



SHELTER PLUS CARE

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## CHAPTER 1: GENERAL INFORMATION

### A. Background

Shelter Plus Care (SPC) is a U.S. Department of Housing and Urban Development (HUD) funded program administered by Sacramento Housing and Redevelopment Agency (SHRA). Specifically, it is the Sacramento Public Housing Authority (PHA) of the County of Sacramento (which is under the purview of the SHRA organization) that administers the SPC program.

SPC assists homeless people with disabilities to gain entry to housing and to achieve residential, economic, and emotional stability. This is accomplished by providing safe, secure permanent housing and a broad range of supportive services. Program participants pay 30 percent of their household income towards rent and the SPC subsidy covers the balance of the rent payable to the landlord.

The purpose of the *SPC Policies and Procedures Manual* is to establish guidelines for staff to follow in determining eligibility for admission and continued occupancy. These policies are governed by HUD requirements and the Hearth Act, with latitude for local policies and procedures. These policies and procedures for admissions and continued occupancy are binding upon applicants, participants, and the PHA.

The *SPC Policies and Procedures Manual* seek to communicate its policies to staff and the public. However, the PHA retains the discretion to consider mitigating circumstances in its decisions to terminate or deny housing assistance. All relevant circumstances will be considered on an individual basis up to and including at the time of the Informal Review and/or Informal Hearing.

This *Policies and Procedures Manual* is set forth to define the PHA's local policies for operation of the SPC program in the context of federal laws and regulations.

### B. Program Goals and Objectives

The SPC program primarily serves homeless families (those who are living in places not ordinarily meant for human habitation or in emergency shelters). The program goals are to help disabled homeless persons (defined as those who have mental illness and/or chronic substance abuse and/or HIV/Auto Immune Diseases) achieve increased self-sufficiency. Specific goals and outcome objectives are as follows:



1. Residential stability: refers to a Household's ability to access and remain in stable affordable housing. Achieving residential stability involves not only the availability of affordable, permanent housing, but also the success of the program in addressing the problems that led the Household or individual to become homeless. Those problems may involve mental illness, substance abuse, physical disabilities, unemployment, or other factors.
2. Increased skill level and/or income: refers to the resources needed to enable homeless persons with disabilities to live as self-sufficiently as possible. The gap between current income and the cost of living could be closed through employment, a higher-paying job, or access to entitlement benefits. Possible activities could include job or skills training or enrolling in General Equivalency Diploma (GED), or higher education courses. For homeless persons unable to obtain employment, the goal of increasing independent living skills and/or income may involve life skills training, or attending job training and/or education classes, or obtaining income through entitlement benefits.
3. Greater self-determination: refers to an increase in the influence that participants have on decisions that affect their lives. Those increases may result from involvement in the development of his or her individual housing or case plan, or developing personal goals.

#### C. Administrative Structure

The PHA is the grantee for the SPC funds and is responsible for the overall management of the SPC Program. Specifically, the PHA is responsible for:

1. Developing and implementing SPC policies and procedures in accordance with HUD's regulations and guidance;
2. Managing all aspects of the participants' housing assistance, including conducting eligibility determinations, annual recertifications, inspections, calculating tenant rent and housing assistance payments (HAP), and paying landlords;
3. Managing SPC grant funds, including conducting monthly draws through HUD's Electronic Line Of Credit Control System (eLOCCS);





4. Maintaining relevant data on program participants and compiling HUD's Annual Progress Report (APR) for each grant; and
5. Coordinating with Service Provider Agencies (SPA's) that provide services to SPC participants.

The PHA partners closely with a network of service provider agencies who are responsible for: (1) referring potential participants to the program; and (2) providing ongoing support services to participants who are accepted into the program.

The SPAs are critical in ensuring that the client continues to meet the above goals related to:

- a. Residential stability.
- b. Increasing skill/income.
- c. Achieving greater self-determination.

#### D. Fair Housing Policy

It is the policy of the PHA to comply fully with all Federal, State, and local nondiscrimination laws and with the rules and regulations governing fair housing and equal opportunity in housing and employment.

The PHA shall not deny any household or member the opportunity to apply for or receive assistance under the SPC program on the basis of race, color, sex, religion, creed, national or ethnic origin, age, familial or marital status, disability, gender identity, or sexual orientation.

To Affirmatively Further Fair Housing, the PHA has a commitment to full compliance with applicable civil rights laws, the PHA will provide Federal/State/local information to SPC certificate holders regarding discrimination and any recourse available to them should they be victims of discrimination. Such information will be made available during the household briefing session and placed in their briefing packet. It will include information for applicants on how to file a fair housing complaint, including the toll-free number for the Fair Housing Discrimination Hotline, 1-800-669-9777 and the Federal Information Relay Service at 1-800-887-8339.

Except as otherwise provided in 24 CFR 8.21(c)(1), 8.24(a), 8.25, and



8.31, no individual with disabilities shall be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination because the PHA's facilities are inaccessible to or unusable by persons with disabilities.

Posters and housing information are displayed in locations throughout the PHA's offices in such a manner as to be easily readable from a wheelchair.

The office of the Housing Choice Voucher & Application Division (which is also the location of the SPC staff) is accessible to persons with disabilities. Accessibility for the hearing impaired is provided via 711, a free relay service.

The PHA will provide and review information regarding fair housing rights and responsibilities during household briefing sessions.

#### E. Reasonable Accommodation

This reasonable accommodation process is applicable to all situations described in this *SPC Policy and Procedures Manual*, including but not limited to, when a household initiates contact with the PHA, when the PHA initiates contact with a household, including when a household applies, during residency and when the PHA schedules or reschedules appointments.

An applicant or a participant with a disability must first request an accommodation for the disability before the PHA will deviate from standard practice. Most requests will be in writing and reviewed by a Reasonable Accommodation Committee, but assistance will be provided when needed.

The PHA's reasonable accommodation processes and practices are intended to afford persons with disabilities equal opportunity to obtain the same result, to gain the same benefit or to reach the same level of achievement, as those who do not have disabilities and is applicable to all situations described in this *SPC Policy and Procedure Manual*. To request a reasonable accommodation due to a disability, an applicant or participant must qualify under the following Americans with Disabilities Act (ADA) definition of disability:

1. Have a physical or mental impairment that limits one or more of the major life activities of an individual;



2. Have a record of such impairment; or,
3. Be regarded as having such impairment.

The PHA will fully comply with the obligations found in HUD Notices *PIH 2010-26(HA)* and *PIH 2006-13 (HA) [Non-Discrimination and Accessibility Notice: Section 504 of the Rehabilitation Act of 1973; the American with Disabilities Act of 1990; the Architectural Barriers Act of 1968 and the Fair Housing Act of 1988]*.

