- Owner experience and capability to build or rehabilitate housing as identified in the RFP;

- Extent to which the project furthers the PHA goal of deconcentrating poverty and expanding housing and economic opportunities;

- If applicable, the extent to which services for special populations are provided on site or in the immediate area for occupants of the property; and

In order to promote partially assisted projects, projects where less than 25 percent of the units will be assisted will be rated higher than projects where 25 percent or more of the units will be assisted. In the case of projects for occupancy by the elderly, persons with disabilities or families needing other services, the PHA will rate partially assisted projects on the percentage of units assisted. Projects with the lowest percentage of assisted units will receive the highest score.

PHA Requests for Proposals for Existing Housing Units

~~The PHA will advertise its request for proposals (RFP) for existing housing in the following newspapers and trade journals.~~

The PHA will advertise its request for proposals (RFP) for rehabilitated and newly constructed housing in the ~~following newspapers and trade journals:~~ [appropriate newspapers.](#)

~~Omaha World Herald~~

~~OHA Website~~

~~The advertisement will state the number of vouchers available to be project-based, the type of units that will be considered, the submission deadline, and will note how to obtain the full RFP with information on the application and selection process. Advertisements will also contain a statement that participation in the PV program requires compliance with Fair housing and Equal Opportunity (FHEO) requirements.~~

~~In addition, the PHA will post the notice inviting such proposal submission and the rating and ranking procedures on its electronic web site.~~

The PHA will periodically publish its advertisement in the newspapers and trade journals mentioned above for at least one day per week for three consecutive weeks. The advertisement will specify the number of units the PHA estimates that it will be able to assist under the funding the PHA is making available. Owner proposals will be accepted on a first-come first-served basis and will be evaluated using the following criteria:

- Experience as an owner in the tenant-based voucher program and owner compliance with the owner's obligations under the tenant-based program;

- Extent to which the project furthers the PHA goal of deconcentrating poverty and expanding housing and economic opportunities;

- If applicable, extent to which services for special populations are provided on site

or in the immediate area for occupants of the property; and

Extent to which units are occupied by families that are eligible to participate in the PBV program.

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

The PHA may consider selection of ~~accept~~ proposals for PBV assistance from owners that were competitively selected under another federal, state or local housing assistance program, including projects that were competitively awarded Low-Income Housing Tax Credits on an ongoing basis.

The PHA will advertise its request for proposals (RFP) for rehabilitated and newly constructed housing in the ~~following newspapers and trade journals appropriate~~ [newspapers](#).

The PHA may periodically advertise that it is accepting proposals, in the following ~~newspapers and trade journals~~:

~~Omaha World Herald~~

~~OHA Website~~

~~The advertisement will state the number of vouchers available to be project-based, the type of units that will be considered, the submission deadline, and will note how to obtain the full RFP with information on the application and selection process. Advertisements will also contain a statement that participation in the PBV program requires compliance with Fair Housing and Equal Opportunity (FHEO) requirements.~~

~~In addition to, or in place of advertising, the PHA may also directly contact specific owners that have already been selected for Federal, state, or local housing assistance based on a previously held competition, to inform them of available PBV assistance.~~

~~Proposals will be reviewed on a first-come first-served basis. The PHA will evaluate each proposal based on the following criteria. on its merits using the following factors:~~

~~Extent to which the project furthers the PHA goal of deconcentrating poverty and expanding housing and economic opportunities; and~~

~~Extent to which the proposal complements other local activities such as the redevelopment of a public housing site under the HOPE VI program, the HOME program, CDBG activities, other development activities in a HUD-designated Enterprise Zone, Economic Community, [Choice Neighborhood](#), or Renewal Community.~~

PHA-Owned Units [24 CFR 983.51(e), 983.59, FR Notice 1/18/17, and Notice PIH 2017-21]

A PHA-owned unit may be assisted under the PBV program only if the HUD field office or HUD-approved independent entity reviews the selection process and determines that the PHA-owned units were appropriately selected based on the selection procedures specified in the PHA administrative plan. This also applies to noncompetitive selections. If the PHA selects a proposal for housing that is owned or controlled by the PHA, the PHA must identify the entity that will review the PHA proposal selection process and perform specific functions with respect to rent determinations, the term of the HAP contract, and inspections.

In the case of PHA-owned units, the term of the HAP contract and any HAP contract renewal must be agreed upon by the PHA and a HUD-approved independent entity. In addition, an independent entity must determine the initial rent to owner, the redetermined rent to owner, and reasonable rent. Housing quality standards inspections must also be conducted by an independent entity.

The independent entity that performs these program services may be the unit of general local government for the PHA jurisdiction (unless the PHA is itself the unit of general local government or an agency of such government) or another HUD-approved public or private independent entity.

PHA Policy

~~The PHA may submit a proposal for project-based housing that is owned or controlled by the PHA. If the proposal for PHA-owned housing is selected, the PHA will use an approved entity] to review the PHA selection process. The PHA will obtain HUD approval of the entity that will be selected before selecting the proposal for PHA-owned housing.~~

The PHA may only compensate the independent entity from PHA ongoing administrative fee income (including amounts credited to the administrative fee reserve). The PHA may not use other program receipts to compensate the independent entity for its services. The PHA and independent entity may not charge the family any fee for the appraisal, or the services provided by the independent entity.

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

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

PHA Policy

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

In addition, the PHA will publish its notice for selection of PBV proposals. ~~for two consecutive days in the same newspapers and trade journals the PHA used to solicit the proposals. The announcement will include the name of the owner that was selected for the PBV program. The PHA will also post the notice of owner selection on its electronic web site.~~

~~The PHA will make available to any interested party its rating and ranking sheets and documents that identify the PHA basis for selecting the proposal. These documents will be available for review by the public and other interested parties for one month after publication of the notice of owner selection. The PHA will not make available sensitive owner information that is privileged, such as financial statements and similar information about the owner.~~

~~The PHA will make these documents available for review at the PHA during normal business hours. The cost for reproduction of allowable documents will be \$.25 per page.~~

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

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

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

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

Ineligible Housing Types [24 CFR 983.53]

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

Subsidized Housing [24 CFR 983.54]

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

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

17-II.E. SUBSIDY LAYERING REQUIREMENTS [24 CFR 983.55, Notice PIH 2013-11, and FR Notice 2/28/20]

The subsidy layering review is intended to prevent excessive public assistance by combining (layering) housing assistance payment subsidy under the PBV program with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concessions or tax credits.

HUD requires new construction and rehabilitation housing that will include forms of governmental assistance other than PBVs to undergo a subsidy layering review (SLR) prior to entering into an Agreement to Enter into Housing Assistance Payments Contract (AHAP). Subsidy layering requirements do not apply to existing housing, when PBV is the only governmental assistance, or for projects already subject to a PBV HAP contract, even if the project is recapitalized with outside sources of funding.

When a PHA selects a new construction or rehabilitation project, the PHA must require information regarding all HUD and/or other federal, state, or local governmental assistance to be disclosed by the project owner using Form HUD-2880. Appendix A of FR Notice 2/28/20 contains a list of all required documentation.

Either HUD or a HUD-approved housing credit agency (HCA) in the PHA's jurisdiction performs the subsidy layering review. The PHA must request an SLR through their local HUD Field Office or, if eligible, through a participating HCA.

If the SLR request is submitted to an approved HCA, and the proposed project-based voucher assistance meets HUD subsidy layering requirements, the HCA must submit a certification to HUD and notify the PHA. The PHA may proceed to execute an AHAP at that time if the environmental approval is received.

The HAP contract must contain the owner's certification that the project has not received and will not receive (before or during the term of the HAP contract) any public assistance for acquisition, development, or operation of the housing other than assistance disclosed in the subsidy layering review in accordance with HUD requirements.

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

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

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

Exceptions to 25% per Project Cap [FR Notice 1/18/17; Notice PIH 2017-21; FR Notice 1/24/22]

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

- The units are exclusively for elderly families
- The units are for households eligible for supportive services available to all families receiving PBV assistance in the project
 - If the project is located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year estimates, the project cap is the greater of 25 units or 40 percent (instead of 25 percent) of the units in the project [FR Notice 7/14/17].

Housing Opportunity Through Modernization Act of 2016 (HOTMA) eliminated project cap exemption for projects that serve disabled families & modified exception for supportive services.

Under the Fostering Stable Housing Opportunities (FSHO) amendments, units exclusively made available to youth receiving FUPY/FYI assistance may be excepted from the project cap for HAP contracts first effective after December 27, 2020. For more information on excepted units for FUPY, see Chapter 19.

Projects where caps were implemented prior to HOTMA (HAP contracts executed prior to April 18, 2017) or FSHO (contract in effect on or prior to December 27, 2020) may continue to use the former exceptions and may renew HAP contracts under old requirements, unless PHA & owner agree to change the conditions of the HAP contract. However, this change may not be made if it would jeopardize an assisted family's eligibility for continued assistance in the project.

Supportive Services

PHAs must include in the PHA administrative plan the type of services offered to families for a project to qualify for the exception and the extent to which such services will be provided. As of April 18, 2017, the project must make supportive services available to all families receiving PBV assistance in the project, but the family does not actually have to accept and receive supportive services for the exception to apply to the unit, although the family must be eligible to receive the supportive services. It is not necessary that the services be provided at or by the project, but must be reasonably available to families receiving PBV assistance at the project and designed to help families in the project achieve self-sufficiency or live in the community as independently as possible. A PHA may not require participation in the supportive service as a condition of living in the excepted unit, although such services may be offered.

PHA Policy

~~Excepted units will be limited to units for elderly families.~~

PBV units that are not counted toward the project cap if the units are:

- Exclusively for elderly families;
- Exclusively made available to eligible youth receiving FUP or FYI assistance; or
- For households eligible for supportive services available to all families receiving PBV assistance in the project.

Projects not Subject to a Project Cap [FR Notice 1/18/17; Notice PIH 2017-21]

PBV units that were previously subject to certain federal rent restrictions or receiving another type of long-term housing subsidy provided by HUD are exempt from the project cap. In other words, 100 percent of the units in these projects may receive PBV assistance.

PHA Policy

The PHA does have PBV units that are subject to the per-project cap exception.

Promoting Partially Assisted Projects [24 CFR 983.56(c)]

A PHA may establish local requirements designed to promote PBV assistance in partially assisted projects. A *partially assisted project* is a project in which there are fewer units covered by a HAP contract than residential units [24 CFR 983.3].

A PHA may establish a per-project cap on the number of units that will receive PBV assistance or other project-based assistance in a multifamily project containing excepted units or in a single-family building. A PHA may also determine not to provide PBV assistance for excepted units, or the PHA may establish a per-project cap of less than 25 units or 25 percent of units.

PHA Policy:

~~Excepted units will be limited to units for elderly families.~~

~~Beyond that, the PHA will not impose any further cap on the number of PBV units assisted per project.~~

PBV units that are not counted toward the project cap if the units are:

- Exclusively for elderly families;
- Exclusively made available to eligible youth receiving FUP or FYI assistance; or
- For households eligible for supportive services available to all families receiving PBV assistance in the project.

17-II.G. SITE SELECTION STANDARDS

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

Commented [TC3]: NSPIRE (HQS)

The PHA may not select a proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an agreement to enter into a HAP contract or HAP contract for units on the site, unless the PHA has determined that PBV assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities. The standard for deconcentrating poverty and expanding housing and economic opportunities must be consistent with the PHA Plan under 24 CFR 903 and the PHA administrative plan.

In addition, prior to selecting a proposal, the PHA must determine that the site is suitable from the standpoint of facilitating and furthering full compliance with the applicable Civil Rights Laws, regulations, and Executive Orders, and that the site meets the ~~NSPIRE-HQS~~ site and neighborhood standards at 24 CFR ~~5.703 982.401(i)~~.

PHA Policy

It is the PHA goal to select sites for PBV housing that provide for deconcentrating poverty and expanding housing and economic opportunities. In complying with this goal the PHA will limit approval of sites for PBV housing in census tracts that have poverty concentrations of 20 percent or less.

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

A census tract in which the proposed PBV development will be located in a HUD-designated Enterprise Zone, Economic Community, Choice Neighborhood, or Renewal Community;

A census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition and HOPE VI redevelopment;

A census tract in which the proposed PBV development will be located is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area;

A census tract where new market rate units are being developed where such market rate units will positively impact the poverty rate in the area;

A census tract where there has been an overall decline in the poverty rate within the past five years; or

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

~~POHA~~ may also select sites that other-wise promote expanding housing opportunities and neighborhood redevelopment goals.

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

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

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

New Construction Site and Neighborhood Standards [24 CFR 983.57(e)]

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

- The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- The site must have adequate utilities and streets available to service the site;
- The site must not be located in an area of minority concentration unless the PHA determines that sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration or that the project is necessary to meet overriding housing needs that cannot be met in that housing market area;
- The site must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
- The site must promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate;
- The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Except for housing designed for elderly persons, the housing must be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

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

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

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

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

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

PART III: DWELLING UNITS

17-III.A. OVERVIEW

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

17-III.B. NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE HOUSING QUALITY STANDARDS [24 CFR 983.101]

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

~~The physical condition standards at 24 CFR 5.703 do not apply to the PBV program.~~

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

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

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

The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. The PHA must ensure that the percentage of accessible dwelling units complies with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR 8, subpart C.

Housing first occupied after March 13, 1991, must comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205, as applicable. (24 CFR 983.102)

17-III.D. INSPECTING UNITS

Pre-selection Inspection [24 CFR 983.103(a)]

The PHA must examine the proposed site before the proposal selection date. If the units to be assisted already exist, the PHA must inspect all the units before the proposal selection date and must determine whether the units substantially comply with **NSPIRE HQS**. To qualify as existing housing, units must substantially comply with **NSPIRE HQS** on the proposal selection date. However, the PHA may not execute the HAP contract until the units fully comply with **NSPIRE HQS**.

Pre-HAP Contract Inspections [24 CFR 983.103(b), FR Notice 1/18/17, and Notice PIH 2017-20]

The PHA must inspect each contract unit before execution of the HAP contract. The PHA may not provide assistance on behalf of the family until the unit fully complies with **NSPIRE HQS**, unless the PHA has adopted a policy to enter into a HAP contract for units that fail the initial **NSPIRE HQS** inspection as a result of only non-life-threatening conditions, or if the unit passed an alternative inspection.

PHA Policy

The PHA will not provide assistance on behalf of the family until the unit fully complies with **NSPIRE HQS**.

The PHA will approve tenancy in a unit when the unit fails the HQS inspection as a result of only non-life-threatening conditions. The owner must correct these deficiencies within 30 days of the written notice from the PHA.

Life-threatening conditions are defined in Section 8-I.C., Life-Threatening Conditions. Non-Life-threatening conditions are defined as any conditions that would fail to meet the Housing Quality Standards under 24 CFR 982.401 and do not meet the definition of life-threatening.

When non-life-threatening deficiencies are not remedied within 30 days of the PHA's written notice to the owner of the unit's failure to comply with HQS, the PHA will follow the same policies for abatement of HAP as it does for the tenant-based HCV program, which are outlined in Section 8.II.B, Initial HQS Inspection.

Turnover Inspections [24 CFR 983.103(c)]

Before providing assistance to a new family in a contract unit, the PHA must inspect the unit. The PHA may not assist on behalf of the family until the unit fully complies with **NSPIRE HQS**.

Annual/Biennial Inspections [24 CFR 983.103(d); FR Notice 6/25/14]

At least once every 24 months during the term of the HAP contract (or at least triennially for small, rural PHAs), the PHA must inspect a random sample consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with **NSPIRE HQS**. Turnover inspections are not counted toward meeting this inspection requirement. The PHA also has the option in certain mixed finance properties to rely on alternative inspections conducted at least triennially.

PHA Policy

~~The PHA will inspect once every 24 months a random sample consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS.~~

The PHA will inspect on an annual basis a random sample consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with NSPIRE HQS.

If more than 20 percent of the sample of inspected contract units in a building fail the initial inspection, the PHA must reinspect 100 percent of the contract units in the building.

Alternative Inspections [24 CFR 983.103(g); Notice PIH 2016-05]

In the case of mixed-finance properties that are subject to alternative inspections, the PHA may rely upon an alternative inspection conducted at least triennially to demonstrate compliance with inspection requirements.

PHA Policy

The PHA will not rely on alternative inspection standards.

Other Inspections [24 CFR 983.103(e)]

The PHA must inspect contract units whenever needed to determine that the contract units comply with **NSPIRE HQS** and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. The PHA must take into account complaints and any other information coming to its attention in scheduling inspections.

The PHA must conduct follow-up inspections needed to determine if the owner (or, if applicable, the family) has corrected an **NSPIRE deficiency HQS-violation** and must conduct inspections to determine the basis for exercise of contractual and other remedies for owner or family **violation of NSPIRE deficiencies HQS**.

In conducting PHA supervisory quality control **HQS** inspections, the PHA should include a representative sample of both tenant-based and project-based units.

Inspecting PHA-Owned Units [24 CFR 983.103(f)]

In the case of PHA-owned units, the inspections must be performed by an independent entity designated by the PHA and approved by HUD. The independent entity must furnish a copy of each inspection report to the PHA and to the HUD field office where the project is located. The PHA must take all necessary actions in response to inspection reports from the independent entity, including exercise of contractual remedies for violation of the HAP contract by the PHA-owner.

PART IV: REHABILITATED AND NEWLY CONSTRUCTED UNITS

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

There are specific requirements that apply to PBV assistance for newly constructed or rehabilitated housing that do not apply to PBV assistance in existing housing. This part describes the requirements unique to this type of assistance.

Housing selected for this type of assistance may not at a later date be selected for PBV assistance as existing housing.

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

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

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

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

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

- Site and the location of the contract units;
- Number of contract units by area (size) and number of bedrooms and bathrooms;
- Services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner and utility services to be paid by the tenant;
- An indication of whether or not the design and construction requirements of the Fair Housing Act and section 504 of the Rehabilitation Act of 1973 apply to units under the Agreement. If applicable, any required work item resulting from these requirements must be included in the description of work to be performed under the Agreement;
- Estimated initial rents to owner for the contract units;
- **Estimated tax credit rents non PBV Units within in the property;**
- Description of the work to be performed under the Agreement. For rehabilitated units, the description must include the rehabilitation work write up and, where determined necessary by the PHA, specifications and plans. For new construction units, the description must include the working drawings and specifications.
- Any additional requirements for quality, architecture, or design over and above **NSPIRE HQS.**

Execution of the Agreement [24 CFR 983.153]

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

PHA Policy

The PHA will enter into the Agreement with the owner **within 30 business days of promptly after** receiving both environmental approval and notice that subsidy layering requirements have been met, and before construction or rehabilitation work is started.

17-IV.C. CONDUCT OF DEVELOPMENT WORK

Labor Standards [24 CFR 983.154(b)]

If an Agreement covers the development of nine or more contract units (whether or not completed in stages), the owner and the owner's contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in the development of housing. Further, these Davis-Bacon requirements apply to existing PBV units when the nature of any work to be performed either before the execution of the HAP contract or within 18 months after execution constitutes project development. Any development initiated on existing units within 18 months after the effective date of the HAP contract on projects with nine or more contract units triggers Davis-Bacon requirements.

The HUD-prescribed form of the Agreement will include the labor standards clauses required by HUD, such as those involving Davis-Bacon wage rates. The addendum to the HAP contract, Form HUD 5679, also includes the required labor standards clauses.

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

~~Equal Opportunity [24 CFR 983.154(e)]~~

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

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

The Agreement and HAP contract must include a certification by the owner that the owner and other project principals are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs.

The owner must also disclose any possible conflict of interest that would be a violation of the Agreement, the HAP contract, or HUD regulations.

17-IV.D. COMPLETION OF HOUSING

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

Evidence of Completion [24 CFR 983.155(b)]

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

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

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

PHA Policy

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

PHA Acceptance of Completed Units [24 CFR 983.156]

Upon notice from the owner that the housing is completed, the PHA must inspect to determine if the housing has been completed in accordance with the Agreement, including compliance with **NSPIRE standards HQS** and any additional requirements imposed under the Agreement. The PHA must also determine if the owner has submitted all required evidence of completion.

If the work has not been completed in accordance with the Agreement, the PHA must not enter into the HAP contract.

If the PHA determines the work has been completed in accordance with the Agreement and that the owner has submitted all required evidence of completion, the PHA must submit the HAP contract for execution by the owner and must then execute the HAP contract.

PART V: HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP)

17-V.A. OVERVIEW

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

17-V.B. HAP CONTRACT REQUIREMENTS

Contract Information [24 CFR 983.203]

The HAP contract must specify the following information:

- The total number of contract units by number of bedrooms;
- The project's name, street address, city or county, state and zip code, block and lot number (if known), and any other information necessary to clearly identify the site and the building;
- The number of contract units in each building, the location of each contract unit, the area of each contract unit, and the number of bedrooms and bathrooms in each contract unit;
- Services, maintenance, and equipment to be supplied by the owner and included in the rent to owner;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner (included in rent) and utility services to be paid by the tenant;
- Features provided to comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8;
- The HAP contract term;
- **Estimated tax credit rents non PBV Units within in the property;**
- The number of units in any project that will exceed the 25 percent per project cap, which will be set aside for occupancy by qualifying families (elderly and/or disabled families and families receiving supportive services); and
- The initial rent to owner for the first 12 months of the HAP contract term.

Execution of the HAP Contract [24 CFR 983.204]

The PHA may not enter into a HAP contract until each contract unit has been inspected and the PHA has determined that the unit complies with the ~~Housing Quality Standards (HQS) NSPIRE standards~~, unless the PHA has adopted a policy to enter into a HAP contract for units that fail the initial ~~HQS inspection as a result of only non-life-threatening conditions where no life-threatening conditions are present~~. For existing housing, the HAP contract must be executed promptly after the PHA selects the owner proposal and inspects the housing units. For newly constructed or rehabilitated housing the HAP contract must be executed after the PHA has inspected the completed units and has determined that the units have been completed in accordance with the agreement to enter into HAP, and the owner furnishes all required evidence of completion.

PHA Policy

For existing housing, the HAP contract will be executed ~~within 10 business days after the PHA determines of the PHA determining that~~ all units pass ~~inspection HQS~~.

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

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

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

PHA Policy

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

At the time of the initial HAP contract term or any time before expiration of the HAP contract, the PHA may extend the term of the contract for an additional term of up to 20 years if the PHA determines an extension is appropriate to continue providing affordable housing for low-income families. A HAP contract extension may not exceed 20 years. A PHA may provide for multiple extensions; however, in no circumstances may such extensions exceed 20 years, cumulatively. Extensions after the initial extension are allowed at the end of any extension term, provided that not more than 24 months prior to the expiration of the previous extension contract the PHA agrees to extend the term, and that such extension is appropriate to continue providing affordable housing for low-income families or to expand housing opportunities. Extensions after the initial extension term shall not begin prior to the expiration date of the previous extension term. Subsequent extensions are subject to the same limitations. All extensions must be on the form and subject to the conditions prescribed by HUD at the time of the extension. In the case of PHA-owned units, any extension of the term of the HAP contract must be agreed upon by the PHA and the independent entity approved by HUD [24 CFR 983.59(b)(2)].

PHA Policy

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

The cost of extending the contract and the amount of available budget authority;

The condition of the contract units;

The owner's record of compliance with obligations under the HAP contract and lease(s);

Whether the location of the units continues to support the goals of deconcentrating poverty and expanding housing opportunities; and

Whether the funding could be used more appropriately for tenant-based assistance.

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

The HAP contract must provide that the term of the PHA's contractual commitment is subject to the availability of sufficient appropriated funding as determined by HUD or by the PHA in accordance with HUD instructions. For these purposes, sufficient funding means the availability of appropriations, and of funding under the ACC from such appropriations, to make full payment of housing assistance payments payable to the owner for any contract year in accordance with the terms of the HAP contract.

In times of insufficient funding, HUD requires that PHAs first take all cost-saving measures prior to failing to make payments under existing PBV HAP contracts.

If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, the PHA may terminate the HAP contract by notice to the owner. The termination must be implemented in accordance with HUD instructions.

Termination by Owner [24 CFR 983.205(d)]

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

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

Not less than one year before the HAP contract terminates, or if the owner refuses to renew the HAP contract, the owner must notify the PHA and assisted tenants of the termination. The notice must be provided in the form prescribed by HUD. If the owner does not give timely notice, the owner must permit the tenants in assisted units to remain in their units for the required notice period with no increase in the tenant portion of their rent, and with no eviction as a result of the owner's inability to collect an increased tenant portion of rent. An owner may renew the terminating contract for a period of time sufficient to give tenants one-year advance notice under such terms as HUD may require.

Upon termination or expiration of the contract, a family living at the property is entitled to receive a tenant-based voucher. Tenant-based assistance would not begin until the owner's required notice period ends. The PHA must provide the family with a voucher and the family must also be given the option by the PHA and owner to remain in their unit with HCV tenant-based assistance as long as the unit complies with inspection and rent reasonableness requirements. The family must pay their total tenant payment (TTP) and any additional amount if the gross rent exceeds the applicable payment standard. The family has the right to remain in the project as long as the units are used for rental housing and are otherwise eligible for HCV assistance. The owner may not terminate the tenancy of a family that exercises its right to remain except for serious or repeated lease violations or other good cause. Families that receive a tenant-based voucher at the expiration or termination of the PBV HAP contract are not new admissions to the PHA HCV tenant-based program and are not subject to income eligibility requirements or any other admission requirements. If the family chooses to remain in their unit with tenant-based assistance, the family may do so regardless of whether the family share would initially exceed 40 percent of the family's adjusted monthly income.