As referenced in 24 CFR 9.103, “(2) The term “individual with disabilities” does not include: An individual who is currently engaging in the illegal use of drugs...[t]his exclusion, however, does not exclude an individual [whose drug use is their only disability] with disabilities who--

1. Has successfully completed a supervised drug rehabilitation program, and is no longer engaging in the illegal use of drugs, or has otherwise been rehabilitated successfully, and is no longer engaging in such use;
2. Will be participating in a supervised rehabilitation program as a condition of housing, and is no longer engaging in such use.”

#### Methods Used to Certify a Person with a Disability and the Need for a Reasonable Accommodation

Once a request is received by the SPC applicant/participant for a reasonable accommodation, a professional, third-party, competent to make an assessment, must provide written verification that the specific accommodation requested is due to the disability and the specific change that is required for equal access to the housing program.

In order to appropriately review some requests (such as when a household requests an additional bedroom for medical equipment) a home visit may be conducted by the PHA. The PHA will provide a written decision to the person requesting the accommodation within a reasonable time. If the request for accommodation is denied, the denial letter will indicate that the applicant may contact staff to discuss alternative modifications. Additionally, the applicant may submit another request for accommodation at any time. If a person is denied the accommodation or feels that the alternative suggestions are inadequate, they may request an informal hearing (which serves as a grievance hearing) to appeal the PHA’s decision.



A reasonable accommodation will be made for persons with a disability that requires an advocate or accessible offices. A designee will be allowed to provide information with the written permission of the person with the disability.

Reasonable accommodations will be made for persons requesting PHA mailings to be available in an accessible format.

#### F. Undue Hardship

Requests for reasonable accommodation from persons with disabilities will be granted upon verification that they meet the disability-related need, and do not create an undue financial or administrative burden on the PHA. The PHA may deny the request and/or present an alternate accommodation that will still meet the need of the person.

An undue administrative burden is one that requires a fundamental alteration of the essential functions of the PHA or when considering the available resources of the Agency the requested accommodation would pose a severe financial hardship on the PHA.

In determining whether an accommodation would create an undue hardship, the following guidelines will apply:

1. The nature and cost of the accommodation needed.
2. The overall current financial resources of the organization involved in the provision of the reasonable accommodation.
3. The number of persons currently employed in the organization.
4. The number of families likely to need such accommodation.
5. The effect on expenses and resources.
6. The likely impact on the operation of the organization as a result of the proposed accommodation.

See Addendum I for more detail regarding Reasonable Accommodations.

#### G. Families with Limited English Proficiency (LEP)



It is the goal of the PHA to be accessible to all residents of its jurisdiction, regardless of race, color, or national origin and provide all families the same high quality customer service regardless of their spoken language. In order to serve limited English proficiency (LEP) families, the PHA has implemented the following activities:

1. When the adult members of the household are LEP, staff will show them the *Language Identification Flashcard*, created by the Census Bureau, so the household can identify the language they speak. The PHA will provide translation services as needed.
2. The primary language of all LEP families will be identified on the computer, and in their file so appropriate resources can be identified in advance of the household's needing assistance with an appointment.
3. When the number of families speaking one non-English language exceeds 5% of the number of program participants, the PHA will translate "important" documents into this language. "Important" is defined as those documents addressing safety, participant rights, participant obligations, or communication regarding the loss of housing (i.e. eviction or termination of the voucher).
  - a. When the number of families speaking one non-English language exceeds 5% of the number of program participants, the PHA will actively recruit staff that speak, read and write this language.
  - b. The PHA will post signs in public spaces, in languages commonly spoken by LEP families involved with the PHA, informing them that help is available in their primary language.
  - c. The PHA will provide training to current and new staff on an annual basis about the resources available for LEP families and how to utilize these resources for participating families.
  - d. When at least 5% of the population of Sacramento County speak a non-English language, the PHA will ensure that any outreach to the general community (i.e. when a wait list opens)



is done in those languages, in both written and verbal form, including the media.

#### H. Translation of Documents

The PHA will consider the following factors in determining whether or not it is reasonable to translate documents into other languages:

1. Number of families in Sacramento County who do not speak English, and identification of other predominantly spoken languages.
2. Evaluation of the need for translation by bi-lingual staff, and by agencies that work with the LEP speaking participants.
3. The availability of local organizations to provide translation services for limited or non-English-speaking families.



## CHAPTER II: APPLICATION AND ENROLLMENT

### A. Eligibility Criteria

The County of Sacramento SPC Program administered by the PHA serves adults who are disabled and homeless.

#### 1. Disabled

Applicants must be able to document that they have one or more of the following disabilities:

- a. Serious mental illness or psychiatric disability.
- b. Chronic alcohol or drug dependence.
- c. HIV/AIDS and related disorders.

The disability must be of continued and indefinite duration, and impedes the person's ability to live independently.

The documentation must be a signed statement from a professional who is licensed by the state to diagnose and treat that type of condition. A list of licensed professionals who can certify the applicant's disabilities is provided in the Referral Packet provided to the service providers.

In the case of a homeless household with more than one member, the head of the household must meet the disability criteria.

#### 2. Homeless Household

An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

- a. Has 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, but or train station, airport, or camping ground.
- b. Is living in a 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, and local government programs).

- c. Is exiting an institution where s/he has resided for 90 day or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

3. Fleeing or Attempting to Flee a Dangerous or Life-Threatening Condition

Any individual or family who:

- a. Is fleeing, or is attempting to flee, domestic violence; dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions
- b. That relate to violence against the individual or a family member, and
- c. Has no other residence; and
- d. Lacks the resources or support networks to obtain other permanent housing.

4. Chronically Homeless

This refers to an unaccompanied homeless person (a single homeless person who is not part of a homeless household and not accompanied by children) who has/is:

- a. A disabling condition (a diagnosable substance abuse disorder, a serious mental illness, a developmental disability, a chronic physical illness or disability, including the co-occurrence of two or more of these conditions) which is supported by a letter from a medical professional attesting to the presence of the condition.
- b. Continuously residing either on the streets or in emergency shelters for the past 12 months or more.