Remedies for NSPIRE Deficiencies HQS-Violations [24 CFR 983.208(b)]

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

PHA Policy

The PHA will abate and terminate PBV HAP contracts for non-compliance with NSPIRE HQS in accordance with the policies used in the tenant-based voucher program. These policies are contained in Section 8-II.G., Enforcing Owner Compliance.

17-V.C. AMENDMENTS TO THE HAP CONTRACT

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

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

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

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

PHA Policy

The PHA will add units to the contract on a case-by-case basis to ensure the availability of affordable housing as long as the addition of units does not exceed allowable project caps.

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

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

The HAP contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term.

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year.

There is a single annual anniversary and expiration date for all units under a particular HAP contract, even in cases where contract units are placed under the HAP contract in stages (on different dates) or units are added by amendment. The anniversary and expiration dates for all units coincide with the dates for the contract units that were originally placed under contract.

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

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

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

17-V.F. ADDITIONAL HAP REQUIREMENTS

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

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

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

PHA Policy

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

Vacancy Payments [24 CFR 983.352(b)]

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

PHA Policy

~~The PHA will decide on a case-by-case basis if the PHA will provide vacancy payments to the owner. The HAP contract with the owner will contain any such agreement, including the amount of the vacancy payment and the period for which the owner will qualify for these payments.~~

The PHA will not provide vacancy payments to the owner.

PART VI: SELECTION OF PBV PROGRAM PARTICIPANTS

17-VI.A. OVERVIEW

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

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

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

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

PHA Policy

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

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

An eligible family residing in a proposed PBV contract unit on the date the proposal is selected by the PHA is considered an “in-place family.” These families are afforded protection from displacement under the PBV rule. If a unit to be placed under contract (either an existing unit or a unit requiring rehabilitation) is occupied by an eligible family on the date the proposal is selected, the in-place family must be placed on the PHA’s waiting list. Once the family’s continued eligibility is determined (the PHA may deny assistance to an in-place family for the grounds specified in 24 CFR 982.552 and 982.553), the family must be given an absolute selection preference and the PHA must refer these families to the project owner for an appropriately sized PBV unit in the project. Admission of eligible in-place families is not subject to income targeting requirements.

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

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

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

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

PHA Policy

The PHA will ~~maintain~~ **establish and manage** separate waiting lists for ~~individual~~ projects or buildings that are receiving PBV assistance. ~~PHA will use owner-maintained PBV waiting lists for PBV buildings and projects. PHA will require that PBV property owners create and manage a PBV wait list for their site(s). PHA will accept referrals from building management to fill vacancies for PBV projects and buildings.~~

The PHA currently has waiting lists for the following PBV projects: Sheltering Tree, Siena Francis House, Stephen Center, Victory II Apartments, Heartland Family Services, Highlander III/Nobility Point, Highlander IV, Timbercreek Apartments, Davis Ridge/Highlander V, and Malcolm's Place.

The PHA will use the owner-maintained waitlist to receive applicants.

(If the PHA establishes a separate PBV waiting list, the PHA must offer to place applicants listed on the listing list for tenant-based vouchers on the waiting list for PBV assistance. If the PHA has multiple PBV projects aimed at serving specific populations establishing separate waiting lists for these projects may be necessary so that specific preferences for families needing these services can be provided for different projects/buildings. The PHA may place families referred by a PBV owner on its PBV waiting list.)

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

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

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

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

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

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

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

The PHA may use the same selection preferences that are used for the tenant-based voucher program, establish selection criteria or preferences for the PBV program as a whole, or for occupancy of particular PBV developments or units. The PHA must provide an absolute selection preference for eligible in-place families as described in Section 17-VI.B. above.

The PHA may establish a selection preference for families who qualify for voluntary services, including disability-specific services, offered in conjunction with assisted units, provided that preference is consistent with the PHA plan. The PHA may not, however, grant a preference to a person with a specific disability [FR Notice 1/18/17].

In advertising such a project, the owner may advertise the project as offering services for a particular type of disability; however, the project must be open to all otherwise eligible disabled persons who may benefit from services provided in the project. In these projects, disabled residents may not be required to accept the particular services offered as a condition of occupancy.

If the PHA has projects with “excepted units” for elderly families or supportive services, the PHA must give preference to such families when referring families to these units [24 CFR 983.261(b); FR Notice 1/18/17].

PHA Policy

The PHA will provide a selection preference when required by the regulation (e.g., eligible in-place families, elderly families or units with supportive services, or mobility impaired persons for accessible units). The following additional preferences have been established for the following projects, buildings, or sets of units: Victory II Apartments-chronically homeless veterans.

See end of the chapter Any additional preferences are spelled out in section>>>>

17-VI.E. OFFER OF PBV ASSISTANCE

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

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

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

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

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

Acceptance of Offer [24 CFR 983.252]

Family Briefing

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

Persons with Disabilities

If an applicant family's head or spouse is disabled, the PHA must assure effective communication, in accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written information packet. This may include making alternative formats available (see Chapter 2). In addition, the PHA must have a mechanism for referring a family that includes a member with a mobility impairment to an appropriate accessible PBV unit.

Persons with Limited English Proficiency

The PHA should take reasonable steps to assure meaningful access by persons with limited English proficiency in accordance with Title VI of the Civil Rights Act of 1964 and Executive Order 13166 (see Chapter 2).

17-VI.F. OWNER SELECTION OF TENANTS

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

Leasing [24 CFR 983.253(a)]

During the term of the HAP contract, the owner must lease contract units to eligible families that are selected and referred by the PHA from the PHA's waiting list. The contract unit leased to the family must be the appropriate size unit for the size of the family, based on the PHA's subsidy standards.

Filling Vacancies [24 CFR 983.254(a)]

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

PHA Policy

The owner must notify the PHA in writing (mail, fax, or email) within five business days of learning about any vacancy or expected vacancy.

PHA will accept referrals from building management to fill vacancies for PBV projects and buildings.

~~The PHA will make every reasonable effort to refer families to the owner within 10 business days of receiving such notice from the owner.~~

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

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

PHA Policy

If any contract units have been vacant for 120 days, the PHA **will** give notice to the owner that the HAP contract will be amended to reduce the number of contract units that have been vacant for this period. The PHA will provide the notice to the owner within 10 business days of the 120th day of the vacancy.

The amendment to the HAP contract will be effective the 1st day of the month following the date of the PHA's notice.

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

PHA Responsibility

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

PHA Policy

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

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

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

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

PHA Policy

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

Owner Responsibility

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

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

PART VII: OCCUPANCY

17-VII.A. OVERVIEW

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

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

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

Form of Lease [24 CFR 983.256(b)]

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

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

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

PHA Policy

The PHA will not review the owner's lease for compliance with state or local law.

Lease Requirements [24 CFR 983.256(c)]

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

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

Tenancy Addendum [24 CFR 983.256(d)]

The tenancy addendum in the lease must state:

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

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

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

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

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

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

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

Owner Termination of Tenancy [24 CFR 983.257]

With two exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program (see Section 12-III.B. and 24 CFR 982.310). In the PBV program, terminating tenancy for “good cause” does not include doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose.

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

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

Continuation of Housing Assistance Payments [24 CFR 982.258]

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

PHA Policy

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

Security Deposits [24 CFR 983.259]

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

PHA Policy

The PHA will allow the owner to collect a security deposit amount ~~not to exceed one month’s rent the owner determines is appropriate.~~ **not to exceed one month’s rent**

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

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

If the security deposit does not cover the amount owed by the tenant under the lease, the owner

may seek to collect the balance from the tenant. The PHA has no liability or responsibility for payment of any amount owed by the family to the owner.

17-VII.C. MOVES

Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.260]

If the PHA determines that a family is occupying a wrong size unit, based on the PHA's subsidy standards, or a unit with accessibility features that the family does not require, and the unit is needed by a family that does require the features, the PHA must promptly notify the family and the owner of this determination, and the PHA must offer the family the opportunity to receive continued housing assistance in another unit.

PHA Policy

The PHA will notify the family, and the owner of the family's need to move based on the occupancy of a wrong-size or accessible unit ~~within 10 business days of~~ at the PHA's determination. The PHA will offer the family the following types of continued assistance in the following order, based on the availability of assistance:

PBV assistance in the same building or project;

PBV assistance in another project. ~~;-and~~

~~Tenant-based voucher assistance.~~

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

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

PHA Policy

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

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

Commented [TC4]: Remove, since we took out the "Tenant based voucher assistance" in the line above.

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Family Right to Move [24 CFR 983.261]

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

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

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

Emergency Transfers under VAWA [Notice PIH 2017-08]

Except where special consideration is needed for the project-based voucher program, the PHA will follow VAWA policies as outlined in Chapter 16 Part IX of this administrative plan, including using the Emergency Transfer Plan as the basis for PBV transfers under VAWA (Exhibit 16-4).

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

PHA Policy

When the victim of domestic violence, dating violence, sexual assault, stalking, **or human trafficking** has lived in the unit for less than one year, the PHA will provide several options for continued assistance.

The PHA will first try to transfer the participant to another PBV unit in the same development or transfer to a different development where the PHA has PBV units. The PHA will expedite the administrative processes in this case in an effort to conduct the transfer as quickly as possible.

If no units are available for an internal transfer, or if there is reasonable cause to believe that such a transfer would put the victim in jeopardy, the participant may receive continued assistance through an external transfer to either tenant-based rental assistance (HCV) or assistance in the PHA's public housing program. Such a decision will be made by the PHA based on the availability of tenant-based vouchers and/or vacancies in public housing units. Such families must be selected from the waiting list for the applicable program. The PHA has adopted a waiting list preference for victims of domestic violence, dating violence, sexual assault, stalking, **or human trafficking** in both its HCV and public housing programs in order to expedite this process. See Section 4-III.C. of this administrative plan.

If a victim wishes to move after a year of occupancy in the unit, but no tenant-based vouchers are available, the PHA will offer the participant an internal transfer to another PBV unit in the same development or a transfer to a different development where the PHA has PBV units. The PHA will expedite the administrative processes in this case in an effort to conduct the transfer as quickly as possible.

If no units are available for an internal transfer, or if there is reasonable cause to believe that such a transfer would put the victim in jeopardy, the participant may receive continued assistance through an external transfer to the PHA's public housing program. The PHA has adopted a waiting list preference for victims of domestic violence, dating violence, sexual assault, stalking, **and human trafficking** as part of the public housing ACOP in order to expedite this process.

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

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

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

If the project is located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year estimates, the project cap is the greater of 25 units or 40 percent (instead of 25 percent) of the units in the project [FR Notice 7/14/17].

If a family at the time of initial tenancy is receiving and while the resident of an excepted unit has received Family Self-Sufficiency (FSS) supportive services or any other service as defined by the PHA and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit. However, if the FSS family fails to successfully complete the FSS contract of participation or supportive services objective and consequently is no longer eligible for the supportive services, the family must vacate the unit within a reasonable period of time established by the PHA, and the PHA shall cease paying HAP on behalf of the family.

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

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

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

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

PHA Policy

The PHA will allow families who initially qualified to live in an excepted unit to remain when circumstances change due to circumstances beyond the remaining family members' control.

In all other cases, the PHA will provide written notice to the family and owner within 10 business days of making the determination. The family will be given 30 days from the date of the notice to move out of the PBV unit. If the family does not move out within this 30-day time frame, the PHA will terminate the housing assistance payments at the expiration of this 30-day period.

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

PART VIII: DETERMINING RENT TO OWNER

17-VIII.A. OVERVIEW

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

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

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

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

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

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

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

- The contract unit receives a low-income housing tax credit under the Internal Revenue Code of 1986;
- The contract unit is not located in a qualified census tract;
- There are comparable tax credit units of the same bedroom size as the contract unit in the same project, and the comparable tax credit units do not have any form of rental assistance other than the tax credit; and
- The tax credit rent exceeds 110 percent of the fair market rent or any approved exception payment standard;

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

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

Definitions

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

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

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

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

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

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

PHA Policy

The PHA ~~will~~ **may** elect within the HAP contract not to reduce rents below the initial level, with the exception of circumstances listed in 24 CFR 983.302(c)(2). If, upon redetermination of the rent to owner, the reasonable rent would result in a rent below the initial rent, the PHA will use the higher initial rent to owner amount.

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

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

Any HUD-approved exception payment standard amount under the tenant-based voucher program also applies to the project-based voucher program. HUD will not approve a different exception payment stand amount for use in the PBV program.

Likewise, the PHA may not establish or apply different utility allowance amounts for the PBV program. The same utility allowance schedule applies to both the tenant-based and project-based voucher programs.

PHA Policy

Upon written request by the owner, the PHA will consider using the FMR or utility allowances in effect during the 30-day period before the start date of the HAP, or redetermination of rent. The owner must explain the need to use the previous FMRs or utility allowances and include documentation in support of the request. The PHA will review and make a decision based on the circumstances and merit of each request.

In addition to considering a written request from an owner, the PHA may decide to use the FMR or utility allowances in effect during the 30-day period before the start date of the HAP, or redetermination of rent, if the PHA determines it is necessary due to PHA budgetary constraints.

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

While small area FMRs (SAFMRs) do not apply to PBV projects, PHAs that operate a tenant-based program under SAFMRs may apply SAFMRs to all future PBV HAP contracts. If the PHA adopts this policy, it must apply to all future PBV projects and the PHA's entire jurisdiction. The PHA and owner may not subsequently choose to revert back to use of the FMRs once the SAFMRs have been adopted, even if the PHA subsequently changes its policy.

Further, the PHA may apply SAFMRs to current PBV projects where the notice of owner selection was made on or before the effective date of PHA implementation, provided the owner is willing to mutually agree to doing so and the application is prospective. The PHA and owner may not subsequently choose to revert back to use of the FMRs once the SAFMRs have been adopted, even if the PHA subsequently changes its policy. If rents increase as a result of the use of SAFMRs, the rent increase may not be effective until the first anniversary of the HAP contract.

PHA Policy

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

Redetermination of Rent [24 CFR 983.302]

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

Rent Increase

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

PHA Policy

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

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

Rent Decrease

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

Notice of Rent Change

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

PHA Policy

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

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

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

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

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

When Rent Reasonable Determinations Are Required

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

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

How to Determine Reasonable Rent

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

Comparability Analysis

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

PHA-Owned Units

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

Owner Certification of Reasonable Rent

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

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

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

Other Subsidy [24 CFR 983.304]

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

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

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

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

Combining Subsidy

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

Rent Control [24 CFR 983.305]

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

PART IX: PAYMENTS TO OWNER

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

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

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

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

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

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

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

PHA Policy

If the PHA determines that the owner is responsible for a vacancy and, as a result, is not entitled to the keep the housing assistance payment, the PHA will notify the landlord of the amount of housing assistance payment that the owner must repay. The PHA will require the owner to repay the amount owed in accordance with the policies in Section 16-IV.B.

Commented [PS6]: ? Vacancy payments

Commented [PS7R6]: 17.7c moves

Commented [TC8R6]: This is in the Nan McKay version written as is.

At the discretion of the PHA, the HAP contract may provide for vacancy payments to the owner. The PHA may only make vacancy payments if:

- The owner gives the PHA prompt, written notice certifying that the family has vacated the unit and identifies the date when the family moved out (to the best of the owner's knowledge);
- The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed;
- The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and
- The owner provides any additional information required and requested by the PHA to verify that the owner is entitled to the vacancy payment.

The owner must submit a request for vacancy payments in the form and manner required by the PHA and must provide any information or substantiation required by the PHA to determine the amount of any vacancy payment.

PHA Policy

~~If an owner's HAP contract calls for vacancy payments to be made, and the owner wishes to receive vacancy payments, the owner must have properly notified the PHA of the vacancy in accordance with the policy in Section 17-VI.F. regarding filling vacancies.~~

~~In order for a vacancy payment request to be considered, it must be made within 10 business days of the end of the period for which the owner is requesting the vacancy payment. The request must include the required owner certifications and the PHA may require the owner to provide documentation to support the request. If the owner does not provide the information requested by the PHA within 10 business days of the PHA's request, no vacancy payments will be made.~~

The PHA will not provide vacancy payments.

17-IX.C. TENANT RENT TO OWNER [24 CFR 983.353]

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by the PHA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in the PHA notice to the family and owner.

The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by the PHA is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the PHA. The owner must immediately return any excess payment to the tenant.

Tenant and PHA Responsibilities

The family is not responsible for the portion of rent to owner that is covered by the housing assistance payment and the owner may not terminate the tenancy of an assisted family for nonpayment by the PHA.

Likewise, the PHA is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. The PHA is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. The PHA may not use housing assistance payments or other program funds (including administrative fee reserves) to pay any part of the tenant rent or other claim by the owner.

Utility Reimbursements

If the amount of the utility allowance exceeds the total tenant payment, the PHA must pay the amount of such excess to the tenant as a reimbursement for tenant-paid utilities, and the tenant rent to the owner must be zero.

The PHA may pay the utility reimbursement directly to the family or to the utility supplier on behalf of the family. If the PHA chooses to pay the utility supplier directly, the PHA must notify the family of the amount paid to the utility supplier.

PHA Policy

The PHA will make utility reimbursements to the family.

17-IX.D. OTHER FEES AND CHARGES [24 CFR 983.354]

Meals and Supportive Services

With the exception of PBV assistance in assisted living developments, the owner may not require the tenant to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy.

In assisted living developments receiving PBV assistance, the owner may charge for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of the reasonable rent. However, non-payment of such charges is grounds for termination of the lease by the owner in an assisted living development.

Other Charges by Owner

The owner may not charge extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.

EXHIBIT 17-1: PBV DEVELOPMENT INFORMATION

(Fill out one for each development)

Date: [Enter the date on which this form was completed]**DEVELOPMENT INFORMATION****Development Name:** [Insert name of PBV development]**Address:** [Insert full address of PBV development]**Owner Information:** [Insert PBV development owner name and contact information. If development is PHA-owned, enter "PHA-owned."]**Property Management Company:** [Insert property management company name and contact information, or enter "None"]**PHA-Owned:** [Enter "Yes" or "No." If yes, enter name of independent entity]**Mixed Finance Development:** [Enter "Yes" or "No." If yes, list other types of funding and units to which other funding applies.]**HAP CONTRACT****Effective Date of Contract:** [Enter start date of HAP contract]**HOTMA Requirements:** [If HAP contract was signed prior to April 18, 2017, enter "Pre-HOTMA." If HAP contract was signed on or after April 18, 2017, enter "Post-HOTMA."]**Term of HAP Contract:** [Enter term from HAP contract]**Expiration Date of Contract:** [Enter expiration date from HAP contract]**PBV UNITS**

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	Total
# of Units							
Initial Contract Rent	\$	\$	\$	\$	\$	\$	

Structure Type: [Identify the structure type, i.e. Single Family Detached, Duplex or Two Family, Row House or Town House, Low Rise (3,4 Stories, including Garden Apartment), Highrise (5 or more stories).**Housing Type:** [Identify if the units are an Independent Group Residence or Single Room Occupancy}

UTILITY RESPONSIBILITY

(Enter in Accordance with the HAP Exhibit C)

Utility	Fuel Type (Gas, Electric, Oil, Coal, Other)	Paid By (Tenant/Owner)	Provided By (Tenant/Owner)
Heating	Electric	Tenant	Owner
Cooking	Electric	Tenant	Owner
Water Heating	Electric	Tenant	Owner
Other Electric		Tenant	Owner
Water		Owner	Owner
Sewer		Owner	Owner
Trash Collection		Owner	Owner
Air Conditioning		Tenant	Owner
Refrigerator			Owner
Range/Microwave			
Other (specify)			

Accessible Units and Features: [Identify which units are accessible and describe accessibility features or enter "None"]

Target Population: [Describe targeted population in accordance with HAP contract or enter "None"]

Excepted Units: [Identify excepted unit types below or enter “None”]

Supportive Services: [Enter “Yes, see Exhibit D of HAP Contract” or enter “No”]

Elderly Units: [Enter “Yes” or “No.” If yes, identify which units are elderly units.]

Disabled Units (only for HAP contracts executed prior to April 18, 2017) [Enter “Yes” or “No.” If yes, identify which units are for persons with disabilities.]

FUPY/FYI Units: [Enter “Yes” or “No”. If yes, identify which units are FUP units.]

Are units excepted because they are located in a low-poverty census tract area?: [Enter “Yes” or “No”]

WAITING LIST AND SELECTION

Waiting List Type: [Enter “Site-based waiting list,” “Combined with HCV,” “Waiting list for entire PBV program,” or “Merged with another assisted housing program”]

Preferences: [Enter “Same as HCV; see Chapter 4” or describe preferences offered. If different from HCV, also note in Section 17.1.B of this policy.]

Preference Verification: [Enter “Same as HCV; see Chapter 4” or describe for each preference listed above. If different from HCV, note in Section 17.1.B of this policy.]

For the PBV program, is the income limit the same as the HCV program? (Note: In mixed finance developments, other income limits may also apply.) [Enter “Same as HCV; see Chapter 3” or clearly describe. If different from HCV, note in Section 17.1.B of this policy.]

OCCUPANCY

Subsidy Standards: [Enter “Same as HCV; see Chapter 5” or describe. If different from HCV, note in Section 17.1.B of this policy]

Utilities: [~~Enter in accordance with HAP contract Exhibit C~~]

Vacancy Payments: [Enter in accordance with HAP contract Part 1, e, 2 and Section 17-V.F. within this chapter]

EXHIBIT 17-2: Special Provisions Applying to TPVs Awarded as Part of a Voluntary Conversion of Public Housing Units in Projects that Include RAD PBV Units

[24 CFR Part 972.200; Notice PIH 2019-05; Notice PIH 2019-23]

Under certain circumstances, HUD allows small PHAs to reposition a public housing project (or portion of a project) by voluntarily converting units to tenant-based housing choice voucher assistance. In order to preserve affordable housing for residents of the project, the PHA is given priority to receive replacement tenant protection vouchers (TPVs). As part of the voluntary conversion, the PHA has the option to continue to operate it as rental housing. If so, the PHA or subsequent owner must allow existing families to remain in their units using the TPV in the form of tenant-based assistance. In this situation, however, the PHA may choose to project-base these TPVs in the former public housing project. Families must still be provided with the option to remain in their unit using tenant-based assistance. In order for the PHA to project-base the assistance and include these units on the PBV HAP contract, the family must voluntarily consent in writing to PBV assistance following the requirements in Appendix A of Notice PIH 2019-05. If the family fails to consent to PBV assistance and chooses to remain using tenant-based assistance, the family's unit is excluded from the PBV HAP contract until the family moves out or consents to switching to PBV assistance. In general, all applicable program regulations and guidance for the standard PBV program apply to these units.

The PHA may also convert units in the same former public housing project to the PBV program under the rental assistance demonstration (RAD) program. The RAD statute authorizes HUD to waive certain statutory and regulatory provisions governing the standard PBV program and specify alternative requirements. In order to facilitate the uniform treatment of residents and units at the project, Notice PIH 2019-23 extended some of the alternative requirements to non-RAD PBV units in the converted project (i.e., the TPV units in the project). As such, while PBV TPV units in the converted project generally follow the requirements for the standard PBV program listed in this chapter, where HUD has specified alternative requirements for non-RAD PBV units in the project, PBV TPV units will instead follow the requirements outlined in Chapter 18 of this policy for the RAD PBV program.

RAD Requirements Applicable to Non-RAD units in the Project

Alternative Requirement under RAD as Listed in Notice PIH 2019-23	Standard PBV Policy That Does Not Apply	Applicable Policy in Chapter 18
1.6.A.4. Site Selection – Compliance with PBV Goals	17-II.G. SITE SELECTION STANDARDS applies with the exception of deconcentration of poverty and expanding housing and economic opportunity requirements.	18-II.F. SITE SELECTION STANDARDS

1.6.B.5.d. PBV Site-Specific Utility Allowances	Alternative requirement under RAD. No corresponding policy in Chapter 17.	18-VII.C. UTILITY ALLOWANCES
1.6.C.1. No Rescreening of Tenants upon Conversion	Policies contained in Chapter 3 relating to eligibility do not apply to existing tenants who receive TPVs.	18-V.B. PROHIBITED RESCREENING OF EXISTING TENANTS UPON CONVERSION
1.6.C.2. Right to Return	Alternative requirement under RAD. No corresponding policy in Chapter 17.	18-I.D. RELOCATION REQUIREMENTS
1.6.C.3. Phase-in of Tenant Rent Increases	Alternative requirements under RAD. No corresponding policy in Chapter 17.	18-VIII.D. PHASE-IN OF TENANT RENT INCREASES
1.6.C.4. Family Self Sufficiency (FSS) and Resident Opportunities and Self-Sufficiency Service Coordinator (ROSS-SC) Programs	Not covered in administrative plan.	18-VI.C. PUBLIC HOUSING FSS AND ROSS PARTICIPANTS
1.6.C.5. Resident Participation and Funding	Alternative requirement under RAD. No corresponding policy in Chapter 17.	18-VI.D. RESIDENT PARTICIPATION AND FUNDING
1.6.C.6. Resident Procedural Rights	Policies related to hearings in Chapter 16 apply, with added procedural rights and notice requirements as outlined in Chapter 18.	18-VI.H. RESIDENTS' PROCEDURAL RIGHTS
1.6.C.7. Earned Income Disregard (EID)	Alternative requirements under RAD for in-place residents. New admissions follow policies in Chapter 6.	18-VI.G. EARNED INCOME DISALLOWANCE
1.6.C.8. Jobs Plus	Not covered in administrative plan.	No corresponding policy.
1.6.C.9. When Total Tenant	Alternative requirements	18-VI.B. LEASE, Continuation

Payment Exceeds Gross Rent	under RAD for in-place residents. New admissions follow policies in 17-VII.B. LEASE, Continuation of Housing Assistance Payments.	of Housing Assistance Payments
1.6.C.10. Under-Occupied Unit	Alternative requirements under RAD for in-place residents. New admissions follow 17-VII.C. MOVES, Overcrowded, Under-Occupied, and Accessible Units	18-VI.E. MOVES, Overcrowded, Under-Occupied, and Accessible Units
1.6.D.4. Establishment of Waiting List	Alternative requirements under RAD for initial establishment of the waiting list. Once waiting list is established, follow 17-VI.D. SELECTION FROM THE WAITING LIST	18-V.D. ORGANIZATION OF THE WAITING LIST
1.6.D.10. Initial Certifications and Tenant Rent Calculations	Alternative requirements under RAD for in-place residents. No corresponding policy in Chapter 17.	18-VIII.C. TENANT RENT TO OWNER, Initial Certifications

Note, while Notice PIH 2019-05 states that the PHA must screen families for eligibility for a tenant protection voucher and that families must be below the low-income limit (80 percent of AMI), Notice PIH 2019-23 waives these requirements for residents in projects that include RAD PBV units.

RESOLUTION NO. 2025 – 43

REVISIONS TO THE SECTION 8 HCV ADMINISTRATIVE PLAN

WHEREAS, staff of the Housing Authority of the City of Omaha (OHA) seeks to make revisions to specific policies in the Section 8 HCV Administrative Plan for the Housing Choice Voucher program;

WHEREAS, OHA staff propose to make revisions to OHA policies, which will be incorporated into the Section 8 Administrative Plan;

WHEREAS, OHA staff recommends that the Board of Commissioners adopt the revised Chapters 1, 3-7, 9, 11-12,14-17 of the Administrative Plan, which are attached to this resolution.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners hereby adopts the revised Chapters 1, 3-7, 9, 11-12,14-17 of the Administrative Plan for the Section 8 Housing Choice Voucher Program.

David Levy, Chairman
OHA Board of Commissioners

ATTEST

I, Joanie Balk, Secretary of the Housing Authority of the City of Omaha, do hereby certify that this resolution was properly adopted at the regular meeting of the Board of Commissioners of the Housing Authority of the City of Omaha held on June 5, 2025.

Joanie Balk, Secretary
Housing Authority of the City of Omaha

5.2.1.7. Resolution 2025-44 Lease Addendum

Memorandum



To: OHA Board of Commissioners

From: Sarah Nothhorn, Director of Property Management Operations

Date : June 5, 2025

Re: Lease Addendum - Grievance Officer Selection

RECOMMENDATION

Staff of the Housing Authority of the City of Omaha (hereinafter “OHA”) recommends that the Board of Commissioners approve revisions of OHA’s lease agreement in the form of an addendum for the selection process for the Grievance Officer.

BACKGROUND

The selection of a hearing officer is a required provision under 24 CFR 966.53 and 966.4 This requires a revision of OHA’s lease agreement.

To address this with minimal disruption, a Lease Addendum has been prepared to include the required language. Current residents will be asked to sign the addendum; it will also be incorporated into the lease-up process for all new residents moving forward.

SUMMARY

OHA staff recommends that the Board of Commissioners approve the addition of the addendum to the lease regarding the selection process for the Grievance Officer.

SPONSORS: Sarah Nothhorn, Director of Property Management Operations

RECOMMENDED BY: Joanie Balk, CEO



HOUSING AUTHORITY OF THE CITY OF OMAHA & HOUSING IN OMAHA, INC. **GRIEVANCE PROCEDURE ADDENDUM TO THE RESIDENTIAL LEASE AGREEMENT**

This Addendum to the Residential Lease Agreement (“Addendum”) is incorporated into and shall be deemed to amend and supplement the Residential Lease Agreement (“Lease”) made by the undersigned Tenant(s) and the Housing Authority of the City of Omaha (OHA) or Housing in Omaha, Inc. (HIO) or its affiliate organizations. This Addendum shall not alter any existing responsibility, obligation, or provision of the Lease, unless expressly stated herein.

Selection Process of Omaha Housing Authority Hearing Officer

The purpose of this Addendum is to outline the process by which the Omaha Housing Authority (OHA) selects an impartial Hearing Officer for grievance procedures in accordance with 24 CFR 966.53(e).

For the purposes of this Addendum, a **Hearing Officer** is defined as an impartial individual appointed by the Omaha Housing Authority to conduct grievance hearings. The Hearing Officer shall not be the person who made or approved the decision under review, nor a subordinate of such person. Legal training is not required for this role.

As part of the selection process, the following shall apply:

1. The Hearing Officer will be appointed directly by the Chief Executive Officer of OHA.
2. The Hearing Officer will be a staff member who did not make or approve the decision under review and is not a subordinate of such individual(s).
3. If the originally designated staff member (e.g., program manager) is found to be involved in the decision under review or is a subordinate of someone who was, an alternate impartial staff member will be selected.
4. In certain cases, such as those involving discrimination complaints or denial of reasonable accommodation requests, OHA may appoint other designated staff who were not involved in the decision process to serve as hearing officers.
5. This selection process will be incorporated into the OHA lease agreement. Changes to this section of the lease will follow the required 30-day resident comment period prior to implementation.

I/we understand and agree to all of the above statements. Further, by the signature(s) below, I/we further acknowledge that the provisions of the Lease have been received and thoroughly explained to me/us.

HEAD OF HOUSEHOLD: _____ DATE:

HOUSEHOLD MEMBER: _____ DATE:

HOUSEHOLD MEMBER: _____ DATE:

HOUSEHOLD MEMBER: _____ DATE:

MANAGER (OHA): _____ DATE:

RESOLUTION NO. 2025 – 44
REVISIONS TO THE OHA TENANT LEASE

WHEREAS, staff of the Housing Authority of the City of Omaha (OHA) wishes to make revisions to its lease agreement in the form of an addendum for the selection process of the Grievance Officer for the public housing program;

WHEREAS, in accord with HUD regulations, changes to the tenant lease require thirty days' written notice to every tenant household setting forth the proposed changes and providing an opportunity for tenants to provide written comments, which comments must be considered before adoption of any changes to the lease;

WHEREAS, OHA has prepared a lease addendum with the required language that current residents will be asked to sign and will also be incorporated into the process for all new residents going forward;

WHEREAS, OHA staff recommends that the Board of Commissioners approve the revisions of OHA's lease agreement for the public housing program;

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners hereby approves the revised OHA lease agreement for public housing program.

David Levy, Chairman
OHA Board of Commissioners

ATTEST

I, Joanie Balk, Secretary of the Housing Authority of the City of Omaha, do hereby certify that this resolution was properly adopted at the meeting of the Board of Commissioners of the Housing Authority of the City of Omaha held June 5, 2025.

Joanie Balk, Secretary

5.2.2. Resolution 2025-50 Request HUD OUR Release of DORC for Chambers
Court

RESOLUTION NO. 2025 – 50
REQUEST FOR HUD OFFICE OF URBAN REVITALIZATION TO RELEASE
DECLARATION OF RESTRICTIVE COVENANTS FOR CHAMBERS COURT

WHEREAS, the Housing Authority of the City of Omaha (OHA) has determined to reposition its public housing portfolio, which may include disposition of public housing properties, in accord with asset management principles and OHA’s mission and OHA’s obligations as steward of limited federal funds;

WHEREAS, Chambers Court, located about 2110 N. 16th Street and containing 70 total units, has operated at significant loss for several years, which costs are subsidized by OHA and limit the resources available for OHA’s effective operations and services in accord with its mission;

WHEREAS, OHA staff in consultation with HUD has determined that disposition of Chambers Court is the best and only option for this property, given its excessive costs;

WHEREAS, OHA staff has been planning repositioning options for the Chambers Court for several years and has engaged in consultation with HUD, the OHA Board, the HIO Board, the City of Omaha, the Central Advisory Committee of resident leaders, and the residents of the property;

WHEREAS, On May 2, 2024, the OHA Board authorized staff to submit a Section 18 disposition application to HUD for sale of Chambers Court;

WHEREAS, in planning its Section 18 disposition application, staff consulted with the OHA Board in regard to all material parts of the disposition application including the justification for disposition; the proposed method of disposition; the proposed use of proceeds; and relocation plans;

WHEREAS, Chambers Court is owned by Housing in Omaha, Inc. (HIO), and staff also will request HIO Board authorization; and

WHEREAS, OHA staff recommends that the OHA Board of Commissioners authorize OHA staff to submit a request to the HUD OUR for release of the Declaration of Restrictive Covenants for Chambers Court;

NOW, THEREFORE, BE IT RESOLVED THAT the OHA Board of Commissioners hereby authorizes staff to submit a request to the HUD Office of Urban Revitalization for release of the Declaration of Restrictive Covenants for Chambers Court and, furthermore, authorizes the CEO, Joanie Balk, to take such actions and execute such documents as needed to effectuate OHA’s application.

David Levy, Chairman
OHA Board of Commissioners

ATTEST

I, Joanie Balk, Secretary of the Housing Authority of the City of Omaha, do hereby certify that this resolution was properly adopted at the meeting of the Board of Commissioners of the Housing Authority of the City of Omaha held June 5, 2025.

Joanie Balk, Secretary

Memorandum



To: OHA Board of Commissioners

From: Brian Hansen, General Counsel

Date: June 5, 2025

Re: Request to HUD OUR to release DORC for Chambers Court

RECOMMENDATION: The Housing Authority of the City of Omaha staff recommends that the Board of Commissioners authorize staff to request the HUD Office of Urban Revitalization release the Declaration of Restrictive Covenants on Chambers Court so that OHA and HIO may proceed with disposition of the property.

EXPLANATION: OHA is repositioning its public housing properties in accord with asset management principles in order to improve OHA's long-term financial integrity. This may include disposition of some properties, including Chambers Court. OHA and HIO entered into an option agreement with Hoppe Development for disposition of the property. On May 2, 2024, the OHA Board authorized staff to submit a Section 18 application to HUD for approval of disposition of Chambers Court. In June 2024, OHA submitted a Section 18 disposition application to HUD.

HUD now has informed OHA that the Section 18 application process is applicable only to properties owned by OHA alone and does not apply to mixed-finance developments owned by affiliate entities. HUD has advised us that, instead, OHA should submit a request to the HUD Office of Urban Revitalization (OUR) to release the Declaration of Restrictive Covenants (DORC).

OHA's plans for the property have not changed. The only change is the HUD department that will review and approve the disposition plans.

SPONSORS: Brian Hansen, General Counsel

RECOMMENDED BY: Joanie Balk, CEO

5.2.3. Resolution 2025-51 Authorize Legal Action regarding LB 840

6. DEPARTMENT REPORTS AND DISCUSSION ITEMS

6.1. Housing Choice Voucher Program

Memorandum



To: Board of Commissioners

From: Philisa Smith HCV Director

Date: June 5, 2025

Re: Monthly Utilization Report

PERIOD ENDING APRIL 30, 2025

VOUCHER UTILIZATION SUMMARY

All Vouchers	Utilization 2025	Allocation	Issued Current Month	Feb	Mar	Apr	Current Mo % Leased
	All Other Vouchers	5284	0	3577	3587	3607	68%
	Emergency Vouchers	142	0	100	97	97	68%
	Fair Share Vouchers	24	0	17	18	17	70%
	HA Owned Vouchers	25	0	26	25	25	100%
	Home Ownership Vouchers	60	0	64	60	60	100%
	Incremental Vouchers	20	0	1	1	1	5%
	Mainstream Vouchers	115	13	91	90	90	79%
	Portable Vouchers	94	0	92	93	94	100%
	Project Based Vouchers	262	0	232	240	246	91%
	Tenant Protection Vouchers	223	0	216	223	223	100%
	VASH Vouchers	157	0	134	134	141	85%
	VASH Vouchers (PBV)	25	0	36	36	25	100%
	Total Vouchers	6441	13	4586	4604	4626	71%

Other Housing	Utilization 2025	Allocation	Issued	Feb	Mar	Apr	Current Mo % Leased
	HOME TBRA	30	0	27	23	21	70%
	Mod Rehab	13	0	13	12	9	69%

HUD Delinquency Rate			SEMAP	Feb	Mar	Apr
			95%	96.25%	97.65%	96.2%

Memorandum



To: Board of Commissioners

From: Philisa Smith HCV Director

Date: June 5, 2025

Re: Monthly Utilization Report

PERIOD ENDING APRIL 30, 2025

HQS/NSPIRE INSPECTION SUMMARY

2025	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Section 8 Pass	251	175	220	214								
Section 8 Fail	179	204	159	152								
Section 8 Follow ups	221	179	261	193								
Quality Control Pass	6	10	6	7								
Quality Control Fail	1	2	2	3								
Special, Complaint, Inconclusive	44	4	6	14								
Monthly Total S8 Inspections Conducted	702	574	654	583	0	0	0	0	0	0	0	0

2024 Public Housing	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Monthly Total PH Inspections Conducted	-	46	67	77								

5/19/2025 Weather Extension Results

May

Pass												
Fail												

* included in monthly totals

Memorandum



To: Board of Commissioners
From: Philisa Smith HCV Director
Date: June 5, 2025
Re: Monthly Utilization Report

PERIOD ENDING APRIL 30, 2025

HCV 2025 ANNUAL RECERTIFICATION SUMMARY

Annual Recertifications 2025	Annals Due Monthly	Annals Incomplete
1	356	36
2	363	48
3	342	61
4	395	105
5	352	153
6	345	178
7	347	0
8	327	0
9	374	0
10	399	0
11	388	0
12	385	0
Totals	4373	581

Memorandum



To: Board of Commissioners
From: Philisa Smith HCV Director
Date: June 5, 2025
Re: Monthly Utilization Report

PERIOD ENDING APRIL 30, 2025

Waitlist Summary

The HCV Waitlist Department is currently processing applications for the mainstream, Southside relocation, and the 2021 waitlist.

As of now, the 2021 HCV waitlist has 215 applicants. Out of these, 146 applications are in the process of determining eligibility. If approved, vouchers will be issued in May 2025. Applicants were selected in March to begin the application process and verify eligibility.

The 2023 HCV waitlist currently has 1,426 applicants. The projected date for processing this waitlist is July 2025.

The Southside Relocation project has initiated phase 3, and there are 31 applications pending.

14 mainstream vouchers will be issued from the mainstream waitlist.

Currently, there are 91 leased mainstream units, and we need an additional 29 to reach full occupancy of 120.

The HUD goal for the two-year plan is to issue 100 vouchers per month in 2025.

Two housing specialists have been assigned 100 clients each to determine eligibility from the HCV 2021 waitlist.

6.2. Asset Management (Public Housing)

OHA Board Report Summary

Public Housing – May 2025 Board Meeting

PHAS (Public Housing Assessment System)

OHA's Management Assessment Subsystem (MASS) score rose from 14.56 in March to 14.78 in April. Our goal remains to achieve a minimum of 15 points overall, with 22 out of a possible 25 points at as many properties as possible. The increase reflects overall progress; however, slight declines in occupancy and tenant accounts receivable scores prevented a larger gain.

Occupancy

Public Housing:

Occupancy rose 0.5% compared to the previous month, reaching an overall rate of 96.5%, surpassing our baseline target of 96%. Thirteen out of 23 public housing properties have reached 98% occupancy or higher, which aligns with our long-term goal of achieving 98% occupancy portfolio-wide by June 30, 2025. This success is the result of a strongly coordinated effort by both our Maintenance and Property Management teams.

Affordable and Market-Rate Housing:

- **Affordable Housing:** Remains at **85.7%**, unchanged from the previous month.
- **Market Rate Housing:** Continues at **81.3%**.

We are experiencing challenges in both areas due to resident transitions back to the new Spencer development. Planning is underway to address leasing in these categories.

Maintenance & Inspections

Our first REAC inspection of 2025 took place at Crown Tower, resulting in a preliminary score of 88%. Upcoming inspections are scheduled for Park Villa and Farnam Building in June. This initial inspection provided valuable insight into the expectations of the current inspector, particularly benefiting our new Assistant Facilities Director, Tanner Gordan. Tanner will be working closely with site staff to ensure readiness for all future inspections.

Additionally, we conducted full housekeeping and lease compliance inspections across all tower apartment units over the past two weeks. As a result, 189 legal notices have been issued for issues such as unauthorized pets, smoking violations, and housekeeping deficiencies. Follow-up inspections are scheduled over the next two weeks. Several residents have been referred to Tyrone Brice in Supportive Services to help address underlying compliance challenges and connect them with needed resources.

OHA Property Management Report
April 20,2025

PUBLIC HOUSING

Development			Occupancy							Tenant Accounts Recievable					Net Operating Income			PHAS
Type	Property Name	Total Units	Prev Mo # Vacant	Current Mo # Vacant	Current Mo % Occupied	Trend	Units Leased	Units Vacated	Mo Net Change	TAR Balance	Tenant Revenue	Prev Mo TAR Ratio	Current Mo TAR Ratio	TAR Trend	YTD Actual	YTD Budget	YTD Variance	MASS Points (of 25)
Towers	Florence Tower	106	7	8	92.5%	↓	4	2	2	\$ 33,622	\$ 20,855	1.39	1.71	↑	\$ (31,719)	\$ (12,618)	\$ (19,101)	9
	Benson Tower	143	8	6	95.8%	↑	2	3	-1	\$ 47,217	\$ 25,370	1.86	1.86	↑	\$ (3,670)	\$ (17,037)	\$ 13,367	10
	Jackson Tower	207	11	12	94.1%	↑	1	6	-5	\$ 57,908	\$ 41,255	1.50	1.40	↓	\$ 29,337	\$ (25,189)	\$ 54,526	14
	Park South Tower	221	13	10	95.4%	↑	6	1	5	\$ 89,359	\$ 50,827	1.77	1.76	↓	\$ (38,643)	\$ (38,728)	\$ 85	14
	Highland Tower	106	2	1	99.1%	↑	1	0	1	\$ 46,414	\$ 26,005	1.74	1.78	↑	\$ (16,123)	\$ (15,322)	\$ (801)	21
	Pine Tower	143	6	5	96.5%	↑	1	1	0	\$ 37,088	\$ 25,422	1.56	1.46	↓	\$ (14,306)	\$ (7,099)	\$ (7,208)	17
Elderly	Evans Tower	110	2	6	94.5%	↓	0	4	-4	\$ 53,320	\$ 48,329	0.99	1.10	↑	\$ (5,250)	\$ (18,768)	\$ (13,518)	13
	Crown Tower	149	5	2	98.6%	↑	1	1	0	\$ 31,803	\$ 44,282	0.72	0.72	↓	\$ (34,747)	\$ (46,585)	\$ 11,838	22
	Underwood Tower	104	5	4	96.1%	↑	3	3	0	\$ 17,907	\$ 34,663	0.44	0.52	↑	\$ (21,270)	\$ 14,879	\$ (6,391)	17
	Kay Jay Tower	117	7	5	95.5%	↑	3	2	1	\$ 20,077	\$ 33,935	0.47	0.59	↑	\$ (6,801)	\$ (10,028)	\$ 3,227	14
Multi Family	Southside	357	0	0	100.0%	-	0	13	-13	\$ (1,290)	\$ 28,815	0.96	-0.04	↓	\$ (29,651)	\$ (64,939)	\$ 35,288	27
	Park Villa	24	1	0	100.0%	↑	1	0	1	\$ 9,497	\$ 7,687	1.48	1.24	↓	\$ (3,023)	\$ (7,526)	\$ 4,503	21
	Chambers Court	32	5	5	84.4%	-	0	0	0	\$ 13,132	\$ 30,318	0.69	0.43	↓	\$ (45,161)	\$ (11,559)	\$ (33,602)	6
	Farnam	20	0	0	100.0%	-	0	0	0	\$ 12,548	\$ 12,611	1.41	1.00	↓	\$ (7,920)	\$ (6,789)	\$ (1,131)	NA
	Bayview	12	1	0	100.0%	↑	0	2	-2	\$ (1,373)	\$ 2,683	-0.67	-0.51	↑	\$ (951)	\$ (2,807)	\$ 1,856	7
Single Family Homes/ Duplexes	Scat-Site North East	225	13	13	94.1%	-	3	2	1	\$ 70,140	\$ 75,553	0.71	0.93	↑	\$ (47,927)	\$ 51,403	\$ (99,330)	14
	N. Omaha Afford Homes	24	2	2	91.7%	-	0	0	0	\$ 5,657	\$ 11,654	1.04	0.49	↓	\$ (21,873)	\$ (3,590)	\$ (18,283)	NA
	Crown I	16	1	1	93.8%	-	0	0	0	\$ 2,985	\$ 4,699	1.17	0.64	↓	\$ (3,709)	\$ 1,682	\$ (5,391)	NA
	Crown II	12	0	0	100.0%	-	0	0	0	\$ (7,802)	\$ (1,151)	-3.12	6.78	↑	\$ (9,302)	\$ (1,685)	\$ (7,617)	NA
	Scat-Site South East	137	3	1	99.2%	↑	2	0	2	\$ 14,987	\$ 56,249	0.24	0.27	↑	\$ 20,179	\$ 3,952	\$ 16,227	6
	Scat-Site North West	115	2	4	96.5%	↓	1	3	-2	\$ 77,324	\$ 59,091	1.11	1.31	↑	\$ (3,134)	\$ 15,220	\$ (18,354)	17
	Keystone Crown Creek	37	3	1	97.3%	↑	2	0	2	\$ (2,516)	\$ 8,524	0.47	-0.30	↓	\$ (35,318)	\$ (16,255)	\$ (19,063)	NA
	Scat-Site South West	75	2	2	97.3%	-	0	0	0	\$ 3,160	\$ 23,772	0.20	0.13	↓	\$ (5,446)	\$ 9,430	\$ (14,876)	17
Total		2492	99	88	96.5%	↑	31	43	-12	\$ 631,164	\$ 671,448	0.98	0.94	↓	\$ (336,428)	\$ (209,958)	\$ (123,749)	14.78

MARKET RATE HOUSING

Type	Property Name	Total Units	Prev Mo # Vacant	Current Mo # Vacant	Current Mo % Occupied	Trend	Units Leased	Units Vacated	Mo Net Change	TAR Balance	Tenant Revenue	Prev Mo TAR Ratio	Current Mo TAR Ratio	TAR Trend	YTD Actual	YTD Budget	YTD Variance
	The Villas	18	9	9	100.0%	-				\$ 733	\$ 19,847	-0.18	0.04	↑	\$ 3,646	\$ 3,046	\$ 600
	North Villa	14	3	3	85.7%	-											

AFFORDABLE HOUSING

Development			Occupancy							Tenant Accounts Recievable					Net Operating Income		
Type	Property Name	Total Units	Prev Mo # Vacant	Current Mo # Vacant	Current Mo % Occupied	Trend	Units Leased	Units Vacated	Mo Net Change	TAR Balance	Tenant Revenue	Prev Mo TAR Ratio	Current Mo TAR Ratio	TAR Trend	YTD Actual	YTD Budget	YTD Variance
Multi-Family	Chambers Court	38	10	7	81.6%	↑	3	0	3								
	Farnam	10	2	2	80.0%	-	0	0	0								
Total		48	12	9	81.3%	↑	3	0	3								

6.3. Housing in Omaha, Inc.

6.4. River City Housing Connections

6.5. Compliance

Memorandum



To: The Board of Commissioners

From: Susan Gilroy, Director of Compliance

Date: June 5, 2025

Re: Compliance Department Update- March 2025

Intake Department

During March, there were 176 applications submitted through the on-line portal. Only 36 of the applications met the criteria for one-bedroom senior households. A total of 32 applications were approved in March with 32 for one bedroom and 1 for three bedrooms and 1 for four bedrooms. There was 1 application approved for North Villas.

In addition to the 140 applications not eligible to apply, there were an additional 177 applicants who were withdrawn during the full application process for no response, housing offer refusals, failed background checks, applicant requests and monies owed to OHA.

Intake continue to process files for our dual LIHTC/PH properties for the residents transferring from Southside Terrace Homes. We are also selecting more 2, 3 and 4 bedroom applicants from the wait list in response to requests from Property Management.

Reexaminations

HUD's monthly Reexamination Delinquency Report for March was 76.17 up from 75.02 for February. The interim completion rate was at 86% for the interims reported through December 2024. Public housing residents who visit the Central Office for any reason are seen by staff to ensure they do not have any late reexaminations. Staff continue meeting with residents at the towers and Southside Terrance Homes to help families for their completion of the on-line portal and necessary paperwork. Our scattered site families are assisted in person and over the phone. Personal contact is very effective in working with our residents to complete their late recertifications and we stress this in during training.