- c. Currently living on the streets or in an emergency shelter for less than a year, but during the past 3 years has had at least 4 separate episodes of homelessness lasting 15 days or more during which he or she resided primarily on the streets or in an emergency shelters.
  
- d. In an institution for less than 90 days, but prior to that was on the streets or in a shelter and met the criteria in either 1. or 2. above.
  
- e. Currently residing in transitional housing (up to 24 months), but immediately prior to this had been either residing on the streets or staying in shelters, and met the criteria in either 2. or 3. above.

#### B. Additional Criteria

Applicants must meet the “very low” income criteria established by HUD, which is an annual income not more than 50% of the median income for the area according to the size of the household.

The head of household must be 18 years of age or older, or an emancipated minor.

The applicant must be willing to participate in supportive services and receiving homes visits at least once a month (at a minimum). The case manager and participant must submit a case plan as part of the initial application which has specific goals/objectives related to the clients’ qualifying disability (and other issues) and a plan to achieve these goals. The plan must also include a provision for the client to meet HUD’s 3 goals related to increasing residential stability, increasing skills and/or income and obtaining greater self sufficiency.



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## CHAPTER III: SUBSIDY ISSUANCE

### A. Orientation

SPC staff will provide an orientation to the applicant (and associated service provider staff) about the SPC program; how the program works and how to use the rental subsidy and review the HUD goals related to the program.

Aspects of the program will be reviewed related to household responsibilities and ensure that all obligations are outlined in detail. The applicant must sign the following forms including (but not limited to):

1. Authorization for the Release of Information for the Program (HUD 9886).
2. Applicant/Tenant Program Agreement.
3. Personal Declaration Form (related to household obligations).
4. Federal Privacy Act form.
5. Supplement to Application for Federal Assisted Housing (HUD 92006).

The applicant must fill out a Homeless Management Information Systems (HMIS) form – if not completed with the original application.

SPC staff will issue the subsidy to the applicant either at the Intake interview or shortly thereafter at a second appointment.

### B. Subsidy Issuance Meeting (sometimes combined with Intake interview)

At this meeting SPC staff will issue an SPC subsidy to the applicant and discuss program regulations, policies and guidance to finding suitable housing. SPC staff will ensure that the SPA staff is very involved in assisting the participant find suitable housing.

For the tenant based program, the applicant is given a subsidy certificate and accompanying packet which includes the signed certificate (valid for 60 days), the Request for Tenancy Approval



(RFTA) and other information/materials. The certificate may be extended for 30 days for a total of 90 days maximum housing search time following their documentation that good faith efforts were made to find suitable housing. Should the applicant not find a unit within the elapsed 90 day period, the applicant can request a second and final 30 day extension, which requires Supervisory approval.

The participant must find an eligible unit under the SPC program rules, with an owner/landlord who is willing to enter into a Housing Assistance Payment (HAP) contract with the PHA.

#### C. Request for Tenancy Approval (RFTA)

The RFTA that was provided during the Subsidy Issuance Meeting must be turned in to the SPC program before the subsidy certificate expires. The completed RFTA is reviewed for completeness and accuracy. If additional information is required, the applicant/SPA will be contacted. If the information is complete, SPC will process the applicant for lease up. Once the lease up is complete and the lease/contract is signed, he/she is officially a participant in the SPC program.

There is no RFTA for the Sponsor-Based Program (SBP). Upon review of the application for completeness, the applicant is approved to move into the sponsor-based unit. The SBP unit entails one contract between the PHA and the Sponsoring Agency for defined units. Units are pre-inspected enabling the applicants to move into the units upon approval into the program.

##### 1. Tolling/Suspension of Search Time

The subsidy certificate term will be suspended (the clock on the household's certificate is stopped) from the date a RFTA is received at the PHA office until the PHA approves or denies the request.

If the participant voids a RFTA, no tolling time will be allowed. If an owner or the PHA voids a RFTA, the certificate time IS tolled.

##### 2. Expiration of the Certificate

If the household does not turn in a RFTA during the term of the



certificate, including any approved suspensions or extension, the certificate expires and the household is no longer eligible to participate in the SPC program. SPC participants must work closely with SPA staff to ensure that a unit is found before the certificate term expires or a request is made to SPC staff to extend the certificate. Immediate communication with the Housing Specialist is required so the certificate term can be extended if necessary. The household will be mailed a letter informing them their participation in the SPC program has been terminated when the certificate expires. There are no hearing rights associated with:

- a. The expiration of the certificate;
- b. The PHA's refusal to extend the term of the certificate;
- c. The PHA's refusal to suspend the term of the certificate.

#### D. Fair Market Rents and Utility Allowances

Applicants must keep and adhere to the Payment Standards when selecting a unit and factor in the Utility Allowance guidelines. The Payment Standard is the maximum contract rent that may be charged if the landlord pays for all utilities. However, if the participant is paying for certain utilities, a Utility Allowance must be deducted from the payment standard in order to determine the maximum contract rent for the unit. SPC participants cannot rent a larger sized unit than approved for at the Subsidy Issuance meeting.

#### E. Rent Reasonableness

Contract rent for a unit and the utility allowance must not exceed the payment standard and must also be rent reasonable. HUD will only provide assistance for a unit for which the rent is reasonable. Rent reasonableness is determined by comparing the rent being charged for the unit receiving rental assistance in relation to rents being charged for comparable unassisted units. The comparison takes into account the location, size, type, quality, amenities, facilities and management and maintenance of each unit, as well as the rents currently being charged by the same owner for comparable unassisted units.



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## CHAPTER IV: INITIAL LEASING

### A. Housing Search

For tenant-based subsidized participants, once the participant has received a SPC certificate, the assigned SPA case manager should provide housing search assistance and support. The assistance may include:

1. Conducting regular workshops on how to conduct a housing search.
2. Searching classified ads and providing participants with apartment leads.
3. Making phone calls to landlords on behalf of the participant to explain the SPC Program.
4. Visiting units with the participant and helping the participant negotiate leasing a unit.