Our newly hired staff are responding great with their training and face to face meetings with residents at the scheduled appointments. Re-focused training on a specific job task is making a positive improvement that we know will roll over to increase the PIC completion percentage. Our final new hire is coming to Compliance from the Property Management department and will be starting once their transition plan is completed. Her familiarity with our residents, Yardi and the on-line portal will accelerate her training program.

Residents are completing their late annual recertifications once they are served the 14/30 eviction notice and/or at the courthouse when they are there for other lease violations. There have been very few actual evictions (1) for non-compliance with annual recertification up to this point.

The public comment period for the ACOP Grievance chapter ended on May 24th. OHA did not receive any comments for the minor changes made. This chapter is up for board approval this month. Public Housing residents were notified of the minor changes along with the revised chapter posted on our website and available at the OHA offices. We attended and met with resident representatives at the

May CAC (Central Advisory Committee) meeting and offered to attend resident meetings at all the towers.

Process Improvements

During the month of March, Nicole worked with staff from Section 8, Property Management, Intensive Services, Finance and Compliance with their projects and initiatives:

Section 8- screening implementation, PBV conversion and on-line request approvals

Property Management- screening implementation, 30-day rent notice and how payments are applied

Intensive Services- Apricot implementation

Finance- Account Receivables discrepancies and vendor account risks- insurance

Compliance- screening implementation

Training was provided to new staff in Compliance and Section 8 for Yardi One, RentCafe 101, RentCafe Intake, RentCafe accounts and using Docu-sign.

Continued Learning Course: Policy Management Essentials for Property Management Professionals

There were 18 cases submitted to Yardi. There were 130 requests from staff for assistance:

Requests by department:

Capital Improvements	3
Compliance	10
Executive	4
Finance	16
Family Self Sufficiency	1
HR	14
Inspections	2
Intensive Services	3
IT	2
Legal	1
Maintenance	1
PH Intake	4
Procurement	4
Property Management	26
Section 8	39

Requests by Product:

Adobe Acrobat	5
Adobe Pro	0
Aspire	3
Docu-Sign	6
Microsoft	1
Mobile Maintenance	1
Nebraska.gov	1
OHA Website	2
P2P	8
Rent Cafe	36
SharePoint	0
VendorCafe	0
Voyager	50
Yardi Market Place	0
YardiOne	17

Memorandum



To: The Board of Commissioners

From: Susan Gilroy, Director of Compliance

Date: June 5, 2025

Re: Intake Approved Applications March 2025

Intake Department Month of March 2025

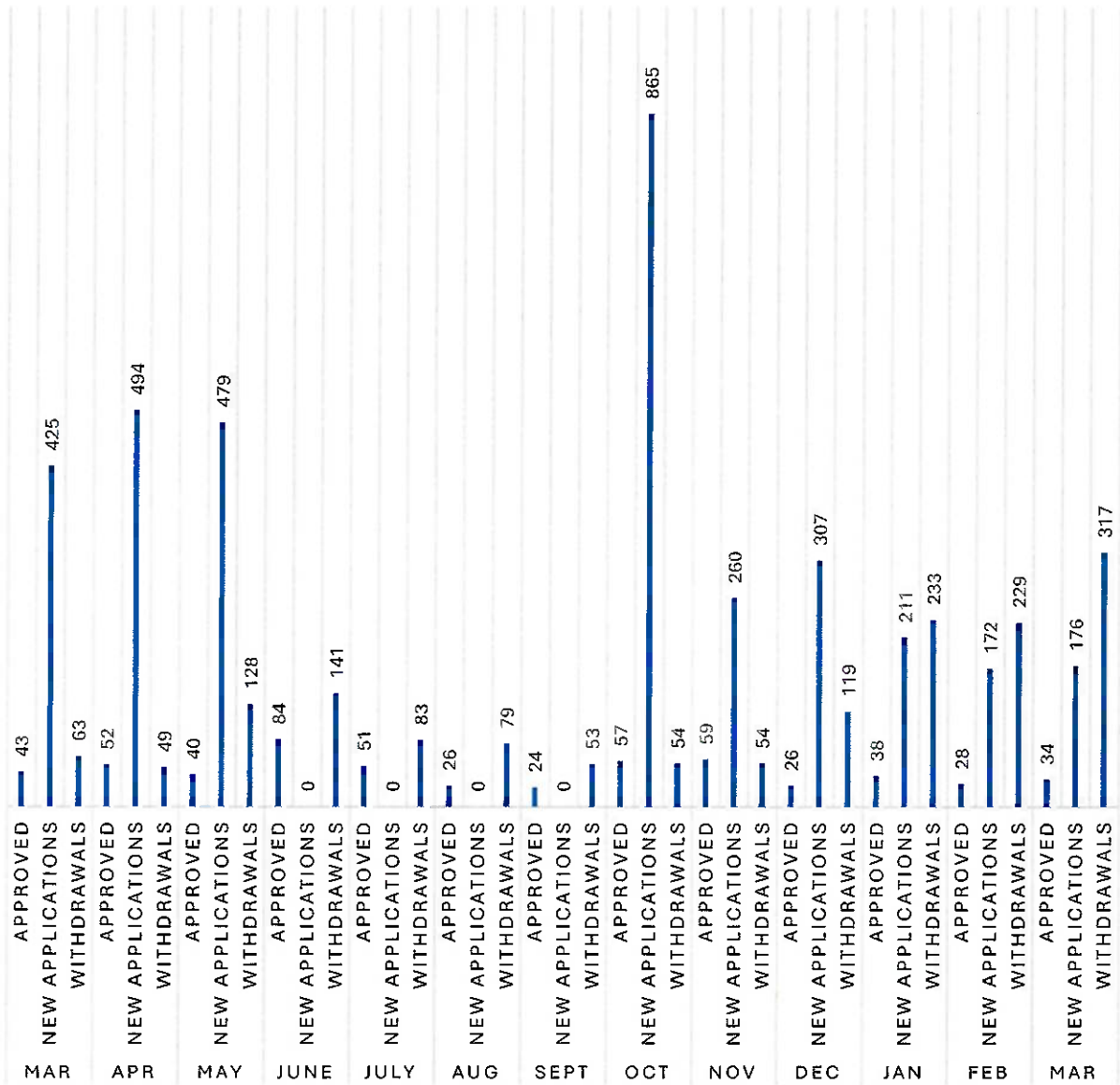
New Public Housing Applications	176
New Villas Housing Applications	1
New Farnam Straight Tax Credit Housing Applications	0
New Chambers Straight Tax Credit Housing Applications	0

Approved Public Housing Applications	34
Approved Applications for Villas	0
Approved Applications for Chambers Straight Tax Credit	0
Approved Applications for Farnam Apts Straight Tax Credit	0

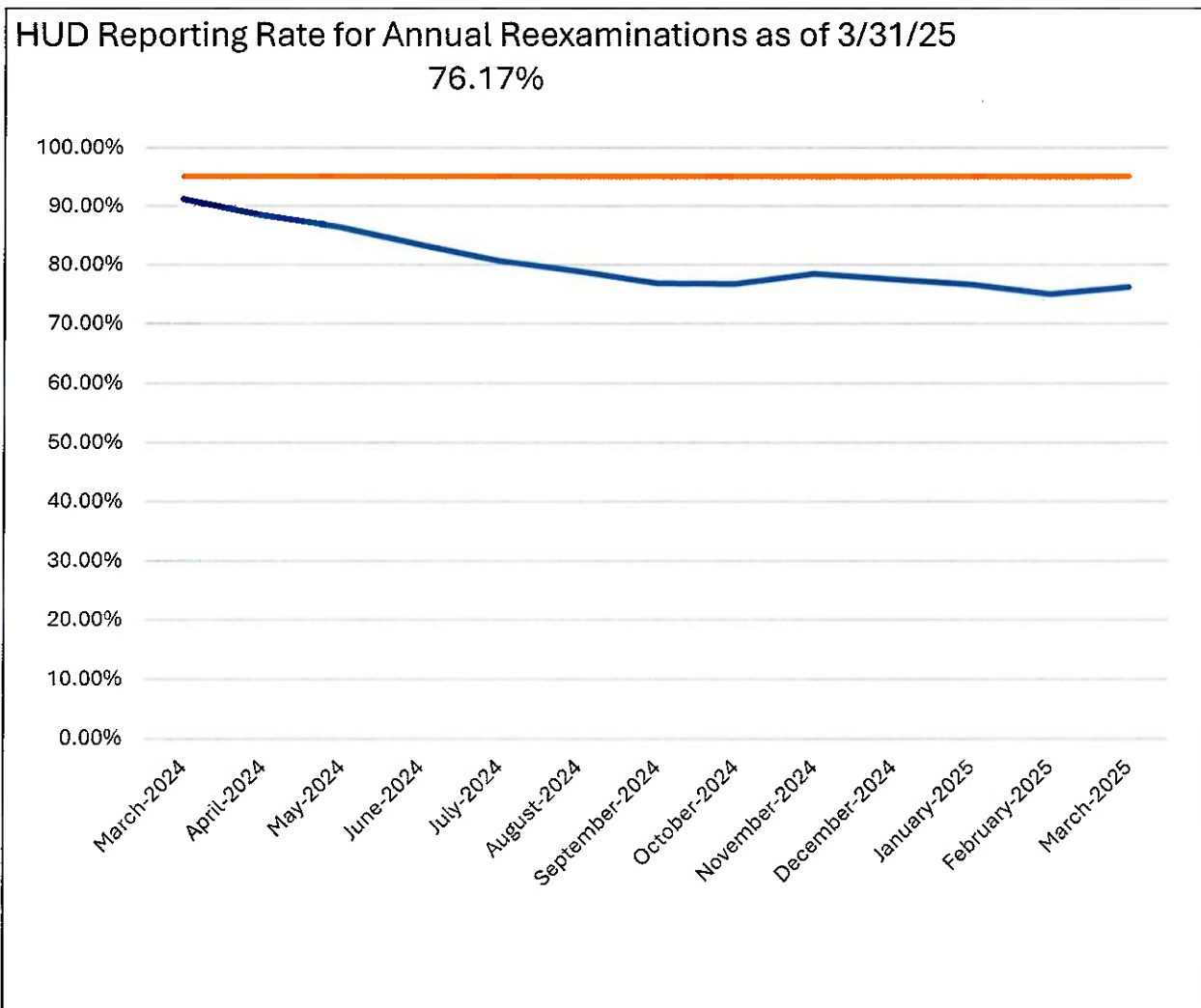
Public Housing Applications Approved by Bedroom Size	One	Two	Three	Four
	32	0	1	1
Villas Applications Approved	Two	Three		
North Villas	0	0		
Arbor Villa	0	0		
Chambers Court Straight Tax Credit Applications Approved	One	Two	Three	Four
	0	0	0	0
Farnam Apartments Straight Tax Credit Applications Approved	Two	Three		
	0	0		

Applications Withdrawn from PH Wait List	317	
No Response During Full Application Process	143	
Owe monies to PHA	1	
Not Eligible to Apply/Waiting List closed	140	
Failed Background Check	7	
Applicant Request	10	
Refused Offer	16	
Over Income	0	

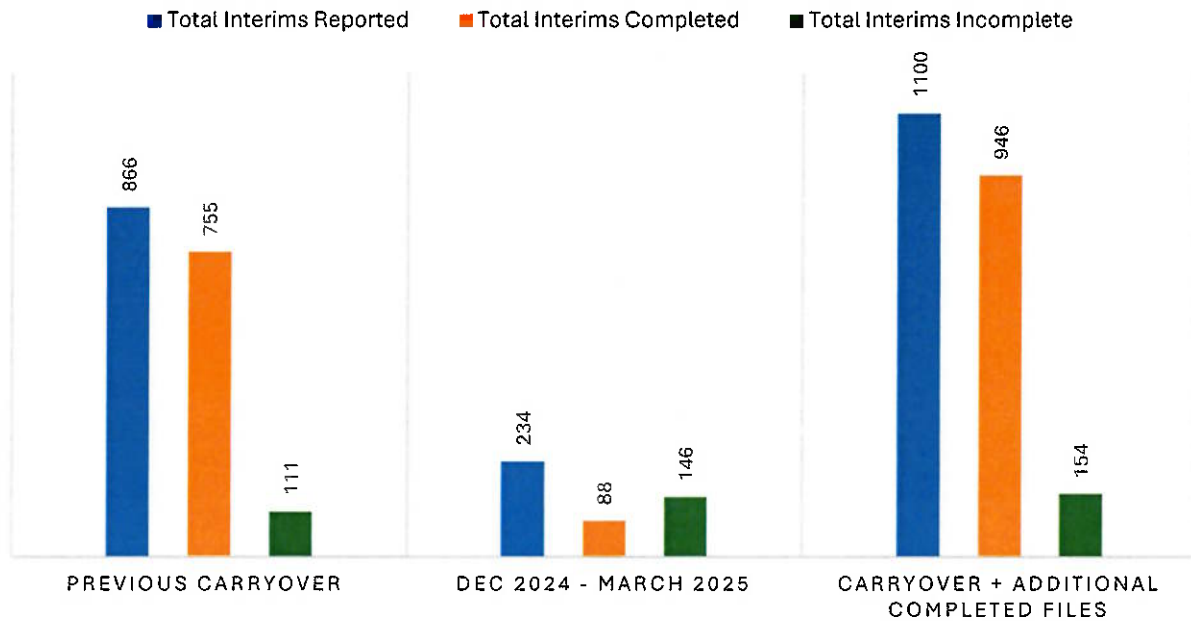
PUBLIC HOUSING INTAKE WAITING LIST MARCH 2025



	HUD Goal
	Actual



INTERIM COMPLETION RATE THROUGH MARCH 2025



This report reflect all of the interims reported and completed throught the end of March 2025. An additional 234 residents reported new changed during the months of December 2024 – March 2025.. Housing Compliance Staff worked to complete the new and outstanding interims during this time perios. Overall, staff processed a total 142 interim files.

6.6. Financials

New Agency Structure after FMR (7agency2)

Balance Sheet -With YTD

Period = Apr 2025

Book = Accrual ; Tree = ysi_bs

	April 30, 2025	April 1, 2025	Net Change	January 1, 2025	YTD Net Change
ASSETS					
CASH AND CASH EQUIVALENTS	7,732,579	7,529,352	203,227	10,757,881	-3,025,302
OTHER ACCOUNTS RECEIVABLE	201,487	203,844	-2,357	-80,523	282,010
A/R INTER-PROPERTY	1,301,985	1,032,800	269,185	1,130,953	171,032
A/R - TENANT	804,517	759,604	44,913	874,739	-70,223
A/R PROMISSORY NOTES	3,194,744	3,194,672	72	3,132,423	62,321
ACCRUED INTEREST RECEIVABLE	5,146,148	5,146,148	0	5,146,148	0
PREPAID ASSETS	575,099	674,107	-99,008	338,168	236,932
INTER-FUND DUE FROM	2,725,988	3,156,880	-430,892	2,483,026	242,963
TOTAL CURRENT ASSETS	21,682,547	21,697,408	-14,861	23,782,815	-2,100,267
FIXED ASSETS	32,933,399	32,801,739	131,660	32,657,237	276,163
NOTES RECEIVABLE	7,315,266	7,315,266	0	7,315,266	0
LT INTER-FUND DUE FROM	2,390,435	2,390,435	0	2,390,435	0
A/R P-NOTES - LONG TERM	-665,630	-665,630	0	-665,630	0
TAX CREDIT FEES	71,655	71,655	0	71,655	0
PREPAID LEASE COSTS	4,640,570	4,640,570	0	4,640,570	0
LEASES RECEIVABLE	2,708,702	2,708,702	0	2,708,702	0
ACCUMULATED AMORTIZATION	-4,416,383	-4,416,383	0	-4,416,383	0
LT INTER-PROPERTY	913,265	913,265	0	913,265	0
INVESTMENT IN JOINT VENTURES	2,296,065	2,296,065	0	2,296,065	0
TOTAL NON-CURRENT ASSETS	48,187,344	48,055,684	131,660	47,911,181	276,163
TOTAL ASSETS	69,869,891	69,753,092	116,799	71,693,996	-1,824,105
LIABILITIES AND EQUITY					
LIABILITIES					
ACCOUNTS PAYABLE					
ACCOUNTS PAYABLE	586,818	-45,997	632,814	499,050	87,768
A/P OTHER	-3,198	-3,198	0	-3,198	0
ACCRUED FEES	1,261,519	992,335	269,185	1,090,487	171,032
ACCR WAGES & WITHHOLDINGS					
ACCR WAGES & WITHHOLDINGS	5,635	5,635	0	335,264	-329,628
TOTAL ACCRUED INTEREST	4,701,225	4,701,225	0	4,701,225	0
A/P PHA PROJECTS	65,464	0	65,464	0	65,464
TENANT SECURITY DEPOSIT	689,697	687,565	2,132	708,631	-18,934
UNEARNED REVENUE	2,836,060	3,148,049	-311,989	3,685,504	-849,444
CURRENT PORTION OF DEBT	51,539	51,523	16	50,727	812
OTHER CURRENT LIABILITIES	-110,825	-139,822	28,997	-147,322	36,497
INTER-PROGRAM PAYABLES	50,000	50,000	0	50,000	0
INTER-FUND DUE TO	1,632,092	2,062,984	-430,892	1,326,857	305,236
TOTAL CURRENT LIABILITIES	11,766,026	11,510,298	255,727	12,297,223	-531,197
LONG TERM DEBT	11,755,215	11,759,496	-4,281	11,772,791	-17,576
LT LIABILITIES - OTHER	0	0	0	0	0
FSS ESCROW	611,928	588,993	22,935	592,823	19,105
TOTAL LT ACRUED FEES	913,264	913,264	0	913,264	0
COMP ABSENCES-LONG TERM	612,087	612,087	0	612,087	0
LT INTER-FUND DUE TO	2,390,435	2,390,435	0	2,390,435	0
TOTAL NON-CURRENT LIABILITIES	16,282,928	16,264,275	18,654	16,281,400	1,529
TOTAL LIABILITIES	28,048,954	27,774,573	274,381	28,578,623	-529,669
EQUITY					
NET INVEST IN CAPITAL ASSETS	27,758,697	27,758,697	0	27,758,697	0
RESTRICTED NET ASSETS	-5,591,846	-5,591,846	0	-5,591,846	0
RETAINED EARNINGS	10,255,684	10,413,266	-157,582	11,550,120	-1,294,436
UNRESTRICTED NET POSITION	7,898,802	7,898,802	0	7,898,802	0
RE - EQUITY TRANSFERS	1,499,600	1,499,600	0	1,499,600	0

New Agency Structure after FMR (7agency2)

Balance Sheet -With YTD

Period = Apr 2025

Book = Accrual ; Tree = ysi_bs

	April 30, 2025	April 1, 2025	Net Change	January 1, 2025	YTD Net Change
TOTAL EQUITY	41,820,937	41,978,519	-157,582	43,115,373	-1,294,436
TOTAL LIABILITIES AND EQUITY	69,869,891	69,753,092	116,799	71,693,996	-1,824,105
TOTAL OF ALL	0	0	0	0	0

New Agency Structure after FMR (7agency2)

Balance Sheet -With YTD

Period = Apr 2025

Book = Accrual ; Tree = ysi_bs

	April 30, 2025	April 1, 2025	Net Change	January 1, 2025	YTD Net Change
ASSETS					
CASH - OPERATING	3,350,250	2,380,299	969,951	4,932,427	-1,582,177
CASH - PAYROLL	99,148	88,201	10,947	91,117	8,031
CASH - OTHER	44,687	44,656	31	44,563	124
PETTY CASH	0	0	0	560	-560
CASH - VENDOR PAYMENTS	-602,442	21,844	-624,285	-375,648	-226,793
CASH - RESTRICTED	2,754,272	2,681,630	72,641	3,656,098	-901,827
CASH - RESTRICTED MODERNIZATION AND DEV	38,843	38,811	32	38,716	127
REPLACEMENT RESERVE	14,049	71,953	-57,904	71,543	-57,494
CASH - FSS ESCROW	587,920	537,410	50,511	623,733	-35,813
CASH - FSS FORFEITURES	61,441	57,096	4,345	54,538	6,903
OPERATING RESERVE	61,060	276,461	-215,401	274,954	-213,894
OHA HUD OPERATING RESERVE	306,715	306,715	0	305,908	807
CASH - SECURITY DEPOSIT	644,838	652,844	-8,006	669,038	-24,200
HOMEOWNERSHIP FUNDS	371,799	371,433	366	370,336	1,463
CASH AND CASH EQUIVALENTS	7,732,579	7,529,352	203,227	10,757,881	-3,025,302
A/R HUD	46,492	6,116	40,376	-152,344	198,836
A/R OTHER GOVERNMENTS	774,803	822,456	-47,653	697,751	77,052
A/R OTHER	13,317	13,317	0	1,800	11,517
A/R EMPLOYEE	-1,132	-1,132	0	0	-1,132
A/R NON DWELLING RENT	21,269	16,349	4,920	25,532	-4,263
A/R HOMEOWNERSHIP MORTGAGES	592,700	592,700	0	592,700	0
ALLOWANCE FOR HOME MORTGAGES	-592,700	-592,700	0	-592,700	0
ALLOWANCE FOR DOUBTFUL OTHER A/R	-653,262	-653,262	0	-653,262	0
OTHER ACCOUNTS RECEIVABLE	201,487	203,844	-2,357	-80,523	282,010
INTER-PROPERTY {COCC}	50,000	50,000	0	50,000	0
INTER-PROPERTY {9EC}	243,167	235,989	7,177	223,090	20,076
INTER-PROPERTY {9KCC}	114,242	103,817	10,425	101,241	13,001
INTER-PROPERTY {9NOAH}	70,491	64,868	5,623	63,183	7,308
INTER-PROPERTY {9FAR}	130,989	129,328	1,662	125,867	5,123
INTER-PROPERTY {9BV}	34,494	33,584	911	32,735	1,760
INTER-PROPERTY {9CR1}	59,819	49,318	10,501	48,194	11,625
INTER-PROPERTY {9CR2}	33,700	32,455	1,245	31,612	2,088
INTER-PROPERTY {VILLAS}	57,623	57,828	-205	56,050	1,573
INTER-PROPERTY {HCV}	1,108,638	1,108,638	0	526,290	582,348
INTER-PROPERTY {HCV ADM}	-1,018,393	-1,018,393	0	-436,045	-582,348
INTER-PROPERTY {MOD REHAB}	1,774	1,774	0	1,774	0
INTER-PROPERTY {PUB HSG}	415,440	183,594	231,846	306,961	108,479
A/R INTER-PROPERTY	1,301,985	1,032,800	269,185	1,130,953	171,032
ACCOUNTS RECEIVABLE TENANTS	867,426	822,513	44,913	937,649	-70,223
ALLOWANCE FOR A/R TENANTS	-62,909	-62,909	0	-62,909	0
A/R - TENANT	804,517	759,604	44,913	874,739	-70,223
P-NOTES OUTSTANDING	633,481	633,409	72	571,160	62,321
ALLOWANCE FOR P-NOTES	-64,229	-64,229	0	-64,229	0
A/R BAYVIEW	387,861	387,861	0	387,861	0
A/R FARNAM	1,375,882	1,375,882	0	1,375,882	0
A/R STREHLOW	812,448	812,448	0	812,448	0
A/R NOAH	49,301	49,301	0	49,301	0
A/R PROMISSORY NOTES	3,194,744	3,194,672	72	3,132,423	62,321
ACCRUED INTEREST RECEIVABLE	5,146,148	5,146,148	0	5,146,148	0
ACCRUED INTEREST RECEIVABLE	5,146,148	5,146,148	0	5,146,148	0
PREPAID INSURANCE	317,550	379,641	-62,092	25,815	291,735
PREPAID SOFTWARE EXP	33,931	66,834	-32,903	167,313	-133,382
PREPAID MED FSA SEC 125	5,666	8,723	-3,057	6,239	-573
PREPAID CREDIT CARDS	3,383	4,339	-956	1,218	2,165
PREPAID OTHER	214,569	214,569	0	137,583	76,986
PREPAID ASSETS	575,099	674,107	-99,008	338,168	236,932
INTERFUND BALANCE	-1,700	-1,700	0	-1,700	0
INTER-FUND DUE FROM {COCC}	563,332	585,536	-22,204	451,048	112,284
INTER-FUND DUE FROM {HIOOPER}	-201,683	-201,683	0	-201,683	0

INTER-FUND DUE FROM {9EC}	402,006	392,137	9,869	222,633	179,373
INTER-FUND DUE FROM {9KCC}	49,905	59,377	-9,472	57,515	-7,610
INTER-FUND DUE FROM {9NOAH}	114,349	119,857	-5,508	117,991	-3,642
INTER-FUND DUE FROM {9SEC}	20,382	20,382	0	20,382	0
INTER-FUND DUE FROM {9FAR}	97,431	100,352	-2,921	23,938	73,494
INTER-FUND DUE FROM {9BV}	5,919	10,337	-4,417	5,541	378
INTER-FUND DUE FROM {9CR1}	9,200	10,558	-1,358	11,230	-2,030
INTER-FUND DUE FROM {9CR2}	8,676	9,756	-1,079	10,630	-1,954
INTER-FUND DUE FROM {VILLAS}	4,718	4,718	0	9,891	-5,173
INTER-FUND DUE FROM {HCV ADM}	-153,926	-74,350	-79,576	-150,325	-3,601
INTER-FUND DUE FROM {HCV MV}	-19,141	-19,142	1	-14,564	-4,577
INTER-FUND DUE FROM {HCV CITY}	37,650	37,650	0	37,650	0
INTER-FUND DUE FROM {MOD REHAB}	1,953	4,064	-2,112	5,345	-3,393
INTER-FUND DUE FROM {FOUND}	109,706	109,706	0	169,603	-59,898
INTER-FUND DUE FROM {PUB HSG}	10,040	260,807	-250,766	281,930	-271,889
INTER-FUND DUE FROM {ROSS GRANT}	-16,665	-27,641	10,976	-79,042	62,377
INTER-FUND DUE FROM {FSS GRANT}	-115,468	-115,468	0	-79,454	-36,015
INTER-FUND DUE FROM {CNI GRANT}	950,257	1,025,735	-75,478	562,504	387,753
INTER-FUND DUE FROM {CNP GRANT}	15,794	15,794	0	15,794	0
INTER-FUND DUE FROM {EHV}	833,255	830,101	3,154	1,006,055	-172,800
INTER-FUND DUE FROM {6SCDEV18}	0	0	0	113	-113
INTER-FUND DUE FROM	2,725,988	3,156,880	-430,892	2,483,026	242,963
TOTAL CURRENT ASSETS	21,682,547	21,697,408	-14,861	23,782,815	-2,100,267
LAND	8,299,143	8,299,143	0	8,299,143	0
BUILDINGS	158,131,147	158,131,147	0	158,131,147	0
BUILDINGS - COMMERCIAL	400,000	400,000	0	400,000	0
BUILDINGS - ACQUISITION	457,700	457,700	0	457,700	0
BUILDINGS - INELIGIBLE	88,112	88,112	0	88,112	0
BUILDING IMPROVEMENTS	43,895,136	43,893,363	1,773	43,792,415	102,722
CONTRACT WORK IN PROCESS	699,087	462,562	236,524	161,894	537,192
WIP - PREDEVELOPMENT	1,460,524	1,448,524	12,000	1,272,432	188,092
WIP - INS PROCEEDS/REPAIRS	800,823	764,573	36,250	735,508	65,316
DWELLING EQUIPMENT	3,932,292	3,839,082	93,210	3,673,740	258,553
SITE IMPROVEMENTS	5,129,677	5,129,677	0	5,129,677	0
OFFICE EQUIPMENT	238,588	238,588	0	238,588	0
MAINTENANCE EQUIPMENT	365,170	365,170	0	365,170	0
COMMUNITY SPACE EQUIPMENT	75,004	75,004	0	75,004	0
COMPUTER EQUIPMENT	527,559	527,559	0	527,559	0
AUTOMOTIVE EQUIPMENT	2,517,504	2,517,504	0	2,587,934	-70,429
SECURITY EQUIPMENT	1,297,708	1,297,708	0	1,183,024	114,685
ACCUM DEPR - BUILDINGS	-151,579,183	-151,502,950	-76,232	-151,274,253	-304,930
ACCUM DEPR - COMMERCIAL	-376,037	-375,734	-303	-374,825	-1,212
ACCUM DEPR - BUILDING ACQUISITION	-450,000	-450,000	0	-450,000	0
ACCUM DEPR - INELIGIBLE BLDG	-81,475	-81,208	-267	-80,407	-1,068
ACCUM DEPR - BUILDING IMPROVEMENTS	-33,502,759	-33,395,993	-106,766	-33,075,759	-427,000
ACCUM DEPR - DWELLING EQUIPMENT	-1,985,329	-1,963,141	-22,188	-1,898,506	-86,823
ACCUM DEPR - SITE IMPROVE	-3,485,707	-3,464,052	-21,656	-3,399,085	-86,622
ACCUM DEPR - OFFICE EQUIPMENT	-235,257	-234,968	-290	-234,099	-1,159
ACCUM DEPR - MAINTENANCE EQUIPMENT	-292,535	-291,894	-642	-289,969	-2,566
ACCUM DEPR - COMMUNITY SPACE EQUIPMENT	-75,004	-75,004	0	-75,004	0
ACCUM DEPR - COMPUTER EQUIPMENT	-527,175	-527,140	-35	-527,035	-140
ACCUM DEPR - AUTOMOTIVE EQUIPMENT	-2,210,428	-2,200,852	-9,576	-2,242,552	32,124
ACCUM DEPR - SECURITY EQUIPMENT	-580,887	-570,744	-10,143	-540,314	-40,572
FIXED ASSETS	32,933,399	32,801,739	131,660	32,657,237	276,163
N/R BAYVIEW	208,156	208,156	0	208,156	0
N/R FARNAM	553,079	553,079	0	553,079	0
N/R CROWN I	241,542	241,542	0	241,542	0
N/R CROWN II	161,563	161,563	0	161,563	0
N/R NOAH	893,253	893,253	0	893,253	0
N/R STREHLOW	2,907,673	2,907,673	0	2,907,673	0
N/R KEYSTONE	2,350,000	2,350,000	0	2,350,000	0
NOTES RECEIVABLE	7,315,266	7,315,266	0	7,315,266	0
LT INTER-FUND DUE FROM {HIOOPER}	124,751	124,751	0	124,751	0
LT INTER-FUND DUE FROM {9EC}	826,853	826,853	0	826,853	0
LT INTER-FUND DUE FROM {9KCC}	248,036	248,036	0	248,036	0
LT INTER-FUND DUE FROM {9NOAH}	66,840	66,840	0	66,840	0

LT INTER-FUND DUE FROM {9FAR}	462,869	462,869	0	462,869	0
LT INTER-FUND DUE FROM {9BV}	241,026	241,026	0	241,026	0
LT INTER-FUND DUE FROM {9CR1}	83,438	83,438	0	83,438	0
LT INTER-FUND DUE FROM {9CR2}	121,904	121,904	0	121,904	0
LT INTER-FUND DUE FROM {VILLAS}	214,719	214,719	0	214,719	0
LT INTER-FUND DUE FROM	2,390,435	2,390,435	0	2,390,435	0
A/R P-NOTES - LONG TERM	-665,630	-665,630	0	-665,630	0
A/R P-NOTES - LONG TERM	-665,630	-665,630	0	-665,630	0
TAX CREDIT FEES	71,655	71,655	0	71,655	0
TAX CREDIT FEES	71,655	71,655	0	71,655	0
PREPAID LEASE COSTS	4,640,570	4,640,570	0	4,640,570	0
PREPAID LEASE COSTS	4,640,570	4,640,570	0	4,640,570	0
LEASES RECEIVABLE	2,708,702	2,708,702	0	2,708,702	0
LEASES RECEIVABLE	2,708,702	2,708,702	0	2,708,702	0
ACCUMULATED AMORTIZATION	-4,416,383	-4,416,383	0	-4,416,383	0
ACCUMULATED AMORTIZATION	-4,416,383	-4,416,383	0	-4,416,383	0
LT INTER-PROPERTY {9EC}	381,436	381,436	0	381,436	0
LT INTER-PROPERTY {9NOAH}	1	1	0	1	0
LT INTER-PROPERTY {9FAR}	157,612	157,612	0	157,612	0
LT INTER-PROPERTY {9BV}	21,169	21,169	0	21,169	0
LT INTER-PROPERTY {9CR1}	103,467	103,467	0	103,467	0
LT INTER-PROPERTY {9CR2}	22,326	22,326	0	22,326	0
LT INTER-PROPERTY {VILLAS}	227,254	227,254	0	227,254	0
LT INTER-PROPERTY	913,265	913,265	0	913,265	0
INVESTMENT IN JOINT VENTURES	2,296,065	2,296,065	0	2,296,065	0
INVESTMENT IN JOINT VENTURES	2,296,065	2,296,065	0	2,296,065	0
TOTAL NON-CURRENT ASSETS	48,187,344	48,055,684	131,660	47,911,181	276,163
TOTAL ASSETS	69,869,891	69,753,092	116,799	71,693,996	-1,824,105
LIABILITIES AND EQUITY					
LIABILITIES					
ACCOUNTS PAYABLE					
ACCOUNTS PAYABLE	586,818	-45,997	632,814	499,050	87,768
ACCOUNTS PAYABLE	586,818	-45,997	632,814	499,050	87,768
A/P OTHER	-3,198	-3,198	0	-3,198	0
A/P OTHER	-3,198	-3,198	0	-3,198	0
ACCRUED MGMT & BKKPING FEE	289,630	146,296	143,334	146,296	143,334
ACCRUED FRONT-LINE FEES	971,889	846,039	125,850	944,191	27,698
ACCRUED FEES	1,261,519	992,335	269,185	1,090,487	171,032
ACCR WAGES & WITHHOLDINGS					
COURT ORDERED WITHHOLDING	5	5	0	5	0
OTHER WITHHOLDING	-100	-100	0	0	-100
DEFERRED COMPENSATION WITHHOLDING	-3,097	-3,097	0	-3,097	0
ACCRUED PAYROLL	0	0	0	301,732	-301,732
ACCRUED PAYROLL TAXES	-247	-247	0	27,549	-27,796
EE INS DEDUCTIONS	9,075	9,075	0	9,075	0
ACCR WAGES & WITHHOLDINGS	5,635	5,635	0	335,264	-329,628
ACCRUED INTEREST BRIDGE	798,130	798,130	0	798,130	0
ACCRUED INTEREST HIO	3,212,995	3,212,995	0	3,212,995	0
ACCRUED INTEREST OTHER	690,100	690,100	0	690,100	0
TOTAL ACCRUED INTEREST	4,701,225	4,701,225	0	4,701,225	0
A/P PHA PROJECTS	65,464	0	65,464	0	65,464
A/P PHA PROJECTS	65,464	0	65,464	0	65,464
TENANT SECURITY DEPOSIT	639,869	641,338	-1,469	663,166	-23,297
PET DEPOSIT	6,730	6,530	200	6,730	0
DEPOSIT REFUND ACCOUNT	43,098	39,697	3,401	38,735	4,363
TENANT SECURITY DEPOSIT	689,697	687,565	2,132	708,631	-18,934
DEFERRED REVENUE	2,020,887	2,020,887	0	2,020,887	0
Deferred Revenue - HUD Funds	463,467	779,180	-315,713	1,330,437	-866,970
TENANT PREPAID RENT	342,232	338,308	3,924	324,856	17,376
NO UNIT HOLDING ACCT	9,474	9,674	-200	9,324	150
UNEARNED REVENUE	2,836,060	3,148,049	-311,989	3,685,504	-849,444
MORTGAGE PAYABLE - CURRENT	51,539	51,523	16	50,727	812
CURRENT PORTION OF DEBT	51,539	51,523	16	50,727	812
OTHER CURRENT LIABILITIES	-213,641	-213,641	0	-213,641	0

CONTRACT RETAINAGE	102,816	73,819	28,997	66,319	36,497
OTHER CURRENT LIABILITIES	-110,825	-139,822	28,997	-147,322	36,497
A/P OTHER - INTER-PROPERTY	50,000	50,000	0	50,000	0
INTER-PROGRAM PAYABLES	50,000	50,000	0	50,000	0
INTER-FUND DUE TO {COCC}	164,832	521,642	-356,810	479,829	-314,997
INTER-FUND DUE TO {HIOOPER}	80,902	67,116	13,786	0	80,902
INTER-FUND DUE TO {9EC}	30,583	30,583	0	30,583	0
INTER-FUND DUE TO {9KCC}	19,877	19,877	0	19,877	0
INTER-FUND DUE TO {9NOAH}	37,179	37,179	0	4,675	32,504
INTER-FUND DUE TO {9SEC}	335,061	328,432	6,630	173,462	161,600
INTER-FUND DUE TO {9FAR}	11,651	11,651	0	11,651	0
INTER-FUND DUE TO {9BV}	10,214	10,214	0	10,214	0
INTER-FUND DUE TO {9CR1}	4,390	4,390	0	4,390	0
INTER-FUND DUE TO {9CR2}	2,903	2,903	0	2,903	0
INTER-FUND DUE TO {VILLAS}	-49,174	-49,174	0	-49,174	0
INTER-FUND DUE TO {HCV ADM}	429,545	426,362	3,184	610,815	-181,269
INTER-FUND DUE TO {PUB HSG}	27,096	27,096	0	8,667	18,429
INTER-FUND DUE TO {ROSS GRANT}	6,426	6,426	0	6,426	0
INTER-FUND DUE TO {FSS GRANT}	24,198	24,198	0	11,626	12,572
INTER-FUND DUE TO {EHV}	914	914	0	914	0
INTER-FUND DUE TO {6SCDEV18}	495,496	593,178	-97,682	0	495,496
INTER-FUND DUE TO	1,632,092	2,062,984	-430,892	1,326,857	305,236
TOTAL CURRENT LIABILITIES	11,766,026	11,510,298	255,727	12,297,223	-531,197
MORTGAGE PAYABLE	1,421,477	1,425,758	-4,281	1,439,053	-17,576
LOAN PAYABLE CDBG	502,000	502,000	0	502,000	0
LOAN PAYABLE OHA	4,924,142	4,924,142	0	4,924,142	0
ACCRUED INTEREST LONG TERM	4,000	4,000	0	4,000	0
ACCR INT L-T CDBG LOAN	64,373	64,373	0	64,373	0
EC, NOAH, Bayview, Farnam Loans	2,625,492	2,625,492	0	2,625,492	0
MORTGAGE-HIO	1,349,569	1,349,569	0	1,349,569	0
MORTGAGE-OHA # 2	539,949	539,949	0	539,949	0
LONG TERM LIABILITIES - OPERATING	324,213	324,213	0	324,213	0
LONG TERM DEBT	11,755,215	11,759,496	-4,281	11,772,791	-17,576
NONCURRENT LIABILITIES - OTHER	0	0	0	0	0
LT LIABILITIES - OTHER	0	0	0	0	0
FSS ESCROW	611,928	588,993	22,935	592,823	19,105
FSS ESCROW	611,928	588,993	22,935	592,823	19,105
LT ACCRUED MGMT & BKKPING FEE	792,272	792,272	0	792,272	0
LT ACCRUED FRONT-LINE FEES	100,534	100,534	0	100,534	0
LT ACCRUED FEES	20,458	20,458	0	20,458	0
TOTAL LT ACRUED FEES	913,264	913,264	0	913,264	0
COMPENSATED ABSENCES-LONG TERM	612,087	612,087	0	612,087	0
COMP ABSENCES-LONG TERM	612,087	612,087	0	612,087	0
LT INTER-FUND DUE TO {COCC}	643,500	643,500	0	643,500	0
LT INTER-FUND DUE TO {HIOOPER}	420,241	420,241	0	420,241	0
LT INTER-FUND DUE TO {9EC}	17,565	17,565	0	17,565	0
LT INTER-FUND DUE TO {9KCC}	228,907	228,907	0	228,907	0
LT INTER-FUND DUE TO {9NOAH}	176,615	176,615	0	176,615	0
LT INTER-FUND DUE TO {9FAR}	37,389	37,389	0	37,389	0
LT INTER-FUND DUE TO {9BV}	100,215	100,215	0	100,215	0
LT INTER-FUND DUE TO {9CR1}	257,391	257,391	0	257,391	0
LT INTER-FUND DUE TO {9CR2}	92,233	92,233	0	92,233	0
LT INTER-FUND DUE TO {VILLAS}	416,378	416,378	0	416,378	0
LT INTER-FUND DUE TO	2,390,435	2,390,435	0	2,390,435	0
TOTAL NON-CURRENT LIABILITIES	16,282,928	16,264,275	18,654	16,281,400	1,529
TOTAL LIABILITIES	28,048,954	27,774,573	274,381	28,578,623	-529,669
EQUITY					
CAPITAL ACCOUNT GENERAL PARTNER	1,600,653	1,600,653	0	1,600,653	0
CAPITAL ACCOUNT LIMITED PARTNER	1,808,269	1,808,269	0	1,808,269	0
CAPITAL ACCOUNT SPECIAL LIMITED PARTNER	30	30	0	30	0
NET INVESTED IN CAPITAL ASSETS	24,349,745	24,349,745	0	24,349,745	0
NET INVEST IN CAPITAL ASSETS	27,758,697	27,758,697	0	27,758,697	0
RESTRICTED NET ASSETS	-5,591,846	-5,591,846	0	-5,591,846	0
RESTRICTED NET ASSETS	-5,591,846	-5,591,846	0	-5,591,846	0
RETAINED EARNINGS	10,255,684	10,413,266	-157,582	11,550,120	-1,294,436
RETAINED EARNINGS	10,255,684	10,413,266	-157,582	11,550,120	-1,294,436

CONTRA EQUITY	6,821,512	6,821,512	0	6,821,512	0
UNRESTRICTED NET ASSETS	14,720,314	14,720,314	0	14,720,314	0
UNRESTRICTED NET POSITION	7,898,802	7,898,802	0	7,898,802	0
RE - EQUITY TRANSFERS	1,499,600	1,499,600	0	1,499,600	0
RE - EQUITY TRANSFERS	1,499,600	1,499,600	0	1,499,600	0
TOTAL EQUITY	41,820,937	41,978,519	-157,582	43,115,373	-1,294,436
TOTAL LIABILITIES AND EQUITY	69,869,891	69,753,092	116,799	71,693,996	-1,824,105
TOTAL OF ALL	0	0	0	0	0

New Agency Structure after FMR (7agency2)

Budget Comparison

Period = Apr 2025

Book = Accrual ; Tree = ysi_is

	April 2025	Budget	Variance	April 2024	Variance	YTD 2025	Budget	Variance	YTD 2024	Variance
REVENUES	7,256,176	6,368,666	887,510	5,988,030	1,268,146	27,801,050	25,474,664	2,326,385	#####	4,867,165
EXPENSES	7,413,758	6,614,991	-798,767	7,134,572	-279,186	29,095,486	26,459,963	-2,635,523	#####	-2,507,149
TRANSFERS	0	0	0	0	0	0	0	0	0	0
PRIOR PERIOD ADJUSTMENT	0	0	0	0	0	0	0	0	584,367	584,367
NET OPERATING INCOME (LOSS)	-157,582	-246,325	88,743	-1,146,542	988,960	-1,294,436	-985,299	-309,137	-4,238,818	2,944,382
ADJUSTED NET OPERATING INCOME (LOSS)	90,515	2,310	89,281	-888,483	998,922	-304,040	9,243	-313,283	-3,204,974	2,900,934

Budget Comparison

Period = Apr 2025

Book = Accrual ; Tree = ysl_is

	April 2025	Budget	Variance	April 2024	Variance	YTD 2025	Budget	Variance	YTD 2024	Variance
REVENUES										
TENANT REVENUES										
DWELLING RENTS	610,024	581,232	28,792	591,502	18,522	2,489,802	2,324,929	164,873	2,577,082	-87,280
DWELLING RENTS SUBSIDY	34,994	28,030	6,964	40,373	-5,379	139,956	112,121	27,835	154,897	-14,941
TPA - RENT	0	0	0	0	0	-2,500	0	-2,500	0	-2,500
LATE FEES	14,860	16,916	-2,056	15,004	-144	58,869	67,664	-8,795	63,471	-4,602
LATE FEES {P-NOTES}	1,295	78	1,217	0	1,295	2,100	310	1,790	125	1,975
LEGAL FEES	5,229	4,151	1,078	2,417	2,812	32,200	16,604	15,596	6,208	25,992
MAINTENANCE FEES	18,193	17,511	682	13,835	4,358	124,226	70,044	54,182	54,693	69,533
OTHER TENANT REVENUE	5,394	4,231	1,163	4,316	1,078	42,196	16,925	25,271	18,455	23,741
FRAUD RECOVERY REVENUE	75	235	-160	100	-25	1,025	941	84	1,297	-272
TOTAL TENANT REVENUES	690,064	652,385	37,679	667,547	22,517	2,887,874	2,609,538	278,336	2,876,228	11,646
HUD GRANTS AND SUBSIDY										
REVENUES-HUD SUBSIDY	672,250	697,284	-25,034	666,301	5,949	2,571,667	2,789,138	-217,471	2,648,279	-76,612
HOUSING ASST PAYMENTS	3,979,095	3,608,624	370,471	3,192,559	786,536	15,330,518	14,434,494	896,024	12,607,728	2,722,790
ONGOING ADMIN FEES EARNED	311,036	292,372	18,664	297,105	13,931	1,270,591	1,169,487	101,104	1,202,781	67,810
REVENUES - HUD CAPITAL - HARD COSTS	314,167	0	314,167	135,947	178,220	1,063,402	0	1,063,402	457,562	605,840
REVENUES - HUD CAPITAL - SOFT COSTS	412,691	281,491	131,200	177,946	234,745	1,729,753	1,125,965	603,788	936,832	792,921
TOTAL HUD GRANTS AND SUBSIDY	5,689,240	4,879,771	809,468	4,469,859	1,219,381	21,965,931	19,519,084	2,446,847	17,853,182	4,112,749
TOTAL FEE REVENUE										
MANAGEMENT FEE	177,728	176,765	963	184,002	-6,274	754,400	707,059	47,341	727,463	26,937
BOOKKEEPING FEE	47,565	47,701	-136	50,865	-3,300	191,145	190,803	342	198,720	-7,575
FRONT LINE SERVICE FEE	200,014	227,244	-27,230	196,044	3,971	789,052	908,976	-119,925	756,237	32,815
FRONT LINE SERVICE FEE {IT}	6,881	6,892	-11	42,299	-35,418	27,524	27,568	-44	141,628	-114,104
OTHER FEES FOR SERVICE	73	5,240	-5,167	0	73	73	20,959	-20,886	0	73
TOTAL FEE REVENUE	432,261	463,841	-31,580	473,209	-40,948	1,762,194	1,855,364	-93,171	1,824,049	-61,855
TOTAL OTHER GOV'T GRANTS DONATIONS										
OTHER GOV'T GRANTS/DONATIONS	182,682	246,315	-63,633	20,951	161,731	613,339	985,260	-371,921	76,928	536,411
TOTAL OTHER GOV'T GRANTS DONATIONS	182,682	246,315	-63,633	20,951	161,731	613,339	985,260	-371,921	76,928	536,411
INVESTMENT INCOME										
INTEREST INCOME - MAIN	2,542	2,990	-448	2,915	-373	10,960	11,958	-998	10,537	423
TOTAL INTEREST INCOME - MAIN	2,542	2,990	-448	2,915	-373	10,960	11,958	-998	10,537	423
INTEREST INCOME - OTHER	149,451	8,988	140,463	108,043	41,408	149,451	35,952	113,499	108,043	41,408
TOTAL NON-CASH INT INCOME {HIO}	149,451	8,988	140,463	108,043	41,408	149,451	35,952	113,499	108,043	41,408
INTEREST INCOME - RESTRICTED FUNDS	708	1,257	-550	1,204	-496	4,624	5,030	-405	4,841	-217
INT INCOME - RESTRICT FUNDS	708	1,257	-550	1,204	-496	4,624	5,030	-405	4,841	-217
OTHER INCOME										
NON-DWELLING RENTS	36,102	37,563	-1,461	35,446	656	143,582	150,253	-6,671	-54,664	198,246
MISCELLANEOUS INCOME	25	146	-121	133	-108	325	584	-259	608	-283
COMMISION INCOME	6,144	6,058	86	6,991	-848	23,360	24,231	-871	26,795	-3,435
ADMINISTRATIVE FEES	615	1,802	-1,187	2,095	-1,480	5,563	7,209	-1,646	7,693	-2,130
DONATIONS - GENERAL	2	2	0	2	0	48	9	38	9	39
MISCELLANEOUS GRANT REVENUE	0	7,000	-7,000	0	0	0	28,000	-28,000	0	0
DEVELOPERS FEES	0	60,548	-60,548	187,826	-187,826	0	242,192	-242,192	187,826	-187,826
GAIN/LOSS ON SALE OF FIXED ASSET	0	0	0	11,810	-11,810	3,134	0	3,134	11,810	-8,676
INSURANCE PROCEEDS	66,341	0	66,341	0	66,341	230,666	0	230,666	0	230,666
TOTAL OTHER INCOME	109,229	113,119	-3,891	244,303	-135,074	406,677	452,478	-45,801	180,076	226,601
TOTAL REVENUES	7,256,176	6,368,666	887,510	5,988,030	1,268,146	27,801,050	25,474,664	2,326,385	22,933,885	4,867,165
EXPENSES										
OPERATING EXPENSES										
ADMINISTRATIVE EXPENSES										
ADMINISTRATIVE SALARIES										
ADMIN SALARIES	560,601	606,344	45,743	504,388	-56,213	2,088,656	2,425,378	336,722	1,910,324	-178,332
ADMIN CASUAL LABOR	0	32,119	32,119	7,931	7,931	76,141	128,474	52,334	7,931	-68,210
ALLOC ADMIN SALARIES	-17,433	0	17,433	-14,198	3,235	-69,696	0	69,696	-67,362	2,333
TOTAL ADMIN SALARIES	543,168	638,463	95,295	498,121	-45,047	2,095,101	2,553,852	458,751	1,850,892	-244,209
AUDIT EXPENSE	0	9,504	9,504	860	860	2,875	38,015	35,140	49,235	46,360
MANAGEMENT FEE	177,728	176,765	-963	184,002	6,274	754,400	707,059	-47,341	727,463	-26,937
BOOKKEEPING FEE	47,565	47,701	136	50,865	3,300	191,145	190,803	-342	198,720	7,575
NIFA MONITORING FEE	0	592	592	0	0	4,020	2,366	-1,654	4,020	0
TOTAL ADMINISTRATIVE FEE	225,293	234,561	9,268	235,727	10,434	952,440	938,243	-14,197	979,438	26,998
ADMIN EMPLOYEE BENEFITS	6,327	5,293	-1,035	5,550	-777	25,567	21,171	-4,397	22,522	-3,046
ALLOC ADMIN EMP BENEFITS	0	0	0	0	0	0	0	0	0	0
ER MEDICAL/DENTAL INS - ADMIN	133,491	131,926	-1,564	119,179	-14,311	546,921	527,705	-19,216	493,918	-53,003
ER PENSION - ADMIN	27,119	33,349	6,230	25,399	-1,719	98,468	133,396	34,928	102,661	4,193
ER TAXES-ADMIN	40,639	46,385	5,746	36,181	-4,458	167,449	185,541	18,093	147,983	-19,466
TOTAL ADMIN EMPLOYEE BENEFITS	207,575	216,953	9,378	186,310	-21,266	838,405	867,813	29,407	767,084	-71,321
LEGAL SERVICES - OUTSIDE	17,953	12,683	-5,270	16,732	-1,221	76,367	50,731	-25,636	47,739	-28,627
TRAINING/CONFERENCE	4,435	7,187	2,752	983	-3,452	18,371	28,747	10,377	12,193	-6,178
BOARD MEETING/RETREAT	0	0	0	0	0	0	1	1	0	0
STAFF MEETING/RETREAT	350	378	28	112	-238	1,782	1,513	-268	1,704	-78
TRAVEL	97	2,399	2,302	1,601	1,504	5,288	9,594	4,307	5,496	209
MILEAGE	339	727	388	889	550	1,612	2,908	1,297	1,994	383
ADMIN VEHICLE - FUEL	0	45	45	94	94	0	181	181	152	152
ADMIN VEHICLE - MTCE & REPAIR	0	269	269	390	390	510	1,076	566	533	23
ADMIN VEHICLE - LICENSE	0	8	8	0	0	0	34	34	0	0
PUBLICATIONS	0	148	148	199	199	0	594	594	508	508
MEMBERSHIPS	3,102	2,503	-599	2,142	-960	9,627	10,013	386	4,810	-4,817
PAYROLL PROCESSING FEE	-5,973	5,311	11,284	4,891	10,864	14,349	21,244	6,895	21,859	7,510
TELEPHONE	16,875	14,402	-2,473	9,669	-7,205	60,746	57,609	-3,138	69,926	9,179
SAFETY EXPENSE	0	0	0	94	94	0	0	0	94	94