Participants who have difficulty locating housing may be granted an extension of their certificate. Ultimately, however, the responsibility for securing a rental unit will be the responsibility of the participant. Participation in the program and receiving the certificate does not obligate the SPC Housing staff to locate a suitable housing unit for the participant.

### B. Eligible Units

The participant with a tenant-based certificate must find an eligible unit under SPC program rules with an owner/landlord who is willing to enter into a Housing Assistance Payment (HAP) contract. Units must meet the following requirements:

1. Rent may not exceed the current payment standard.
2. Unit must meet Rent Reasonableness Standards.
3. Unit must meet HUD's Housing Quality Standards.



4. Unit size must be appropriate for the size of the applicant's household.
5. SPC participants cannot rent a larger sized unit than approved for at the Subsidy Issuance meeting.

#### C. Request for Tenancy Approval (RFTA)

Once the applicant locates a suitable unit, he or she will work with the landlord to complete the Request for Tenancy Approval (RFTA) form. The RFTA must be returned to the SPC staff before the participant's SPC certificate expires.

PHA staff will review the RFTA to confirm that the applicant has a valid certificate, that the unit being requested is the appropriate size for the household, that the rent does not exceed the payment standard, and is rent reasonable.

The RFTA must be signed by both the owner and certificate holder.

The PHA will not permit the household to submit more than one RFTA at a time.

The PHA will review the RFTA document to determine whether or not it is approvable. The request will be approved if:

1. The unit is an eligible type of housing.
2. The rent to owner is reasonable.
3. The security deposit is approvable in accordance with State and Local laws.
4. The proposed lease complies with HUD and PHA requirements.
5. The owner is approved and there are no conflicts of interest.

#### Disapproval of RFTA

If the PHA determines that the request cannot be approved for any reason, the owner and the household will be notified in writing. When a RFTA is not approved and the certificate has not expired, the PHA will furnish another RFTA form to the household along with the notice of disapproval so that the household can continue to search for eligible



housing.

#### Disapproval of RFTA by Owner or Participant

If a RFTA is approvable but the participant or prospective owner elects to void/disapprove the RFTA, then the voiding party is responsible for the notification of all involved parties. The PHA will also send a void confirmation letter to the participant/landlord/service provider agency staff.

If a participant voids the RFTA there will be no tolling time given, and the participant must search for a new unit with the time remaining on the certificate.

If there is no time remaining on the certificate the participant is no longer eligible to participate in the program.

#### D. Eligible Types of Housing

The PHA will approve any of the following types of housing:

1. All structure types can be utilized.
2. Manufactured homes where the participant leases the mobile home and the pad.
3. Manufactured homes where the participant owns the mobile home and leases the pad.
4. Congregate facilities (only the shelter rent is assisted).
5. Single room occupancy.

A participant can own a mobile home and receive a subsidy lease for the pad. A household may lease and have an interest in a cooperative housing development. This must be reported as an asset.

The PHA may not permit a SPC subsidy holder to lease a unit, which is already receiving other HUD assistance i.e. HCV assistance or any duplicative rental subsidies.

#### E. Owner Interest in Unit



The owner may not reside in the assisted unit regardless of whether (s)he is a member of the assisted household

A Live-In Aide must not have any ownership interest in the unit. If such a person becomes the owner of the unit while s/he is the Live-In Aide, s/he must cease to fulfill the role of the Live-In Aide.

#### F. Lease and Tenancy

The participant must have legal capacity to enter into a lease under state and local law. If the owner uses a standard lease form for the rental of unassisted units in the City/County of Sacramento, the same lease must be used for the SPC program units (with the addition of the HUD Tenancy addendum and the PHA's Lease Supplemental Agreement).

The Lease Supplemental Agreement, together with the HUD-prescribed tenancy addendum, will be part of the PHA-approved lease form provided by the owner, if any, and collectively will be the Lease between the owner and participant. In the event of a conflict between the terms and conditions set out in the documents comprising the Lease, the Lease Supplemental Agreement shall supersede any conflicting provisions.

If the owner does not use a standard lease form for rental of unassisted participants, the owner must use another form of lease, and submit a copy of the lease to the PHA.

The Lease and Lease Supplemental Agreement must specify:

1. The name(s) of the owner;
2. The names(s) of the participant and any household members;
3. The address of the unit rented;
4. The term of the lease;
5. The amount of the security deposit;
6. The amount of the monthly rent to owner;
7. The utilities and appliances to be supplied by the owner;
8. The utilities and appliances to be supplied by the household.

The HUD prescribed tenancy addendum must be included in the lease word-for-word before the lease is executed. The PHA may review the lease to determine if the lease complies with state and local laws, and may decline to approve the tenancy if the PHA determines that the lease does not comply with these laws.





Effective September 15, 2000, the owner's lease must include the *Lead Warning Statement* and disclosure information required by 24 CFR 35.92(b).

#### G. Actions Before the Lease Term Begins

The following must always be completed prior to beginning the initial term of the lease for a unit:

1. The PHA has inspected the unit and has determined that the unit satisfies HQS.
2. The owner and the participant have executed the lease, including the HUD-prescribed tenancy addendum.
3. The participant may not have more than one active HAP contract.
4. The PHA must have approved leasing of the unit in accordance with program requirements.

#### H. Illegal Side Payment Agreement

Families and owners are advised that it is a violation of the terms of the HAP contract to enter into side payment agreements. Side payments may be described as but are not limited to any payments charged by the owner or paid by the participant, in excess of the rent approved on the lease. The household is not liable under the lease for unpaid charges for items covered by separate illegal side agreements and non-payment of these agreements cannot be cause for eviction. Side agreements are illegal and may cause the owner and /or participant to be removed from the program.

#### I. Separate Agreements Approval by PHA

Owners and families may execute separate agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease if the agreement is in writing and approved by the PHA.

Any appliances, services or other items, which are routinely provided (lawn service, pool maintenance, etc) to unassisted families as part of the lease (such as air conditioning, dishwasher or garage) or are



permanently installed in the unit, cannot be put under separate agreement. For there to be a separate agreement, the household must have the option of not utilizing the service, appliance or other item.

If the household and owner have come to a written agreement on the amount of allowable charges for a specific item, as long as:

1. Those charges are reasonable, and
2. Not a substitute for higher rent, and
3. Are also charged to unassisted households,

... They will be allowed.