SAFETY EQUIPMENT/SUPPLIES	13	1,434	1,421	3,574	3,561	5,166	5,735	569	10,316	5,150
SAFETY TRAINING	0	17	17	0	0	0	69	69	0	0
LEGAL SERVICES - INTERNAL	17,434	16,862	-572	14,198	-3,235	69,696	67,447	-2,249	67,430	-2,265
ALLOC INTERNAL LEGAL EXP	-6,171	3,375	9,546	2,520	8,691	15,363	13,501	-1,862	5,226	-10,137
PRINTER SUPPLIES AND EXP	4,782	1,968	-2,814	2,415	-2,367	10,897	7,874	-3,024	6,841	-4,057
SOFTWARE EXP	34,147	18,267	-15,880	24,255	-9,892	151,578	73,068	-78,510	99,482	-52,096
OFFICE EXPENSE	958	906	-53	4,164	3,205	12,275	3,623	-8,651	4,414	-7,861
OFFICE FURNISHINGS	1,351	703	-648	1,147	-204	2,825	2,810	-14	3,523	699
POSTAGE	8,040	6,170	-1,869	6,136	-1,903	29,231	24,681	-4,550	25,933	-3,298
OFFICE SUPPLIES	3,652	4,844	1,192	4,126	474	22,291	19,376	-2,915	17,970	-4,321
OFFICE EQUIPMENT LEASES	11,733	3,835	-7,898	6,575	-5,158	19,999	15,340	-4,660	14,627	-5,373
COMPUTER EQUIPMENT	21,408	6,564	-14,844	8,585	-12,823	50,988	26,258	-24,730	27,960	-23,027
NETWORK COMMUNICATION	3,164	6,279	3,115	3,796	632	31,073	25,114	-5,959	19,887	-11,186
ADVERTISING /NEWSPAPER ADS	86	163	77	-11	-97	1,442	653	-789	79	-1,363
CABLE TV	443	433	-10	719	276	2,035	1,730	-305	1,404	-631
EMPLOYEE HIRING & ADMIN EXP	4,329	3,409	-920	5,330	1,001	74,535	13,636	-60,899	17,170	-57,364
CONSULTING	1,849	12,239	10,389	78,954	77,105	21,596	48,954	27,359	184,124	162,529
BANK FEE	3,998	1,217	-2,781	793	-3,204	14,397	4,869	-9,529	4,067	-10,330
SECT 8 PORT OUT ADMIN FEES	2,025	0	-2,025	5,131	3,107	8,609	0	-8,609	8,262	-347
LATE FEES	161	6,345	6,185	837	677	1,834	25,382	23,547	1,361	-473
MISCELLANEOUS EXPENSE	0	324	324	-633	-633	12,032	1,297	-10,735	1,074	-10,958
FEES - PERMITS	0	349	349	0	0	105	1,396	1,291	2,092	1,987
PROPERTY TAX	2,457	2,802	345	0	-2,457	11,425	11,208	-218	9,503	-1,922
RENTAL EXPENSE	2,375	2,309	-66	7,874	5,500	14,305	9,236	-5,069	7,546	-6,759
IT SUPPORT - CONTR SERV	20,590	18,601	-1,988	19,083	-1,506	77,876	74,404	-3,471	74,740	-3,135
PROFESSIONAL FEES	0	122	122	0	0	0	489	489	0	0
PROFESSIONAL/CONTR SERV	0	50	50	0	0	0	200	200	381	381
TOTAL OTHER ADMIN EXPENSES	175,999	165,648	-10,351	237,366	61,366	850,223	662,593	-187,630	782,421	-67,801
FEE FOR SERVICE	6,881	6,892	11	42,299	35,418	27,524	27,568	44	141,628	114,104
Tenant Restitution	0	0	0	0	0	11,500	0	-11,500	0	-11,500
TOTAL FEE FOR SERVICE	6,881	6,892	11	42,299	35,418	39,024	27,568	-11,456	141,628	102,604
TOTAL ADMINISTRATIVE EXPENSES	1,158,916	1,262,517	103,601	1,199,822	40,905	4,775,194	5,050,069	274,875	4,521,464	-253,729
RESIDENT SERVICES SALARIES										
RESIDENT SERVICES SALARIES	4,273	4,629	356	4,149	-124	15,567	18,518	2,951	15,598	31
RESIDENT SERVICE CASUAL LABOR	6,438	0	-6,438	6,525	88	26,338	0	-26,338	25,275	-1,062
TOTAL RESIDENT SERV SALARIES	10,711	4,629	-6,081	10,674	-37	41,905	18,518	-23,387	40,873	-1,031
RELOCATION EXPENSES	178,588	75,966	-102,622	188,985	10,397	341,348	303,865	-37,482	325,394	-15,954
RELOCATION - SECURITY DEPOSITS	0	1,033	1,033	2,725	2,725	0	4,131	4,131	3,518	3,518
RELOCATION - MOVING EXPENSE	1,509	378	-1,131	1,559	50	2,866	1,511	-1,355	2,494	-372
RELOCATION - MISCELLANEOUS	0	0	0	0	0	5,733	0	-5,733	0	-5,733
TOTAL RELOCATION EXPENSE	180,097	77,377	-102,720	193,269	13,172	349,947	309,507	-40,440	331,405	-18,542
ER MEDICAL/DENTAL INS - RES SERV	1,891	1,980	89	1,816	-74	7,563	7,919	356	7,265	-298
ER PENSION - RES SERV	235	255	20	228	-7	844	1,018	175	913	69
ER TAXES-RES SERV	290	354	64	282	-8	1,211	1,417	206	1,167	-44
TOTAL RESIDENT SERV EMP BENEFITS	2,415	2,588	173	2,326	-89	9,617	10,354	737	9,344	-273
YOUTH ACTIVITIES										
YOUTH ACTIVITIES	2,040	0	-2,040	0	-2,040	2,440	0	-2,440	0	-2,440
YOUTH ACTIVITIES - SCHOLARSHIPS	0	704	704	0	0	0	2,815	2,815	4,782	4,782
TOTAL YOUTH ACTIVITIES	2,040	704	-1,336	0	-2,040	2,440	2,815	375	4,782	2,342
RESIDENT SERVICES EXPENSE	0	7,823	7,823	542	542	2,244	31,293	29,050	1,260	-984
RESIDENT SERVICES EVENTS & ACTIVITIES	0	1,510	1,510	721	721	9,233	6,039	-3,194	7,624	-1,609
RESIDENT SERV DIRECT FUNDING	0	0	0	0	0	0	0	0	-130	-130
RESIDENT FUND - STIPENDS	4,578	7,316	2,738	1,442	-3,136	10,912	29,266	18,354	11,648	736
RESIDENT FUND - MEETING EXPENSES	910	600	-311	374	-536	2,380	2,398	18	2,949	569
RESIDENT FUND - OTHER	0	2,936	2,936	0	0	-800	11,742	12,542	4,369	5,169
TOTAL RESIDENT FUND	5,489	20,185	14,696	3,079	-2,410	23,970	80,739	56,769	27,722	3,752
FRONT LINE SERVICE FEE	160,245	182,918	22,673	163,877	3,632	649,959	731,670	81,711	605,033	-44,926
TOTAL FEE FOR SERVICE	160,245	182,918	22,673	163,877	3,632	649,959	731,670	81,711	605,033	-44,926
TOTAL OTHER RESIDENT SERVICES	360,997	288,401	-72,596	373,224	12,227	1,077,837	1,153,602	75,765	1,019,160	-58,678
TOTAL RESIDENT SERVICE EXPENSES	360,997	288,401	-72,596	373,224	12,227	1,077,837	1,153,602	75,765	1,019,160	-58,678
UTILITY EXPENSES										
UTILITY - WATER	24,159	35,559	11,400	41,158	16,999	106,917	142,235	35,318	152,089	45,172
UTILITY - ELECTRIC	151,180	136,431	-14,748	163,023	11,844	792,607	545,726	-246,881	688,862	-103,745
UTILITY - GAS	32,350	23,507	-8,843	23,856	-8,494	255,035	94,027	-161,008	183,202	-71,833
UTILITY - SEWER	36,693	47,406	10,713	60,474	23,781	164,175	189,625	25,450	216,082	51,907
TOTAL UTILITY EXPENSES	244,381	242,903	-1,478	288,511	44,130	1,318,734	971,613	-347,121	1,240,234	-78,500
TOTAL MAINTENANCE										
MAINTENANCE SALARIES										
MAINTENANCE SALARIES	260,328	238,059	-22,269	230,849	-29,480	970,508	952,236	-18,272	900,212	-70,296
MAINTENANCE CASUAL LABOR	0	0	0	59,443	59,443	0	0	0	116,277	116,277
ALLOC MAINT SALARIES	0	0	0	0	0	0	0	0	-44	-44
TOTAL MAINTENANCE SALARIES	260,328	238,059	-22,269	290,292	29,964	970,508	952,236	-18,272	1,016,445	45,937
APPLIANCES	31,088	20,340	-10,748	22,455	-8,632	73,541	81,358	7,817	78,541	5,000
DWELLING EQUIPMENT	0	99	99	0	0	782	398	-384	675	-106
PAINT	8,741	6,414	-2,327	8,566	-175	32,230	25,655	-6,574	26,159	-6,070
CLEANING SUPPLIES	1,673	2,569	895	990	-684	8,762	10,274	1,512	8,379	-383
HVAC MATERIALS	7,797	2,906	-4,890	1,069	-6,728	31,052	11,626	-19,426	11,857	-19,195
LANDSCAPING MATERIALS	0	76	76	0	0	515	303	-211	1,031	517
PLUMBING MATERIALS	31,441	14,757	-16,684	19,825	-11,617	101,789	59,029	-42,760	75,029	-26,761
ELECTRICAL MATERIALS	7,225	6,408	-817	10,875	3,650	25,617	25,631	14	34,634	9,017
GASOLINE USAGE FOR MAINT VEHICLES	2,821	3,489	668	4,671	1,850	11,803	13,956	2,153	13,420	1,617
PEST CONTROL SUPPLIES	1,253	2,642	1,389	2,346	1,093	7,995	10,568	2,573	13,094	5,099
MAINTENANCE TOOLS	1,171	1,665	495	2,196	1,025	11,858	6,661	-5,197	7,544	-4,314
MAINTENANCE MATERIALS	49,417	32,870	-16,547	49,222	-195	158,109	131,480	-26,629	159,061	952
MAINTENANCE EQUIPMENT	329	400	71	647	318	639	1,602	963	2,222	1,583
Early Pay Discount	-46	-2,587	-2,541	-8,428	-8,382	-5,904	-10,346	-4,442	-17,370	-11,466
TOTAL MAINTENANCE MATERIALS	142,910	92,049	-50,862	114,434	-28,476	458,787	368,194	-90,592	414,277	-44,510
ELEVATORS - CONTRACTED SERV	17,778	9,993	-7,785	8,457	-9,321	38,393	39,971	1,578	26,291	-12,102

HVAC - CONTRACTED SERV	26,034	18,580	-7,454	5,042	-20,992	137,714	74,319	-63,395	92,652	-45,061
LAWNS - CONTRACTED SERV	24,019	9,971	-14,048	8,950	-15,069	73,374	39,883	-33,491	28,075	-45,299
MATS/UNIFORMS - CONTRACTED SVCE	1,825	483	-1,342	1,676	-149	5,294	1,931	-3,363	2,756	-2,538
PEST CONTROL - CONTRACTED SERV	4,050	1,548	-2,502	1,448	-2,602	20,285	6,190	-14,095	2,472	-17,814
SNOW REMOVAL - CONTRACTED SERV	28,969	8,273	-20,696	0	-28,969	76,449	33,092	-43,357	59,828	-16,622
TRASH - CONTRACTED SERV	32,675	30,831	-1,845	57,916	25,241	-30,669	123,322	153,991	159,236	189,905
LANDFILL FEES - CONTRACTED SERV	88	152	64	211	123	646	610	-36	749	104
CLEANING - CONTRACTED SERV	45,650	55,772	10,122	56,871	11,221	245,934	223,089	-22,845	219,931	-26,004
PAINTING - CONTRACTED SERV	13,912	19,130	5,218	28,068	14,156	59,889	76,520	16,631	80,038	20,149
ARBORIST - CONTRACTED SERV	3,650	4,609	959	5,350	1,700	29,240	18,436	-10,804	7,850	-21,390
FLOORING REPL - CONTRACTED SERV	25,707	34,561	8,854	92,973	67,266	199,248	138,244	-61,004	183,036	-16,212
OUTDOOR CLEANING - CONTRACTED SERV	0	1,555	1,555	2,750	2,750	11,700	6,221	-5,479	7,400	-4,300
CONCRETE WORK - CONTRACTED SERV	0	356	356	0	0	177	1,423	1,246	4,305	4,128
ELECTRICAL - CONTRACTED SERV	8,862	12,929	4,067	6,162	-2,700	56,953	51,714	-5,239	20,544	-36,409
LANDSCAPE - CONTRACTED SERV	0	4,574	4,574	0	0	5,475	18,297	12,822	300	-5,175
PLUMBING - CONTRACTED SERV	71,533	36,648	-34,885	24,227	-47,306	115,916	146,594	30,677	76,010	-39,906
ROOF REPAIRS - CONTRACTED SERV	300	22	-278	1,210	910	11,554	88	-11,466	1,210	-10,344
EXTERIOR REPAIRS - CONTRACTED SERV	350	113	-237	300	-50	18,524	453	-18,071	8,702	-9,822
VEHICLE MAINTENANCE & REPAIR	13,190	4,390	-8,800	3,229	-9,961	26,644	17,561	-9,083	16,596	-10,048
MAINTENANCE EQUIPMENT REPAIR	2,386	608	-1,778	1,208	-1,178	6,968	2,432	-4,537	1,208	-5,761
WINDOWS/DOORS REPL - CONTRACTED SERV	13,808	7,739	-6,069	17,722	3,914	64,705	30,957	-33,748	149,381	84,676
VACANT TURNOVER - CONTRACTED SERV	0	427	427	0	0	6,451	1,708	-4,743	17,246	10,794
INSPECTIONS - CONTRACTED SERV	25,398	1,468	-23,930	375	-25,024	65,101	5,874	-59,227	5,235	-59,866
INTERIOR REPAIRS - CONTRACTED SERV	80,344	6,519	-73,825	151,207	70,863	308,120	26,076	-282,044	206,632	-101,488
Fire Safety - Contracted Services	37,542	19,166	-18,376	31,089	-6,454	155,076	76,664	-78,412	112,486	-42,590
OTHER - OUTSIDE MAINT	0	0	0	0	0	6,600	0	-6,600	0	-6,600
HAZMAT - CONTRACTED SERV	46,068	483	-45,584	3,400	-42,668	106,111	1,933	-104,178	221,365	115,254
RADON - CONTRACTED SERV	1,550	0	-1,550	520	-1,030	1,695	0	-1,695	2,405	710
DWELLING/MECHANICAL UPGRADES - CONTR S	0	143	143	0	0	398	573	176	0	-398
ALLOC INSPECTIONS EXPENSE	73	1,292	1,219	0	-73	73	5,169	5,096	0	-73
TOTAL MAINT SERVICES AND CONTRACTS	525,761	292,336	-233,426	510,361	-15,400	1,824,037	1,169,343	-654,695	1,713,937	-110,100
MAINTENANCE EMPLOYEE BENEFITS	828	75	-753	46	-782	1,277	302	-975	-132	-1,409
ALLOC MAINT EMP BENEFITS	0	0	0	0	0	0	0	0	-19	-19
ER MED/DENTAL INS - MAINT	66,479	62,150	-4,329	71,498	5,019	258,912	248,600	-10,312	267,726	8,814
ER PENSION - MAINT	13,126	13,093	-33	11,863	-1,263	44,440	52,373	7,933	48,131	3,691
ER TAXES - MAINT	18,791	18,212	-579	16,420	-2,370	78,572	72,846	-5,726	69,641	-8,931
TOTAL MAINT EMPLOYEE BENEFITS	99,224	93,530	-5,694	99,828	604	383,201	374,121	-9,080	385,347	2,146
TOTAL MAINTENANCE EXPENSES	1,028,224	715,973	-312,250	1,014,914	-13,309	3,636,533	2,863,894	-772,639	3,530,006	-106,527
PROTECTIVE SERVICE EXPENSES										
PROTECTIVE SERVICE SALARIES										
SECURITY SALARY	22,320	25,366	3,046	10,307	-12,013	79,954	101,465	21,511	48,198	-31,757
TOTAL PROTECTIVE SERV SALARIES	22,320	25,366	3,046	10,307	-12,013	79,954	101,465	21,511	48,198	-31,757
FRONT LINE SERVICE FEES	39,769	44,327	4,557	32,167	-7,602	139,093	177,306	38,213	151,204	12,111
TOTAL FEE FOR SERVICE	39,769	44,327	4,557	32,167	-7,602	139,093	177,306	38,213	151,204	12,111
GUARDS - CONTRACTED SECURITY	19,286	42	-19,244	0	-19,286	123,036	169	-122,867	9,544	-113,492
SECURITY & MONITORING	5,888	3,311	-2,577	11,985	6,097	25,069	13,243	-11,825	25,802	733
SECURITY - CONTRACTED SERV	5,107	919	-4,188	0	-5,107	7,207	3,676	-3,531	2,880	-4,328
SECURITY EQUIPMENT & MATERIALS	6,813	8,339	1,527	1,554	-5,259	165,486	33,357	-132,129	45,739	-119,747
TOTAL SECURITY EXPENSE	37,093	12,611	-24,482	13,539	-23,554	320,798	50,446	-270,353	83,965	-236,834
ER MEDICAL/DENTAL INS - SECURITY	907	2,685	1,777	212	-696	3,630	10,739	7,110	14,741	11,111
ER PENSION - SECURITY	1,002	1,395	393	358	-644	3,647	5,581	1,933	2,043	-1,604
ER TAXES - SECURITY	1,757	1,941	183	731	-1,026	7,080	7,762	682	3,847	-3,233
TOTAL SECURITY EMPLOYEE BENEFITS	3,667	6,020	2,353	1,301	-2,366	14,357	24,082	9,725	20,631	6,275
TOTAL PROTECT SERVICE EXPENSES	102,849	88,325	-14,525	57,314	-45,536	554,202	353,299	-200,903	303,998	-250,205
GENERAL EXPENSES										
INSURANCE EXPENSES										
INSURANCE - LIABILITY	20,086	12,658	-7,428	5,984	-14,101	183,555	50,633	-132,922	84,545	-99,011
INSURANCE - PROPERTY	79,195	38,119	-41,076	0	-79,195	316,780	152,476	-164,304	333,460	16,680
INSURANCE - WORKERS COMP	34,389	21,648	-12,741	46,338	11,949	111,610	86,593	-25,017	98,479	-13,131
TOTAL INSURANCE EXP	133,670	72,426	-61,244	52,322	-81,348	611,945	289,702	-322,243	516,484	-95,461
BAD DEBT EXPENSE	37,680	46,809	9,130	87,229	49,550	297,076	187,237	-109,839	172,466	-124,610
TOTAL BAD DEBT EXPENSE	37,680	46,809	9,130	87,229	49,550	297,076	187,237	-109,839	172,466	-124,610
CLOSING COSTS	0	19	19	126	126	0	74	74	126	126
MORTGAGE INTEREST	5,798	5,854	56	0	-5,798	23,490	23,417	-73	12,059	-11,431
TOTAL LOAN INTEREST	5,798	5,854	56	0	-5,798	23,490	23,417	-73	12,059	-11,431
TOTAL GENERAL EXPENSES	177,148	125,108	-52,040	139,677	-37,470	932,511	500,430	-432,081	701,134	-231,377
TOTAL OPERATING EXPENSES	3,072,515	2,723,227	-349,288	3,073,463	947	12,295,012	10,892,907	-1,402,104	11,315,996	-979,016
NON-OPERATING EXPENSES										
HAP EXPENSES										
HAP EXPENSE	3,882,960	3,435,727	-447,233	3,514,418	-368,542	14,968,156	13,742,909	-1,225,247	13,419,346	-1,548,810
HAP EXPENSE - PORTABLE	56,530	44,191	-12,338	116,008	59,479	243,865	176,765	-67,100	170,606	-73,258
UTILITY REIMBURSEMENT	153,656	163,210	9,554	172,624	18,968	598,057	652,839	54,782	648,544	50,487
TOTAL HAP EXPENSES	4,093,146	3,643,128	-450,017	3,803,050	-290,096	15,810,078	14,572,514	-1,237,564	14,238,496	-1,571,581
DEPRECIATION EXPENSE	248,097	248,635	538	258,059	9,962	990,396	994,542	4,146	1,033,844	43,448
TOTAL DEPR & AMORT EXPENSE	248,097	248,635	538	258,059	9,962	990,396	994,542	4,146	1,033,844	43,448
TOTAL NON-OPERATING EXPENSES	4,341,243	3,891,764	-449,479	4,061,109	-280,134	16,800,474	15,567,056	-1,233,418	15,272,340	-1,528,133
TOTAL EXPENSES	7,413,758	6,614,991	-798,767	7,134,572	-279,186	29,095,486	26,459,963	-2,635,523	26,588,336	-2,507,149
TRANSFERS BET PROGRAMS & PROJECTS - IN	37,878	252,534	-214,657	188,973	-151,096	127,545	1,010,138	-882,593	1,055,278	-927,734
TRANSFERS BET PROGRAMS & PROJECTS - OUT	37,878	252,534	214,657	188,973	151,096	127,545	1,010,138	882,593	1,055,278	927,734
OPERATING TRANSFER - IN	0	0	0	0	0	0	0	0	24,614	-24,614
OPERATING TRANSFER - OUT	0	0	0	0	0	0	0	0	24,614	24,614
TOTAL TRANSFERS	0	0	0	0	0	0	0	0	0	0
PRIOR PERIOD ADJUSTMENT	0	0	0	0	0	0	0	0	584,367	584,367
TOTAL PRIOR PERIOD ADJUSTMENT	0	0	0	0	0	0	0	0	584,367	584,367

NET OPERATING INCOME (LOSS)	-157,582	-246,325	88,743	-1,146,542	988,960	-1,294,436	-985,299	-309,137	-4,238,818	2,944,382
ADJUSTED NET OPERATING INCOME (LOSS)	90,515	2,310	89,281	-888,483	998,922	-304,040	9,243	-313,283	-3,204,974	2,900,934

Property = 7pubhsg 7cap
Budget Comparison
Period = Apr 2025
Book = Accrual ; Tree = ysi_is