All agreements for special items or services must be attached to the lease approved by the PHA. If agreements are entered into at a later date, they must be approved by the PHA and attached to the lease.

If approved, an inspection is scheduled to verify that the unit meets federal Housing Quality Standards (HQS) and rent reasonableness standards.

#### J. Rent Reasonable Determination

The PHA will determine and document on a case-by-case basis that the approved rent is reasonable in comparison to rent for other comparable unassisted units in the market. This applies to all programs.

The PHA will not approve a lease until the PHA determines that the initial rent to owner is a reasonable rent.

The PHA must reassess rent reasonableness if directed by HUD and based on a need identified by the PHA's auditing system. The PHA may elect to reassess rent reasonableness at any other time. At all times during the assisted tenancy, the rent to owner may not exceed the reasonable rent as most recently determined or reassessed by the PHA

The owner will be advised that by accepting each monthly HAP payment s/he will be certifying that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the premises.



If requested, the owner must give the PHA information on rents charged by the owner for other units in the premises or elsewhere. The PHA may request information on the owner's units elsewhere if:

1. The PHA has cause to believe the owner charges higher rents to program participants, or
2. If the information is needed for rent reasonableness on comparable units.

The data for other unassisted units may be gathered from newspapers, realtors, professional associations, inquiries of owners, market surveys, and other available sources.

The market areas for rent reasonableness are zip codes/subdivisions/census tracts/neighborhoods within the PHA's jurisdiction.

The following items may be used for rent reasonableness documentation:

1. Size (number of Bedrooms/square footage)
2. Location
3. Quality
4. Amenities (bathrooms, dishwasher, air conditioning, etc.)
5. Housing Services
6. Age of unit
7. Unit Type
8. Maintenance
9. Utilities

#### K. Payment Standards for the SPC Certificate Program

The Payment Standard is used to calculate the housing assistance payment for a household. In accordance with HUD regulation, and at the PHA's discretion, the Certificate Payment Standard amount is set



by the PHA between 90 percent and 110 percent of the HUD published fair market rents (FMR's). This is considered the basic range. The PHA reviews the appropriateness of the Payment Standard annually when the FMR is published. In determining whether a change is needed, the PHA will ensure that the Payment Standard is always within the range of 90 percent to 110 percent of the new FMR, unless an exception payment standard has been approved by HUD.

The PHA will establish a single certificate payment standard amount for each FMR area in the PHA jurisdiction. The PHA will establish payment standard amounts for each "unit size". The PHA may have a higher payment standard within the PHA's jurisdiction if needed to expand housing opportunities outside areas of minority or poverty concentration, as long as the payment standard is within the 90-110% of FMR range.

#### L. Security Deposit

The landlord may charge a security deposit in accordance with HUD regulations. The Shelter Plus Care program will pay a one-time security deposit on behalf of the participant upon entry into the SPC program if necessary. The maximum amount of the deposit is one month's contract rent.

If the client has liquid assets over \$2,000 (such as checking and/or savings accounts but not including cars and other non liquid assets) to pay for this deposit, he/she will use their personal resources to pay the deposit. Should the client decide to move out of his/her unit in the tenant based program after one year (except MLK Village and Fairview), he/she will need to use the refund of the prior deposit to pay the security deposit payment (at the new unit) or save funds to pay for this cost. The SPA case manager will work closely with the participant to assist him/her reach their individualized goals including but not limited to savings funds for future security deposits – if applicable. However, provision of security deposits will be evaluated on a case-by-case basis in the event of an involuntary move of a sudden and unexpected nature.

#### Refunding the Security Deposit upon Termination of Tenancy

The security deposit may be refunded directly to the SPC participant to transfer to another unit through the SPC Program if the participant has resided in the unit for at least 12 months.



#### M. Occupancy Standards

The Sacramento County SPC Program will issue a subsidy certificate for a specific bedroom size using the following guidelines. These standards are based on household choice.

1. One bedroom will be assigned to the head of household and spouse or co-head, and one bedroom will be assigned for each additional two persons.
2. The subsidy standard will not be increased for additions to the household unless the addition is due to marriage (where there are children), birth, adoption or court-awarded custody.
3. Participants may lease a smaller unit, but cannot lease a unit that is larger than the unit-size of their certificate.

The Sacramento SPC Program may grant exceptions to normal occupancy standards if the household provides medical documentation that a larger unit is needed to accommodate a person with a disability.

The Reasonable Accommodations (RA) Committee reviews the request and determines whether certificate-holder's reasonable accommodation request should be approved or denied.

#### N. Utility Allowance and Utility Reimbursement Payments

The utility allowance is intended to cover the cost of utilities not included in the rent. The allowance is 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. Allowances are not based on an individual household's actual energy consumption.

The PHA's utility allowance schedule, and the utility allowance for an individual household, must include the utilities and services that are necessary in the locality to provide housing that complies with the housing quality standards.

The PHA may not provide any allowance for non-essential utility costs, such as costs of cable or satellite television.

The PHA must classify utilities in the utility allowance schedule



according to the following general categories: space heating, cooking, water heating, water, sewer, trash collection; refrigerator (for participant supplied refrigerator), range (cost of participant-supplied range); and other specified services.

An allowance for participant-paid air conditioning will be provided in cases where the majority of housing units in the market have central air conditioning or are wired for participant installed air conditioners.

The PHA will review the utility allowance schedule annually. If the review finds a utility rate has changed by ten percent (10%) or more since the last revision of the utility allowance schedule, the schedule will be revised to reflect the new rate. Revised utility allowances will be applied in a participant household's rent calculation at their next reexamination.

The approved utility allowance schedule is given to families along with their certificate. The utility allowance is based size of the unit according to the authorized unit size for the family

Where families provide their own range and refrigerator, the PHA will establish an allowance adequate for the household to purchase or rent a range or refrigerator, even if the household already owns either appliance.

When the calculation to determine the tenant's portion of rent results in a utility reimbursement payment due the household, the PHA will provide a utility reimbursement payment for the household each month. The check will be made out directly to the participant.

If the participant and owner agree to any changes in the lease, such changes must be in writing. In order to change the utility or appliance responsibility, a sixty day written notice must be submitted to the PHA and has to be approved prior to the change taking effect. Once approved, a new HAP contract must be issued.

#### O. Live-in Aide

A live-in aide:

Is determined by the PHA to be essential to the care and well-being of an elderly person, a near-elderly person, or a person with disabilities, who:



1. Is not obligated for the support of the person(s).
2. Would not be living in the unit except to provide care for the person(s).
3. May not be a spouse/partner or co-head.
4. Must not be in a spousal relationship with any member of the household.
5. Must be at least 18 years old, unless they are an emancipated minor.

An existing household member may not be approved as a live-in aide.

Relatives are not automatically excluded from being live-in aides, but they must meet all of the elements of a live-in aide as stated above. In addition, a relative cannot be the primary source of financial support for the participant. Also, a proposed relative as a live-in aide must sign a waiver to any residual right to the rental subsidy upon the participant's exit from the program.

A live-in aide is not considered to be an assisted household member and has no rights or benefits under the program:

1. Income of the live-in aide will not be counted for purposes of determining eligibility or level of benefits.
2. Live-in aides are not subject to Non-Citizen Rule requirements.
3. Live-in aides may not be considered as a remaining member of the tenant household and have no rights to a SPC Certificate.

A live-in aide may only reside in the unit with the approval of the PHA. Written verification of the need for a live-in aide will be required from a reliable, health care professional, such as a doctor, social worker, or caseworker. The verification provider must certify that a live-in aide is needed for the care of the household member who is elderly, near-elderly (50-61 years of age) or disabled. A specific live-in aide may only reside in the unit with the approval of the PHA. The live-in aide will be subject to the Agency's normal screening criteria.



After a reasonable accommodation request for a live-in aide is approved by the Reasonable Accommodation (RA) Committee, the RA committee will send the household a letter. This letter will inform the household that they must submit a written request to add a live-in aide within 120 days of the approval letter. If the household fails to request to add the live-in aide, the request will become void and the household would need to submit another request for a live in aide. The RA Committee may approve an additional bedroom for a live-in aide or for medical equipment.

A bedroom for the live-in aide will be added to the subsidy certificate after the PHA has confirmed that the live-in aide has passed background screening. A live-in aide will be added to the household the first day of the following month that the Reasonable Accommodation was approved and the background check was passed. An interim recertification will be done to add the live-in aide and an extra bedroom, unless the annual recertification has already been completed for that same effective date. In that case, the annual recertification will be corrected to add the extra bedroom and the live-in aide.

An additional bedroom will not be approved for multiple aides who provide service to a participant on a rotating or part-time basis. Once approved, the live-in aide must use the subsidized unit as his/her sole and primary place of residence.

If the live-in aide or their household members participate in drug-related or criminal activity, the PHA will rescind the aide's right to occupy the unit. Additional bedrooms will not be provided for the household of a live-in aide. The aide is not entitled to the grievance hearing process of the PHA.

An individual approved as a live-in aide may not receive a subsidy from any PHA while residing with another HCV or SPC program participant as a live-in aide. If an applicant is issued a certificate or voucher and is a live-in aide in another HCV or SPC participant's household, the live-in aide must be removed from the participant's household prior to the execution of a SPC Housing Assistance Payment (HAP) contract.

Anyone who owes a debt to any PHA may not be approved as a live-in aide.

If the PHA becomes aware the approved live-in aide is not residing in the unit, the participant will be given 120 days to identify and obtain approval of the another live in-aide. If another live-in aide is not identified and approved within 120 days, the certificate size may be reduced to the size





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the household would qualify for without a live-in aide. Extenuating circumstances will be reviewed on a case-by-case basis.

## CHAPTER V: OCCUPANCY REQUIREMENTS

The PHA must compute all applicable income of every household member, including those who are temporarily absent. It is the responsibility of the head of household to report changes in household composition or temporary/permanent absences from the unit. SPC staff is also relying on the SPA staff to notify them of any such existing or impending changes.

### A. Permanent Absence of Household Member

Any member of the household, except full-time students and foster children, will be considered permanently absent if s/he is away from the unit for more than ninety (90) consecutive days in a twelve-month period, except by approved exception.

Minors will be considered permanently absent if they are away from the household for 90 days or more, except for court-awarded custodial arrangement.

If the spouse is out of the residence solely for the purpose of employment, the spouse will not be considered absent and their income will be counted. In such cases the household will be required to provide written verification the spouse is away from the home for the purpose of employment.

### B. Reporting Absences to the PHA

Reporting changes in household composition is both a HUD and a PHA requirement.

If a household member leaves the household, the household must report this change to the PHA, in writing, within 30 days of the change and certify as to whether the member is temporarily absent or permanently absent. The Head of household may be required to provide supporting documentation that the household member who has left the home has established a separate residence.

The PHA may conduct an interim evaluation for changes, which could affect the Total Tenant Payment (TTP) in accordance with the interim policy.

#### 1. Absence of Entire household

A household must notify the PHA in advance of their absence from the unit if the household anticipates that they will be gone for more than thirty consecutive days. The PHA may not approve absences of a household from the unit *for* 60 consecutive days or more, except as described below.

If the entire household is absent from the assisted unit for more than thirty consecutive days, without prior notification to the PHA, the unit will be considered to be vacated. If it is determined that the unit is vacated, the PHA will immediately stop any future payments and may terminate the HAP contract and the household's assistance.

Absences in excess of thirty days must be documented in writing by the household with the PHA. Extended absences do not negate the household's obligations (e.g. to attend appointments, or return paperwork).

In order to determine if the household is absent from the unit, the PHA will contact the SPA Case Manager and may:

- a. Conduct a home visit;
- b. Write letters to the household at the unit;
- c. Telephone the household at the unit;
- d. Interview neighbors;
- e. Contact emergency contacts;
- f. Verify if utilities are in service;
- g. Check with the post office;
- h. Obtain written or verbal verification from the Owner.

A person with a disability may request an extension of time as an accommodation, provided that the extension does not go beyond the HUD-allowed 180 consecutive days limit.

If the absence which resulted in termination of assistance was due to a person's disability, and the PHA can verify that the person was unable to notify the PHA or the service provider in accordance with the household's responsibilities, and if funding is available, the PHA may reinstate the household as an accommodation, if requested by the household.

## 2. Absence Due to Medical Reasons

If any household member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, the PHA will seek advice from a reliable qualified source in addition to the SPA regarding the likelihood and timing of their return.