	April 2025	Budget	Variance	April 2024	Variance	YTD 2025	Budget	Variance	YTD 2024	Variance
REVENUES										
TENANT REVENUES										
TOTAL TENANT REVENUES	606,582	566,226	40,356	568,376	38,206	2,463,882	2,264,903	198,978	2,465,369	-1,487
HUD GRANTS AND SUBSIDY										
TOTAL HUD GRANTS AND SUBSIDY	1,399,109	968,273	430,836	980,195	418,914	5,364,822	3,873,092	1,491,730	4,042,673	1,322,149
INVESTMENT INCOME										
TOTAL INTEREST INCOME - MAIN	1,796	2,456	-660	2,485	-689	7,658	9,824	-2,167	9,535	-1,877
TOTAL NON-CASH INT INCOME {HIO}	143,710	8,392	135,319	103,548	40,162	143,710	33,567	110,144	103,548	40,162
INT INCOME - RESTRICT FUNDS	398	503	-104	481	-83	1,591	2,011	-420	1,937	-346
OTHER INCOME										
TOTAL OTHER INCOME	94,904	31,965	62,939	30,370	64,533	348,360	127,861	220,500	-74,356	422,716
TOTAL REVENUES	2,246,499	1,577,814	668,685	1,685,455	561,044	8,330,023	6,311,257	2,018,765	6,548,706	1,781,317
EXPENSES										
OPERATING EXPENSES										
ADMINISTRATIVE EXPENSES	300,143	327,738	27,595	314,299	14,156	1,303,019	1,310,952	7,933	1,245,386	-57,633
RESIDENT SERVICE EXPENSES	168,599	178,844	10,245	169,309	710	674,068	715,376	41,307	619,164	-54,904
UTILITY EXPENSES	227,977	230,573	2,595	267,005	39,028	1,214,687	922,290	-292,397	1,171,270	-43,417
MAINTENANCE EXPENSES	889,852	616,434	-273,418	900,225	10,373	3,116,394	2,465,736	-650,658	3,084,931	-31,463
PROTECT SERVICE EXPENSES	49,368	50,302	934	43,086	-6,282	325,841	201,206	-124,634	210,827	-115,013
GENERAL EXPENSES	121,438	78,263	-43,175	89,416	-32,021	652,119	313,050	-339,069	399,274	-252,845
TOTAL OPERATING EXPENSES	1,757,378	1,482,153	-275,225	1,783,341	25,963	7,286,128	5,928,610	-1,357,518	6,730,852	-555,276
NON-OPERATING EXPENSES										
HAP EXPENSES	14,240	14,737	497	15,459	1,219	59,059	58,948	-111	55,571	-3,488
DEPR & AMORT EXPENSE	179,837	183,117	3,280	184,702	4,865	717,931	732,467	14,536	740,338	22,407
TOTAL NON-OPERATING EXPENSES	194,077	197,854	3,777	200,161	6,084	776,990	791,415	14,425	795,909	18,919
TOTAL EXPENSES	1,951,455	1,680,006	-271,448	1,983,502	32,047	8,063,118	6,720,025	-1,343,093	7,526,761	-536,357
TOTAL TRANSFERS	37,878	103,730	65,852	188,973	151,096	127,545	414,918	287,373	1,055,278	927,734
TOTAL PRIOR PERIOD ADJUSTMENT	0	0	0	0	0	0	0	0	584,367	584,367
NET OPERATING INCOME (LOSS)	257,167	-205,921	463,088	-487,020	744,187	139,360	-823,685	963,046	-2,617,700	2,757,061
ADJUSTED NET OPERATING INCOME (LOSS)	437,004	-22,804	459,808	-302,318	739,322	857,291	-91,218	948,509	-1,877,362	2,734,653

Budget Comparison

Period = Apr 2025

Book = Accrual ; Tree = ysi_is

	April 2025	Budget	Variance	April 2024	Variance	YTD 2025	Budget	Variance	YTD 2024	Variance
REVENUES										
TENANT REVENUES										
TOTAL TENANT REVENUES	88,853	82,465	6,389	96,754	-7,901	406,879	329,859	77,020	397,362	9,517
HUD GRANTS AND SUBSIDY										
TOTAL HUD GRANTS AND SUBSIDY	0	10,503	-10,503	0	0	0	42,012	-42,012	0	0
INT INCOME - RESTRICT FUNDS	310	755	-445	722	-413	3,034	3,019	15	2,904	129
OTHER INCOME										
TOTAL OTHER INCOME	13,633	11,751	1,882	12,050	1,582	52,534	47,004	5,531	46,514	6,020
TOTAL REVENUES	102,795	105,473	-2,678	109,527	-6,732	462,447	421,893	40,554	446,780	15,667
EXPENSES										
OPERATING EXPENSES										
ADMINISTRATIVE EXPENSES	28,375	24,559	-3,816	43,951	15,576	130,289	98,237	-32,051	152,649	22,360
RESIDENT SERVICE EXPENSES	13,208	13,412	204	13,663	455	61,734	53,650	-8,084	50,271	-11,463
UTILITY EXPENSES	15,989	7,754	-8,235	17,113	1,124	78,701	31,016	-47,685	48,973	-29,728
MAINTENANCE EXPENSES	97,045	57,463	-39,582	89,294	-7,751	382,549	229,851	-152,698	321,057	-61,491
PROTECT SERVICE EXPENSES	23,747	5,313	-18,435	2,640	-21,107	124,488	21,250	-103,238	17,687	-106,800
GENERAL EXPENSES	20,355	23,996	3,641	18,821	-1,534	146,242	95,984	-50,258	206,009	59,767
TOTAL OPERATING EXPENSES	198,718	132,497	-66,221	185,482	-13,236	924,002	529,988	-394,014	796,646	-127,355
NON-OPERATING EXPENSES										
HAP EXPENSES	7,221	3,932	-3,289	4,214	-3,007	24,186	15,728	-8,458	17,686	-6,500
DEPR & AMORT EXPENSE	55,601	50,135	-5,466	57,777	2,176	221,828	200,539	-21,289	231,057	9,229
TOTAL NON-OPERATING EXPENSES	62,822	54,067	-8,755	61,991	-831	246,014	216,267	-29,748	248,743	2,729
TOTAL EXPENSES	261,540	186,564	-74,976	247,474	-14,066	1,170,016	746,254	-423,762	1,045,390	-124,626
TOTAL TRANSFERS	-37,878	-40,396	-2,518	-188,973	-151,096	-127,545	-161,585	-34,040	-337,958	-210,413
NET OPERATING INCOME (LOSS)	-120,867	-40,694	-80,173	51,027	-171,894	-580,024	-162,776	-417,248	-260,652	-319,372
ADJUSTED NET OPERATING INCOME (LOSS)	-65,266	9,441	-74,707	108,804	-174,070	-358,196	37,763	-395,959	-29,595	-328,601

Sec 8 HCV - After FMR 2016 (7fdshcv)

Budget Comparison

Period = Apr 2025

Book = Accrual ; Tree = ysl_is

	April 2025	Budget	Variance	April 2024	Variance	YTD 2025	Budget	Variance	YTD 2024	Variance
REVENUES										
TENANT REVENUES										
TOTAL TENANT REVENUES	0	110	-110	0	0	150	441	-291	1,530	-1,380
HUD GRANTS AND SUBSIDY										
TOTAL HUD GRANTS AND SUBSIDY	4,093,317	3,710,716	382,601	3,290,776	802,541	15,999,139	14,842,863	1,156,276	13,188,998	2,810,141
TOTAL FEE REVENUE										
TOTAL FEE REVENUE	73	5,240	-5,167	0	73	73	20,959	-20,886	0	73
TOTAL NON-CASH INT INCOME {HIO}	0	0	0	442	-442	0	0	0	442	-442
OTHER INCOME										
TOTAL OTHER INCOME	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	4,093,390	3,716,066	377,324	3,291,218	802,172	15,999,362	14,864,263	1,135,099	13,190,970	2,808,392
EXPENSES										
OPERATING EXPENSES										
ADMINISTRATIVE EXPENSES	267,172	257,880	-9,292	244,521	-22,651	994,756	1,031,519	36,763	970,617	-24,139
RESIDENT SERVICE EXPENSES	0	451	451	274	274	-830	1,805	2,635	1,037	1,866
MAINTENANCE EXPENSES	25,594	34,117	8,524	22,742	-2,852	87,421	136,470	49,049	86,374	-1,047
GENERAL EXPENSES	5,803	3,564	-2,239	7,539	1,736	19,722	14,257	-5,465	19,026	-696
TOTAL OPERATING EXPENSES	298,568	296,013	-2,556	275,076	-23,492	1,101,069	1,184,050	82,981	1,077,053	-24,016
NON-OPERATING EXPENSES										
HAP EXPENSES	3,927,576	3,440,989	-486,587	3,590,593	-336,983	15,083,430	13,763,956	-1,319,474	13,422,838	-1,660,591
DEPR & AMORT EXPENSE	0	1,293	1,293	1,293	1,293	0	5,170	5,170	5,170	5,170
TOTAL NON-OPERATING EXPENSES	3,927,576	3,442,281	-485,294	3,591,886	-335,690	15,083,430	13,769,126	-1,314,304	13,428,008	-1,655,421
TOTAL EXPENSES	4,226,144	3,738,294	-487,850	3,866,962	-359,182	16,184,499	14,953,176	-1,231,323	14,505,061	-1,679,438
NET OPERATING INCOME (LOSS)	-132,754	-22,228	-110,526	-575,744	442,989	-185,137	-88,913	-96,224	-1,314,091	1,128,954
ADJUSTED NET OPERATING INCOME (LOSS)	-132,754	-20,935	-111,819	-574,451	441,697	-185,137	-83,743	-101,394	-1,308,921	1,123,784

C/O - after FMR 2016 (7fdscent)

Budget Comparison

Period = Apr 2025

Book = Accrual ; Tree = ysi_js

	April 2025	Budget	Variance	April 2024	Variance	YTD 2025	Budget	Variance	YTD 2024	Variance
REVENUES										
TENANT REVENUES										
TOTAL TENANT REVENUES	-5,371	3,584	-8,955	2,417	-7,788	16,963	14,335	2,628	11,968	4,995
TOTAL FEE REVENUE										
TOTAL FEE REVENUE	432,188	458,601	-26,413	473,209	-41,021	1,762,121	1,834,405	-72,285	1,824,049	-61,928
TOTAL OTHER GOV'T GRANTS DONATIO	140,946	168,274	-27,327	0	140,946	409,172	673,095	-263,923	0	409,172
INVESTMENT INCOME										
TOTAL INTEREST INCOME - MAIN	31	34	-3	34	-3	124	136	-12	133	-9
TOTAL NON-CASH INT INCOME {HIO}	5,741	596	5,144	4,053	1,688	5,741	2,385	3,355	4,053	1,688
OTHER INCOME										
TOTAL OTHER INCOME	75	7,051	-6,976	11,960	-11,885	171	28,203	-28,032	12,391	-12,220
TOTAL REVENUES	573,610	638,140	-64,530	491,673	81,937	2,194,291	2,552,560	-358,268	1,852,593	341,699
EXPENSES										
OPERATING EXPENSES										
ADMINISTRATIVE EXPENSES	491,895	586,145	94,251	541,881	49,986	2,003,374	2,344,581	341,207	1,927,658	-75,716
RESIDENT SERVICE EXPENSES	177,150	90,798	-86,352	185,938	8,788	330,989	363,192	32,203	331,254	265
UTILITY EXPENSES	415	4,577	4,162	4,393	3,978	25,347	18,307	-7,040	19,992	-5,354
MAINTENANCE EXPENSES	15,150	7,824	-7,326	1,489	-13,661	47,740	31,296	-16,444	34,045	-13,695
PROTECT SERVICE EXPENSES	29,735	32,711	2,976	11,588	-18,147	103,874	130,842	26,968	75,483	-28,391
GENERAL EXPENSES	27,557	18,218	-9,339	22,082	-5,475	108,340	72,872	-35,468	72,757	-35,583
TOTAL OPERATING EXPENSES	741,901	740,273	-1,629	767,370	25,469	2,619,663	2,961,090	341,427	2,461,188	-158,475
NON-OPERATING EXPENSES										
DEPR & AMORT EXPENSE	12,598	14,030	1,432	14,226	1,628	50,392	56,121	5,729	57,034	6,642
TOTAL NON-OPERATING EXPENSES	12,598	14,030	1,432	14,226	1,628	50,392	56,121	5,729	57,034	6,642
TOTAL EXPENSES	754,499	754,303	-196	781,596	27,097	2,670,055	3,017,212	347,157	2,518,222	-151,833
TOTAL TRANSFERS	0	-63,333	-63,333	0	0	0	-253,333	-253,333	-717,320	-717,320
NET OPERATING INCOME (LOSS)	-180,889	-52,830	-128,060	-289,924	109,034	-475,764	-211,319	-264,445	51,691	-527,455
ADJUSTED NET OPERATING INCOME (LOS	-168,291	-38,800	-129,491	-275,698	107,407	-425,372	-155,198	-270,174	108,725	-534,097

Public Housing (7pubhsg)
Budget Comparison
Period = Apr 2025
Book = Accrual ; Tree = ysi_is

	April 2025	Budget	Variance	April 2024	Variance	YTD 2025	Budget	Variance	YTD 2024	Variance
REVENUES										
TENANT REVENUES										
TOTAL TENANT REVENUES	606,582	566,226	40,356	568,376	38,206	2,463,882	2,264,903	198,978	2,465,369	-1,487
HUD GRANTS AND SUBSIDY										
TOTAL HUD GRANTS AND SUBSIDY	672,250	686,782	-14,532	666,301	5,949	2,571,667	2,747,126	-175,459	2,648,279	-76,612
INVESTMENT INCOME										
TOTAL INTEREST INCOME - MAIN	1,796	2,456	-660	2,485	-689	7,658	9,824	-2,167	9,535	-1,877
TOTAL NON-CASH INT INCOME {HIO}	143,710	8,392	135,319	103,548	40,162	143,710	33,567	110,144	103,548	40,162
INT INCOME - RESTRICT FUNDS	398	503	-104	481	-83	1,591	2,011	-420	1,937	-346
OTHER INCOME										
TOTAL OTHER INCOME	94,904	31,965	62,939	30,370	64,533	348,360	127,861	220,500	-74,356	422,716
TOTAL REVENUES	1,519,641	1,296,323	223,318	1,371,562	148,079	5,536,868	5,185,292	351,576	5,154,312	382,556
EXPENSES										
OPERATING EXPENSES										
ADMINISTRATIVE EXPENSES	298,294	327,738	29,444	309,363	11,070	1,297,523	1,310,952	13,429	1,216,726	-80,797
RESIDENT SERVICE EXPENSES	167,939	178,844	10,905	164,639	-3,299	671,554	715,376	43,822	614,494	-57,060
UTILITY EXPENSES	227,977	230,573	2,595	267,005	39,028	1,214,687	922,290	-292,397	1,171,270	-43,417
MAINTENANCE EXPENSES	650,187	556,609	-93,578	660,170	9,983	2,287,184	2,226,437	-60,747	2,330,347	43,163
PROTECT SERVICE EXPENSES	46,334	50,302	3,967	35,761	-10,573	275,337	201,206	-74,131	170,308	-105,029
GENERAL EXPENSES	121,438	78,263	-43,175	89,416	-32,021	652,119	313,050	-339,069	399,274	-252,845
TOTAL OPERATING EXPENSES	1,512,169	1,422,328	-89,841	1,526,355	14,186	6,398,403	5,689,311	-709,092	5,902,419	-495,984
NON-OPERATING EXPENSES										
HAP EXPENSES	14,240	14,737	497	15,459	1,219	59,059	58,948	-111	55,571	-3,488
DEPR & AMORT EXPENSE	179,837	183,117	3,280	184,702	4,865	717,931	732,467	14,536	740,338	22,407
TOTAL NON-OPERATING EXPENSES	194,077	197,854	3,777	200,161	6,084	776,990	791,415	14,425	795,909	18,919
TOTAL EXPENSES	1,706,246	1,620,182	-86,064	1,726,516	20,271	7,175,393	6,480,726	-694,667	6,698,328	-477,065
TOTAL TRANSFERS	37,878	-117,937	-155,815	188,973	151,096	127,545	-471,749	-599,293	337,958	210,413
TOTAL PRIOR PERIOD ADJUSTMENT	0	0	0	0	0	0	0	0	584,367	584,367
NET OPERATING INCOME (LOSS)	-224,483	-205,921	-18,562	-543,928	319,445	-1,766,070	-823,685	-942,385	-2,466,341	700,271
ADJUSTED NET OPERATING INCOME (LOSS)	-44,646	-22,804	-15,282	-359,226	314,580	-1,048,139	-91,218	-956,921	-1,726,003	677,864

Memorandum



To: Board of Commissioners
From: Ashley Hatheway, CFO
Date: May 16, 2025
Re: Finance Report

AGENCY BALANCE SHEET

April 2025:

Cash position decreased **\$3,025,302** YTD.

- Public Housing & capital funds had a decrease of **\$2,100,682**
- HIO: had a decrease of **\$447,659**
- Section 8 Programs: had a decrease of **\$182,352**
- Central Office: had a decrease of **\$154,670**

Accounts Receivable had an increase of **\$445,140** YTD

- Operating A/R had an increase of **\$282,010**
- A/R Inter-property had an increase of **\$171,032**
- Tenant Receivables had a decrease of **\$70,223**
- A/R Promissory Notes had an increase of **\$62,321**

Prepaid Assets had an increase of **\$236,932** YTD

Total Assets decreased **\$1,824,105** YTD

Total Liabilities decreased **\$529,669** YTD.

Current Liabilities decreased **\$531,197** YTD

- Unearned Revenue (HUD operating subsidy) decreased **\$849,444**
- Accounts Payable increased **\$87,768**
- Accrued Fees increased **\$171,032**
- Inter-fund Payables increased **\$305,236**

Memorandum



To: Board of Commissioners
From: Ashley Hatheway, CFO
Date: May 16, 2025
Re: Finance Report

AGENCY INCOME STATEMENT

Total Revenue is \$4.9M more than PYTD revenue. Revenue is better to budget by \$2.3M YTD.

Total Operating Expenses are \$979k higher than PYTD, worse to budget by \$1.4M.

HAP Expenses (Section 8/HCV) are \$1.6M more than PYTD, worse to budget by \$1.2M.

Current year net loss in HCV is \$480k vs. \$1.6M PYTD

Adjusted Net Operating Loss (ANOL) was **\$304,040** compared to budget ANOI of \$9,243 and PY ANOL of \$3,204,974

6.7. Development

6.8. Procurement/Contracting/Capital Budgets

Procurement Monthly Report – June 2025

<u>FORMAL SOLICITATION ACTIVITY</u>			
Project	Type	Status	Anticipated BOC Month
Legal Services	RFP	Open	July
Jackson Unit Modernization	IFB	Open	August

<u>CONTRACT ACTIVITY</u>			
Contract Purpose	Vendor	Action	MBE/WBE/Section 3
Property and Casualty Insurance Brokerage	Alliant Insurance Services, Inc.	New Contract	No
Employee Benefits Insurance Brokerage	INSPRO / Marsh McLennan	New Contract	No
Generator Repair and Maintenance	Interstate Power, Inc.	Renewal	No

<u>NEW PROCUREMENTS OVER \$20K</u>			
Project	Vendor	Amount	MBE/WBE/Section 3
Independent Entity Services	CVR Associates, Inc.	\$25,000	No
Davis Bacon Compliance Services	Motivation, Inc.	\$26,664	No

<u>PROJECTS UTILIZING EXISTING CONTRACTS OVER \$20K</u>			
Project	Vendor	Amount	Contract #
Crown Tower Unit Modernization (Phase 3)	Jensen Enterprises	\$79,615	23-CONSTRUCTION-83F

Capital Improvements Monthly Report – June 2025

General Updates

- 2025 CFP formula grant award is imminent (likely 1-2 weeks)

Capital Funds Project Status update as of 05/23/2025

Project	Comments
<i><u>IN PROGRESS</u></i>	
Key management system	Estimated completion June 2025
Park South, Jackson boiler rebuilds	Estimated completion June 2025
Site drainage A&E	Estimated completion June 2025
Lead risk assessments	Estimated completion July 2025
Crown Unit Renovation	Estimated completion August 2025
Park South Tower window replacements	Estimated completion Fall 2025
Kay Jay Tower shower replacements	Estimated completion Fall 2025
Jackson Tower plumbing stack replacements	Estimated completion early 2026
<i><u>IN DEVELOPMENT</u></i>	
Annex renovation A&E	Evaluating vendors in June 2025
Fire alarm panel A&E	Evaluating vendors in June 2025
Physical needs assessment / Energy Audit	Planning
Alamo lead paint remediation	Planning
Multifamily exterior repairs	Planning

Capital Funds Grant Status Update as of 05/23/2025

ACTIVE GRANTS

Grant Year	Grant Type	Award Amount	Award Date	Obligation Date	End Date	\$ Expended	% Expended	\$ Obligated	% Obligated	Status
2019	Lead Based Paint	\$660,000	8/30/2019	8/30/2023	8/30/2025	\$665,097	100.77%	\$682,852	103.46%	Expended, final reconciliation in progress
2022	Formula	\$7,114,398	5/12/2022	5/11/2024	5/11/2026	\$7,063,152	99.28%	\$7,086,299	99.98%	Expended, final reconciliation in progress
2022	JT At Risk	\$2,145,000	2/8/2023	1/29/2025	1/29/2027	\$298,707	13.93%	\$2,115,933	98.64%	Obligation complete, expending
2023	Formula	\$7,173,205	2/17/2023	2/16/2025	2/16/2027	\$5,104,268	71.16%	\$7,225,044	100.72%	Obligation complete, expending
2024	Formula	\$7,433,097	5/6/2024	5/6/2026	5/6/2028	\$3,374,059	45.39%	\$5,574,978	75.00%	Obligation in progress
2025	Formula	\$7,538,645	TBD	TBD	TBD	\$0	0.00%	\$0	0.00%	Awaiting award from HUD

INACTIVE GRANTS

Grant Year	Grant Type	Award Amount	Award Date	Obligation Date	End Date	\$ Expended	% Expended	\$ Obligated	% Obligated	Status
2019	Formula	\$5,612,511	4/16/2019	4/15/2023	4/15/2025	\$5,612,511	100.00%	\$5,612,511	100.00%	Closing process in progress
2020	Formula	\$6,017,802	3/26/2020	3/25/2024	3/25/2026	\$6,017,802	100.00%	\$6,017,802	100.00%	Fully expended, ready to close
2020	Safety & Security	\$227,273	4/2/2021	4/1/2022	4/1/2023	\$227,273	100.00%	\$227,273	100.00%	Fully expended, ready to close
2021	Formula	\$5,831,495	2/23/2021	2/22/2023	2/22/2025	\$5,831,495	100.00%	\$5,831,495	100.00%	Fully expended, ready to close
2021	Safety & Security	\$247,000	9/1/2021	9/9/2022	9/9/2023	\$146,530	59.32%	\$146,530	59.32%	Fully expended, ready to close

6.9. Human Resources

Memorandum



To: The Board of Commissioners

From: Latina Jackson, Director of Human Resources

Date: May 21, 2025

Re: Staffing Report Summary April 18, 2025 – May 21, 2025

Total Open Positions 6

Position(s)	Number of Positions Open	Department	Status
Transitional Housing Coordinator	1	HCV	Reviewing Applications
Quality Improvement Director	1	Executive	Reviewing Applications
Project Manager	1	Capital Improvements	Interviewing
Housing Specialist	1	HCV	Interviewing
Maintenance Repairer-HVAC	1	Property Management	Interviewing
Housing Compliance Specialist	1	Compliance	Making Offer

Total New Hires 3

Title	Number of Positions Filled	Department/Location
Administrative Assistant - PT	1	Compliance
Property Manager	1	Property Management
Housing Specialist	1	HCV

Total Transfers 0

Name	Old Title	New Title	Department	Date

Total Promotions 1

Name	Old Title	New Title	Department	Date
Logan Hoover	Assistant Property Manager	Property Manager	Property Management	5/25/25

Type of Termination	Number of Employees
Involuntary	3
Voluntary	5

Current Monthly Turnover Rate
4.64%

Annual Turnover Rate (06/2024 – 05/2025)
38.27%

6.10. Family and Community Services

Family and Community Services Department

Synergy of Services = Self-Sufficiency

Outreach

Academic Achievement

Transportation

Elderly and Disabled Services

Resident Education and Employment

Family Self-Sufficiency

Homeownership

Grants



Families Towards Self-Sufficiency

Family and Community Services Department

Family Services and Community Outreach (FSCO) Program

Goal: The primary goal of the Family Services and Community Outreach Program is to assess, upon lease-up, the needs of public housing residents and strategically connect them to community resources and internal OHA programs that stabilize their housing situations; provide access to education and employment opportunities and offer youth tutoring and mentoring as well as quality services that allow older people to age-in-place. Additionally, the FSCO Program assists the overall agency with the collection of non-payment of rent through referral resources; enhanced public safety through resident mediation; formal and informal HCV and Public Housing hearings; incentive transfer; and the development of the Community Service/Section 3 Resident program, Resident Associations, and the Central Advisory Committee.