- a. If the verification indicates that the household member will be permanently confined to a nursing home, the household member will be considered permanently absent.
- b. If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated.
- c. If the verification indicates that the household member will in less than 90 consecutive days, the household member will not be considered permanently absent.
- d. In the case where the PHA verifies the household member has been away from the home in excess of 90 days, the PHA will require additional information from a health care professional requesting verification of the anticipated return date to the home.
- e. If a household contains only one household member and that household member has not returned to the home within 30 days from the anticipated return to the home date, the PHA may issue a notice of termination.

3. Absence Due to Full-time Student Status

Full time students under twenty-four years of age, who attend school away from the home, will be considered part of the household (for calculating subsidy standards) if they live with the household for more than 183 days in a year.

4. Absence due to Incarceration

If any member of the household other than the head of household is incarcerated for more than 90 consecutive days she/he will be considered permanently absent.

If the PHA determines that the SPC head of household was/will be incarcerated for more than 90 consecutive days, a termination of the household's assistance may be issued. The SPA staff should provide such relevant information to the PHA as well upon completing their monthly home visits.

The PHA will determine if the reason for incarceration is for drug-related or violent criminal activity and take appropriate action in coordination with the SPA staff. The PHA may place the participant on probation or propose termination.

5. Absence of Children due to Placement in Foster Care

If the household includes a child or children temporarily absent from the home due to placement in foster care, the PHA will determine from the appropriate agency when the child/children will be returned to the home.

If the time period is expected to be greater than six consecutive months from the date of removal of the children, the certificate size will be reduced. The parent will be required to provide a letter (from the pertinent government agency) to the PHA that includes the anticipated return date of the child(ren) in order to be considered for a larger certificate size. If all children are removed from the home permanently, the certificate size will be reduced in accordance with the PHA's subsidy standards.

C. Re-unification

The PHA will work cooperatively with Child Protective Services (CPS) in promoting household reunification. If CPS provides written documentation that the child/children are expected to be reunited with their parents within six months and a reunification plan is established, the PHA will increase the bedroom size in accordance with the Agency's subsidy standard policy. The reunification plan must specify the anticipated date when the children will be reunited and written confirmation must be submitted to the PHA within 30 days of the children's return to the home. Any changes that occur regarding household composition and income must be reported to the PHA immediately.

#### D. Visitors

Any adult or minor child not part of the SPC household who has been in the unit more than thirty consecutive days without PHA approval, or a total of thirty days in a twelve month period, is considered to be living in the unit as an unauthorized household member. The following items may be considered in demonstration of residence in the assisted household:

1. Absence of evidence of any other address will be considered verification that the visitor is a member of the household.
2. Statements from neighbors and/or the owner.
3. Use of the unit address as the visitor's current residence.

When the PHA determines that there is sufficient evidence to conclude that someone is residing in an assisted unit without approval, the household will be invited to provide evidence showing that the visitor has a primary residence elsewhere. In the absence of such proof, the individual will be considered an unauthorized member of the household and the PHA will terminate the household's assistance since prior approval was not requested or granted.

Examples of acceptable documents to prove residency may include (but not be limited to) a combination of the following items:

1. Mail.
2. Address of record given to any federal, state, or public entity.
3. Lease for current residence.
4. Utility bills.
5. Address of record from employer.
6. Credit report history.

Any visitor not included on the lease agreement who appears to be residing in the unit may be required to provide proof that they reside at another address, such as a signed lease agreement or utility bills in their name. The burden of proof that the individual is a visitor rests on the SPC participant. In the absence of such proof, the individual will be considered an unauthorized member of the household, and the participant will be subject to termination from the SPC Program due to violating their lease agreement and program rules.

#### E. Retention of Certificate

The SPC subsidy is provided to the Head of household who qualified based on his/her diagnosed disability(ies) and homeless status. The certificate is non-transferable to the remaining household members upon death or termination of the qualifying head of household member from the program. It is the expectation that SPA staff will work closely to assist the remaining household members to find suitable housing. The SPC subsidy will be terminated after 30 days upon death of the qualifying head of household member when there are remaining household members.

#### F. Changes in Household Size

The PHA will work closely with SPA staff when a participant requests to add an adult household member to the household. The SPA should consider the program goals as well as the existing disability and the living space available for the proposed additional members. The request will be considered on a case-by-case basis. The PHA will approve the addition of adult household members when the SPA determines that this addition is not a detriment to the SPC subsidized participant who is stably housed and is otherwise meeting the requirements of the program.

All requested additions except for birth, adoption and court-awarded custody must have the prior approval of the owner and the PHA. Approvable additions may include:

1. Spouse or partner, and their minor children.
2. Minor who had been part of the assisted household who moved out and is returning to the household.
3. PHA pre-approved Live-In Aide.
4. Mother, father, brother, sister, son, daughter, grandchild or grand- mother, parent to the head or spouse.

The PHA will not approve an addition to the Household if the individuals requested to be added does not have one of the relationships to the head or spouse as listed above.

Additions to the household will be approved without increasing the bedroom size unless the addition is due to birth, adoption or court-awarded custody. A request to add additional members to the household will be denied if it causes the household to be under-housed unless the addition is due to a spousal addition, birth, adoption or court-awarded custody. In such cases the household will be issued a certificate for a larger sized unit and will be required to move to a larger unit to eliminate being under-housed due to the additions.

Any minor child requested to be added to the household who is not the biological child of either the Head of household or Spouse will require documentation that shows the head of household or spouse have authority to make legal decisions regarding the child. The types

of documentation that may be accepted for this purpose include:

1. Court documents including letters of guardianship.
2. A notarized letter from the biological parent; and one or more of the following:
  - a. School verification listing the name and address of the legal guardian or parent
  - b. Documentation from a federal or state agency certifying guardianship of the child

#### G. Screening of Add-Ons to the Household

Criminal background screening will be conducted on every person requesting to be added to the household who is 18 years of age or older, or an emancipated minor. The member being proposed to be added to the SPC household cannot have a criminal record within the last 12 months. Each request will be reviewed on a case by case basis with the SPC Supervisor

#### H. Reporting Changes to Owner and PHA

Reporting changes in household composition to the PHA is both a HUD and a PHA requirement. The household obligations require the household to request PHA approval to add any other household member as an occupant of the unit and to inform the PHA of the birth, adoption or court-awarded custody of a child. The household must request prior approval of additional household members in writing – both from the PHA and the owner. If any new household member is added, the income of the additional member will be included in the household income as applicable under HUD regulations.