Snapshot of Services/Referrals	The Impact (Households served)
Home Visits	92
Study Centers (Youth & Adult)/Computer Lab (SST and TSF)	300+
Outreach Efforts	300+
Educational Opportunities (ABE/GED/ESL/Translation services) Adult	20
Employment Referrals (Job Readiness/Employment Leads/Job Placement)	100+
Youth/Adult (Cultural/Recreational/Educational)	100+
Transportation to all activities	200+
Intra-Agency Service Coordination & Support	8
New Enrollment (Case Management)	9
Number of New Community Partnerships	5
Number of Cultural/Recreational Activities (Soccer Training)	20
Referral to FSS/HOP	7
Food/Nutrition Program (TSF food program)	500+
Service Coordination with Property Management	32

Residents' Opportunity for Self-Sufficiency (ROSS) Program:

The Resident Opportunity for Self-Sufficiency (ROSS) Program is designed to help adults and youth living in public housing set and achieve goals related to economic self-sufficiency. The program is broken down into a set of purposes related to the following:

- Education
- Employment and Job Training
- Health/Wellness

The program is self-directed and self-paced. The ROSS coordinator will collaborate with participants to access these resources. This program will best serve those who are initiative-taking and genuinely interested in improving their current situation.

Board Report

Family and Community Services Department

Purpose: To provide case management services to residents living within Omaha Housing Authority communities that focus on strengthening the family and promoting self-sufficiency through supportive services and referrals to community partners.

Snapshot of Services/Referrals	The Impact (Households served)
Caseload to Date	160
New Enrollments	2
TANF Recipients	0
Face-to-Face Contact Visit	30
Virtual Contact Visit	0
Phone Visit	10
ROSS Employment Goals	1
Job Placement	1
Employed Full-Time	31
Employed Part-Time	10
Employment Referrals	2
Education Goals	0
Education Goals Met	110 MCC/UNO
Education Referrals	50
College Enrollment	150
Healthcare Coverage	40
Program Coordination Committee (PCC)	25
New PCC Partners	0

Resident Education and Employment Program (REEP)

Goal: The primary goal of the Resident Education and Employment Program (REEP) is to provide meaningful opportunities for Public Housing and Section 8 residents to receive job readiness training, soft and life skill development, post-secondary education, GED/ABE/ESL, job search assistance, and resume preparation. By connecting residents with Metro-area employers, REEP seeks employment opportunities that lead to economic self-sufficiency.

Snapshot of Service Coordination	The Impact (Households served)
Job Placement (DED-Internship through TSF and Set-up Omaha)	35
Job Readiness Training/Referral and Job Fair	31
Direct Employment Leads/Flyers	Over 300
Post-Secondary Education (Certificate Programs/2/4-year University)	182

Board Report

Family and Community Services Department***Family Self-Sufficiency Program (HCV/PH) (FSS)***

Goal: The primary goal of the Family Self-Sufficiency Program is to empower families to become economically self-sufficient. Through intensive case management services, financial literacy counseling, asset development, life skills workshops, goal planning (ITSP), and strategic service coordination facilitated by the Program Coordinating Committee (PCC), residents acquire the skills necessary to live and lead self-sufficient lives.

Snapshot of Service Coordination	The Impact (Households served)
Intensive One-on-One Case Management (HCV & PH)	HCV-141 PH-25
TANF Recipients (Welfare to Work)	HCV-5 PH-3
Recommendation for Graduation	HCV-1 PH-0
Recommendation for Termination w/escrow	HCV-0 PH-0
Recommendation for Termination	HCV-0 PH-0
Program graduates	HCV-0 PH-0
New Enrollment	HCV-0 PH-0
Employment/Job Training/Referrals (YTD)	67
Post-Secondary Education (YTD)	HCV-30 PH-12
Employed full-time (YTD)	HCV-112 PH-22
Financial Literacy (Financial Management & Homeownership Counseling) (YTD)	25
Asset Development (Escrows)	HCV-\$541,871.00 PH-\$53,462.00 Total-\$595,334.00
Life Skills	42
Service Coordination (PCC)	10
In-Person/Zoom/Phone Meetings	50
FSS Forfeiture: The Final Rule (24 CFR § 984.305(f)(2)) requires that forfeited Family Self-Sufficiency (FSS) escrow funds be used by the Public Housing Agency (PHA) or owner for the benefit of FSS participants in good standing, instead of being returned to the Housing Assistance Payments (HAP) or Operating Fund. Forfeited funds can be used for eligible activities, including transportation, childcare, training, employment preparation, and other FSS-related expenses, as well as training for FSS coordinators. However, they cannot be used for FSS coordinators' salaries, general administrative costs, HAP expenses, or any activities deemed ineligible by the Secretary.	\$61,650.00

Board Report

Family and Community Services Department**How do We Impact OHA and the Community?****ACHIEVEMENTS:**

- *Two tenants were approved for a home mortgage loan this month.*
- *One tenant purchased a home this month using her voucher.*
- *One tenant made an offer on a home and was accepted.*
- *One tenant signed a purchase agreement with Habitat for Humanity.*
- *Four HCV/PH tenants enrolled in the FSS program this month.*
- *Three FSS participants graduated this month.*
- *One FSS participant was recommended for graduation this month.*
- *Staff participated in the FSS HUD office hours.*
- *Staff met with Omaha Bridges Out of Poverty to discuss potential partnerships and learn about their programs.*
- *JCC Foundation and Omaha Chambers to reestablish the Ann Goldstein Outstanding Young Leader Award Scholarship.*
- *FSS staff completed Nan McKay FSS Online Training.*
- *FSS staff are working on finalizing the Resident Services Newsletter.*
- *FSS staff continued to refer all FSS participants to complete the NLHA Education Fund and completed letters of recommendation for FSS participants.*
- *April was Financial Literacy month, FSS residents signed up for one-on-one support with Yolonda Butler with Operation Hope. Operation HOPE provides expert financial coaching to help you enhance your financial literacy, set realistic goals, and create a personalized plan for achieving financial success.*
- *FSS staff attended ResilienceCon. The ResilienceCon framework and research can meaningfully enhance the Family Self-Sufficiency (FSS) program by offering a strengths-based lens to support families who have experienced interpersonal violence and adversity. The Resilience Portfolio Model identifies three core areas—regulatory, interpersonal, and meaning-making strengths—that align with FSS goals of long-term stability and self-sufficiency. Insights from sessions on neighborhood impacts on mental health, collective care in communities, and the power of agency during crisis show how environmental support, community engagement, and empowerment strategies can buffer against stress and promote resilience. Programs like RREACT and the use of Ikigai-inspired meaning-making practices illustrate how peer support, purposeful engagement, and trauma-responsive approaches can be adapted within FSS case management to foster resilience, reduce stigma, and promote holistic well-being for participating families.*
- *FSS Staff attended the NCRC Conference. The theme was bringing together housing and community development professionals to network, collaborate, and share innovative solutions. Overall, the conference provided valuable insights and tools to strengthen our programs and partnerships, with a focus on sustainable, community-driven housing solutions. Some key takeaways were:*
 - **Community Partnerships Are Essential - A central theme was the importance of building strong partnerships with community organizations that address core needs**, such as education, financial literacy, job readiness, and crisis support. These partnerships have a significant impact on residents' success in programs like Family Self-Sufficiency (FSS). Some housing authorities partner with Goodwill Youth Build.

Board Report

Family and Community Services Department

- ***Cross-Sector Collaboration Enables Scalability- Projects*** succeeded when developers, funders, and city departments worked toward a shared vision, supported by open communication and aligned incentives. This model enabled Detroit to transition from isolated pilot projects to large-scale redevelopment plans with a measurable impact.
- ***Community Voice and Inclusion Are Key - Meaningful resident engagement helped ensure that*** developments reflected the actual needs of the community. The inclusion of resident voices in planning, design, and implementation fostered trust and increased project success.
- ***Innovative Funding and Development Tools Are Necessary - The city utilized creative financing strategies, such as Low-Income Housing Tax Credits (LIHTC) and Community Development Block Grants (CDBG), as well as gap financing,*** to make projects viable.
- The session reinforced that community partnerships are not supplemental; they are central to the long-term success of our housing programs. By strengthening relationships with local service providers and nonprofit partners, we can create a more holistic support system for residents. This not only improves outcomes in programs like FSS but also contributes to the broader goal of economic mobility and generational change.
- Staff continue to referrals to Creighton University's TRIO Program for Adults, which works in conjunction with K. Washington. The TRIO staff have helped connect FSS participants with internship opportunities and assisted clients who are trying to obtain their GED. They have also helped FSS participants find and apply for scholarships and walked them through the financial aid process to maximize their use of the Pell Grants. This partnership has been very successful for the clients who participate.
- Partnership with Operation Hope to reestablish a partnership. Operation HOPE provides expert financial coaching to help you enhance your financial literacy, set realistic goals, and create a plan for achieving economic success.
- Partnership with Goodwill to provide workshops, training sessions, certification programs, and classes throughout OHA towers. Classes will start next month at Crown Tower.
- Currently, 25 OHA tenants are still enrolled in either Career Forward or Spring classes at MCC. This partnership strengthens our relationship with MCC, helping pipeline FSS participants and OHA residents access career-centered educational opportunities. The program allows participants to earn college credit toward their chosen degree while receiving an hourly stipend for classroom time. Additional support includes an MCC-assigned coach, scholarship opportunities, and other benefits.
- Coordinators continue collaborating with HWS to enhance OHA tenant services by offering employment opportunities and job training, including interview skills workshops, resume development, and career exploration.
- The REACH Partnership with Creighton University's Center for Promoting Health and Health Equity focuses on four key areas: vaccination, physical activity, breastfeeding, and nutrition. Five community health workers (CHWs) participated in the Douglas County Health Department's bi-weekly training. (MCC Training this month)
- Continued collaboration with The Simple Foundation to provide after-school and summer programs.
- Continued partnership with Methodist College Mobile Diabetes Clinic. Nursing students will continue to provide free on-site screenings for blood pressure, body mass index (BMI), pre-diabetes, blood glucose, cholesterol, and other health indicators. (On April 4, 50 tenants were served at the Underwood tower)

Board Report

Family and Community Services Department

- *Heartland Workers Center (HWC) - OHA partnered with HWC in April to assist residents and provide information about voting in the upcoming election. Eight events were scheduled at the towers (Jackson, Park North/South, Florence, and then Pine). HWC also brought a food truck to feed all the residents at each of the buildings. Information and food were distributed to over 400 residents in total. HWC would like to continue partnering with OHA for upcoming events.*
- *12 students were selected for Susan Buffett, 16 Goodrich scholarships, 10 Nebraska Promise, and 2 Omega Psi Phi Fraternity scholarships for this academic year. These scholarships were awarded based on a combination of academic merit, community involvement, and demonstrated financial need.*
- *Staff presented at Belvedere Elementary School to parents about OHA programs.*
- *Catholic Charities visited Evans and Benson Towers this month to host bingo, assist residents with food pantries, and provide rides to medical appointments. (Served over 44 tenants this month)*
- *Youth involvement remains a top priority for our organization. This month, we actively promote scholarship opportunities for 68 OHA high school students pursuing higher education.*
- *Family Self-Sufficiency coordinators continue to develop strategies to connect participating families with public and private resources, increase earned income, and promote financial independence.*
- *Ongoing exchange of referrals with the Property Management team to address bedbug and housekeeping issues in the towers. (12 tenants were referred this month.)*
- *Partnered with United Healthcare to provide educational workshops on health disparities throughout OHA towers. (Hosted seminars and resource fairs, serving 75 tenants.)*
- *Archwell Community Health Care hosted Lunch and Learn events at the OHA Towers this month, with over 32 tenants participating.*
- *GOCA/ENCAP continues to serve all our senior residents with commodities at all eleven OHA Towers. With Crown Tower being the most significant population served, ENCAP averages about 15 residents at each location, totaling 51. These numbers change monthly because of new seniors qualifying for benefits and others leaving the program.*
- *The OHA/TSF soccer program reached its highest participation level in history, with over 700 kids engaged in year-round programming. (Over 150 players are playing for their high schools.)*
- *Monthly follow-up assessments continued for 56 high school seniors regarding scholarships, GPAs, and college enrollment.*
- *Continued support for 203 OHA/TSF college students across multiple universities, ensuring access to the Scott Foundation Scholarship, which committed over \$300,000 annually.*
- *Strengthened the Simple Foundation partnership for the 2025–26 school year and summer, providing after-school Learning PODs with educational, technological, social, emotional, and mental health support and securing opportunities for resident youth, including after-school and summer programs and paid internships. Working on Best Buy Teen Tech Site.*
- *OHA staff continues to bridge communication barriers regarding CNI and CNP with Sudanese, Somali, and Bantu populations. (11 tenants were served this month.)*
- *Conducted over 122 home visits for Southside residents and scattered sites to assess needs and provide direct support.*
- *Strengthened partnerships with community organizations to expand resources for OHA residents. (Met with 7 Community Organizations this month)*

Family and Community Services Department

Upcoming Events:

- *Various training sessions, career fairs, outreach programs, and continued recruitment for FSS and ROSS SC programs, but not limited to the below....*
- *PCC meeting on June 26, 2025.*
- *MCC-Momentum Career Empowerment.*
- *GO! Globe Youth Summit on May 9, 2025*
- *Heartland Workers Voter Registration events at Park North, Jackson, and Pine.*
- *Florence Tower Resources Fair*
- *Five Tenants' Homeownership closing.*
- *UWM-Community Investment and Program meeting/Site visits.*
- *REACH Bi-weekly Training.*
- *Mental Health services with Charles Drew and Community Alliance.*
- *Salvation Army - Computer and Leadership Workshop.*
- *Re-Entry Job/Career Fair.*
- *Promoting Self-Sufficiency through TANF and WIOA Two-Generation Partnerships*
- *CAC monthly meeting*
- *HUD-Serve Youth-WIOA Youth Connections Community of Practice!*
- *HUD-Detroit Housing Commission Residents Unlock Economic Independence through Entrepreneurship*
- *HUD-Career Development & Employment Opportunities for Residents Who Receive Social Security Disability Benefits and Want to Work!*
- *HUD-Tax Refund Season is a Great Time for Residents to Learn Money-Saving Strategies*
- *HUD- Partner with Your Local Community College & Link Residents to Low or No-Cost Higher Education!*
- *Start a Healthy Lifestyle Program in Your Community*
- *Momentum Career Empowerment at MCC*
- *Period Product Drive-TBD*
- *Heartland Workforce Solution meetings*
- *NAHRO Conference*
- *Methodist College mobile clinic tour*
- *Salvation Army/ Beginner Computer classes/ Resume/ Leadership Training*
- *HUD-Strong Families Resources Webinar*
- *Goodwill Soft skills classes- OHA Towers*
- *High School Seniors meeting*
- *Ann Goldstein Leadership Award evaluation.*

6.11. Legal

Memorandum



To: OHA Board of Commissioners

From: Brian Hansen, General Counsel

Date: June 5, 2025

Re: Legal Matters

TORT CLAIMS PENDING PER PSTCA

Chaunci Calloway	Tort	08/13/24	Notice of intent to sue		
Jon Traudt	Tort	04/10/25	Notice		
Bell et al	Tort	05/22/25	Notice		

LITIGATION

Select Contracting v OHA	Contract	08/18/23 11/12/23 12/03/24 07/01/25 08/01/25	P Complaint filed OHA answer filed Mediation ordered All discovery to be completed Projected trial date	Douglas County District Court	PENDING
Cribbs v. OHA	Negligence	12/29/23 04/25/24 11/03/25	P Complaint filed OHA answer filed Projected trial date	Douglas County District Court	PENDING
Bush v OHA	Class action Hardship etc.	06/27/24	P complaint filed Settlement negotiations pending	US District Ct	PENDING
Bell v OHA	Class action Bedbugs etc	01/06/25 03/25/25 04/24/25 05/22/25 06/16/25	P Complaint filed P amended Complaint filed OHA filed motion to dismiss Ps filed notice under PSTCA Hearing on D motion to dismiss	Douglas County District Court	PENDING
Silence (Harris) v OHA	Employment discrimination	02/11/25 03/10/25	P Complaint filed Dismissed per stipulation	US District Ct	RESOLVED
Hasani Lee et al 24-0039		01/02/24 03/15/24	P Complaint filed Dismissed with prejudice	Douglas County District Court	RESOLVED
Hasani Lee et al 24-1768		03/05/24 12/12/24	P Complaint filed Dismissed without prejudice	Douglas County District Court	RESOLVED
Hasani Lee et al 24-2225		03/21/24	P Complaint filed PENDING	Douglas County District Court	PENDING
Hasani Lee et al 24-3481		05/03/24 02/24/25 03/26/25 05/16/25 07/09/25	P Complaint filed P multiple motions filed Hearing on P's summary judgment OHA motion summary judgment Hearing OHA motion to dismiss	Douglas County District Court	PENDING
Hasani Lee et al 25-4085		05/30/25	Service of complaint	Douglas County District Court	PENDING
Sherman Wells v OHA		05/15/24 10/15/24	Complaint filed Dismissed	Douglas County District Court	RESOLVED

Calloway v. OHA		06/14/24 08/13/24	P Complaint filed Dismissed with prejudice	Douglas County District Court	RESOLVED
OHA v Lide	Eviction rent & Counter claims	04/24/24 05/24/24 08/07/25	Eviction action filed D answer & counterclaims SETTLEMENT PENDING Hearing	Douglas County District Court	PENDING
OHA v Freeman	Eviction rent & Counter claims	08/21/24 08/30/24 09/09/24 03/18/25 04/29/25	Eviction action filed D answer & counterclaims Transferred to district court Settlement agreement signed Dismissed with prejudice	Douglas County District Court	RESOLVED
OHA v Valentine	Eviction 3-day & Jury trial	01/24/25 02/06/25 04/28/25	Eviction action filed D answer & jury trial request Dismissed settled	Douglas County County Court	RESOLVED
Cooksey-Timperley v OHA	Tort	04/01/25 05/15/25	Summons & Complaint served OHA answer filed	Douglas County District Court	PENDING
OHA v Johnson	Eviction	02/03/25 03/10/25 03/21/25 04/10/25 04/29/25	Hearing stipulated order D evicted by constable D Motion to plead his case Hearing on D Motion D Motion dismissed denied	Douglas County County Court	RESOLVED

DISCRIMINATION CLAIMS—TENANTS & PROGRAM PARTICIPANTS

Henry Lee v. OHA	Discrimination	02/26/24 07/31/24 03/13/25	Date of charge Answer filed Decision no reasonable cause	OHRD	RESOLVED
Johnson v. OHA	Discrimination	3/27/24 05/06/24 03/14/25	Date of charge OHA response submitted VCA executed	HUD	RESOLVED
Kurtenbach v. OHA	Discrimination	5/24/24 6/13/24 03/21/25	Date of charge OHA response submitted NEOC finds no reasonable cause	NEOC	RESOLVED
Coleman v. OHA	Discrimination	12/09/24 01/07/25 05/12/25	Date of charge OHA response submitted Settled	OHRD	RESOLVED
Freeman v OHA	Discrimination	07/23/24 12/13/24 04/14/25	Date of charge OHA response submitted Charge dismissed	OHRD	RESOLVED
Diaz v. OHA	Discrimination	10/17/24 03/16/25 05/02/25	Notice of charge OHA response submitted Review evidence	NEOC	PENDING

DISCRIMINATION CLAIMS—EMPLOYEES

Harris v OHA #4	Employment discrimination	01/11/24 03/11/24 03/03/25	Date of notice OHA response submitted NEOC finds no reasonable cause	NEOC	RESOLVED
LA Thomas v. OHA	Employment discrimination	03/05/24 05/15/24 03/21/25	OHA received charge OHA response submitted NEOC finds no reasonable cause	NEOC	RESOLVED
G Thomas v. OHA	Employment discrimination	03/12/24 05/06/24 03/21/25	OHA received charge OHA response submitted NEOC finds no probable cause	NEOC	RESOLVED

Early v. OHA	Employment discrimination	09/13/24 11/18/24 04/24/25 06/02/25	Notice of charge OHA Response filed Amended charge served Response to amended charge	NEOC	PENDING
Cobb v. OHA	Employment discrimination	11/12/24 02/19/25	Notice of charge OHA response submitted	NEOC	PENDING
Davis v. OHA	Employment discrimination	04/21/25 05/21/25	Charge served Answer due	NEOC	PENDING

APRIL 2025 EVICTION CASES

	Eviction	Cured/Paid	Moved Out	Other/Dismiss	Pending	Denied	Total
Nonpayment	2	3	0	0	0	0	5
Lease	7	3	0	2	1	0	13
Criminal/HSW	1	0	0	0	0	0	1
04/25 Totals	10	6	0	2	1	0	19
03/25 Totals	0	3	7	0	1	0	11
02/25 Totals	1	7	3	0	2	0	13
01/25 Totals	7	14	2	5	0	0	28
12/24 Totals	3	9	1	0	0	0	13
11/24 Totals	5	10	2	0	0	0	17
10/24 Totals	9	9	5	8	0	0	31
09/24 Totals	10	4	1	3	0	0	18
08/24 Totals	5	0	1	0	0	0	6
07/24 Totals	3	6	2	12	0	0	23
06/24 Totals	0	0	0	0	0	0	0
05/24 Totals	12	9	2	18	1	1	43
04/24 Totals	4	1	1	2	0	0	8
03/24 Totals	1	3	1	1	0	0	6
02/24 Totals	0	0	0	0	0	0	0
01/24 Totals	0	0	1	0	0	0	1
2023 Totals	52	51	17	44	1	1	166

6.12. Quality Improvement

Memorandum



To: OHA Board of Commissioners

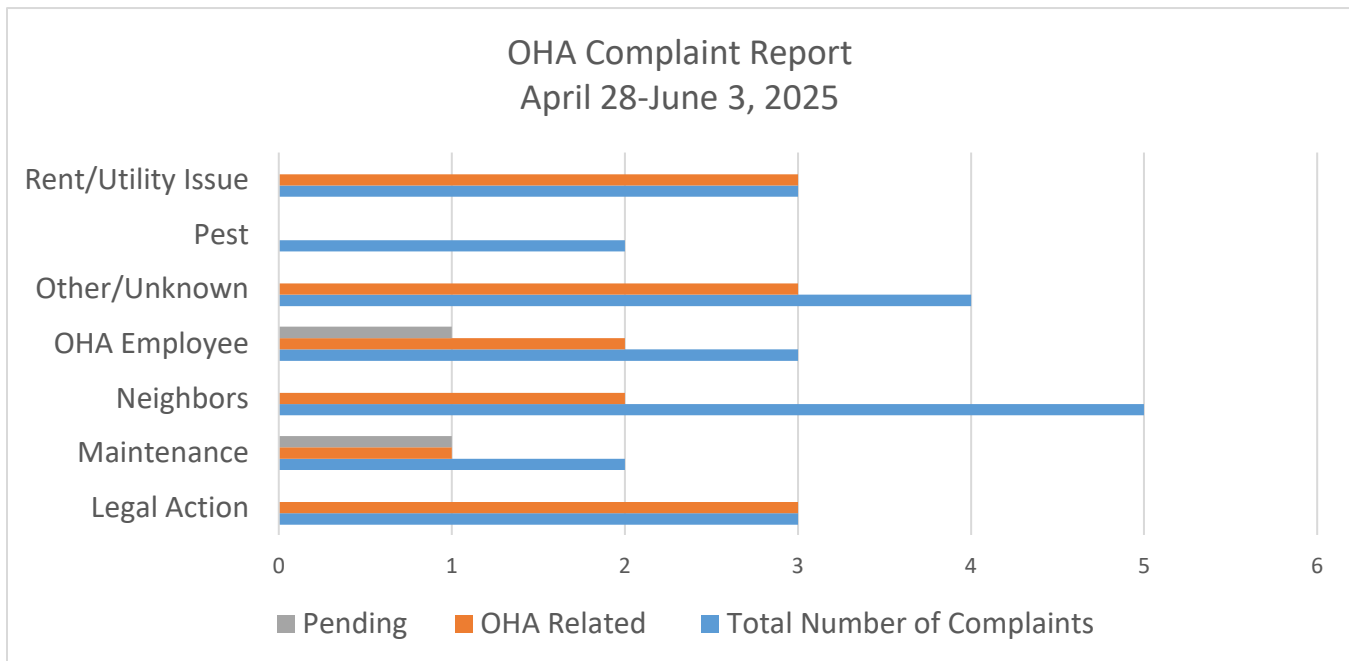
Date: June 5, 2025

Re: Complaint Report

Reporting Period	April 28, 2025-June 3, 2025
Total Complaints this Period	22
Total Number of Complaints Relevant to OHA	14 (64%)
Average Resolution Time	1.82 Days

Observations:

- Average resolution time down from last month (2.52 days)
- Number of pest complaints still low, and none relating to OHA tenants and/or properties
- Top complaint category is neighbor complaints
- No discrimination or security/safety complaints this period



Complaint Type	Total Number of Complaints
Legal Action	3
Maintenance	2
Neighbors	5
OHA Employee	3
Other/Unknown	4
Pest	2
Rent/Utility Issue	3

7. NEW BUSINESS
8. EXECUTIVE SESSION FOR LEGAL, REAL ESTATE, AND/OR PERSONNEL MATTERS
9. ADJOURNMENT