If the household does not obtain prior written approval from the PHA, any person the household has permitted to move in will be considered an unauthorized household member. An interim reexamination will be conducted for any additions to the household.

In addition, the lease may require the household to obtain prior written approval from the owner when there are changes in household composition.

#### I. Removal of Household Members

All changes must be reported within 30 days. If a member of a SPC participant's household moves out an interim recertification will be completed to remove the person and any associated income. The certificate size will be reduced at the next annual recertification (or upon move request) to match PHA bedroom size policy. If the gross rent is equal to the payment standard, the participant must move to a smaller sized unit when the number of bedrooms exceeds the minimum household size per the PHA's subsidy standards. SPA staff will work closely with the participant to ensure that the household finds an affordable unit.

## **CHAPTER VI: SERVICE COORDINATION**

### **A. Case Plans**

The Service Provider Agency (SPA) through which the participant received his/her SPC application will serve as the primary service provider for the participant. Upon acceptance into the program, this SPA will coordinate case management to assist the participant in remaining stably housed and obtain needed health and social services as necessary.

The participant and SPA must jointly develop a Case Plan which describes how the participant intends to utilize SPC Program services, and includes specific goals and related actions for maximizing their self-sufficiency and remaining stabilized with their housing. The nature of such a plan must be flexible in order to respond to changing needs, and must be updated at least once annually. This Case Plan is provided to the PHA at least once annually during the recertification process. This Plan could be requested more frequently by the PHA especially if the Plan is modified to accommodate placing a participant on probation for violating SPC obligations (please refer to the Probation Section of the manual).

As outlined in the Memorandum of Understanding signed annually between the PHA and the SPA, the latter shall conduct regular (at a minimum once a month) home visits and meet with each participant at least monthly to provide support, monitor progress in achieving the goals outlined in the Case Plan, provide assistance as necessary to develop skills for living independently and to intervene when there are concerns or landlord complaints that may jeopardize the participant's tenancy. In addition, the service provider's coordinator is designated as the staff person ensuring that, for families enrolled with school-aged children, each child is enrolled in school, and receives appropriate educational services.

Other goals for the SPA to focus on include, but are not limited to:

1. Assessing family access all financial resources including cash and non-cash reserves
2. Ensuring clients with zero income linked with financial resources
3. Clients able to work are linked to County Employment Services and the First Source employment database which can be found at: [www.shra.org](http://www.shra.org)

All exchanges of information about program participants between SPAs and the PHA must be in compliance with applicable federal, state, and local statutes, ordinances, regulations, and



requirements.

## B. SPA Responsibilities

The following are detailed responsibilities of the SPA:

1. Ensure that policies are consistent with all laws, regulations and policies governing the SPC Program, including but not limited to, the regulations set forth at Title 24 of the Code of Federal Regulations (C.F.R.), Part 582, and the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act).
2. Provide all required documentation in a timely manner to the PHA so that it can meet all HUD financial and programmatic requirements. These documents include but are not limited to:
  - a. The service match information (provided to the PHA at least on a quarterly basis).
  - b. Completed homeless management information system (HMIS) forms (completed at entry, recertification and termination of the client), primary service provider (PSP) agreements, and client case plans (provided upon entry, and recertification of the client);
  - c. Serve eligible families with applicable case management to ensure the clients meet HUD's three goals:
    - i. Having stable residential housing,
    - ii. Working towards increasing skills or income and gaining greater self determination.Efforts to ensure these goals are being met include:
    - i. Screening applicants for program eligibility and readiness for independent housing.
    - ii. Ensuring all input into the Homeless Management Information System (HMIS) are timely, comprehensive, and complete.
3. Assisting clients with the initial application and annual recertification paperwork.
  - i. clients in their housing search and being the liaison between the landlord and participant as necessary.

- ii. Provide ongoing case management and service coordination, including monthly home visits.
4. Ensuring that all children of SPC clients are enrolled in school and receive educational services as appropriate.
5. Informing PHA staff if a client's behavior is jeopardizing their housing due to (among other items) program violations, non-participation in the program, or critical concerns related to their health or safety. PHA staff should be informed prior to any plans to terminate the client from case management services.
6. Notifying the PHA of staffing changes and providing updated case manager/roster information.

Service providers need to ensure that they can assist the clients achieve residential stability, increase the skill level and/or income of the tenants over time and assist them develop greater self determination in improving their lives.

Upon termination from the program for violating any SPC household obligations/not residing in the unit for over 90 days, clients must wait a minimum of six months prior to being evaluated for re-entry into the program. Re-entry into the program is not guaranteed.

The SPA must inform the PHA ahead of time if they are considering dropping case management services to a SPC client. Termination of clients from case management with/without the prior consent of PHA staff does not guarantee a new SPC subsidized participant for the SPA to case manage.

Should the client be involved in ongoing (more than one time) criminal, drug or other illicit activities while receiving the SPC subsidy, the SPA must immediately inform PHA staff so a plan of action can be developed. This may include placing the participant on probation, removing other members of the household causing the de-stabilization of the participant, issuing a warning notice after a mandatory tenant conference or proposing termination.

The SPA should identify a staff member to act as a liaison with the PHA on programmatic matters related to the SPC Program, and attend necessary meetings with the PHA.

The SPA agrees to maintain accurate records of individual client files documenting client meetings, in-home visits, provision of services, and all related administrative and financial records to assure proper accounting of services and performance.

Per HUD requirements, the SPA must have SPC client files available for PHA staff to audit. Advance notice (generally 14 days) will be provided to the SPA prior to PHA review of the files.

The PHA at any time may issue a request to the community to seek additional service provider agencies to assist SPC clients with case management. All new agencies must be allowed to

fulfill all SPA responsibilities outlined in the annual Memorandum of Understanding signed by the PHA.

## **CHAPTER VII: UNIT INSPECTION AND HQS**

Housing Quality Standards (HQS) are the HUD minimum quality standards for the SPC programs. HQS inspections are required both at initial occupancy and during the term of the lease. HQS applies to the building and premises, as well as the unit. Newly leased units must pass the HQS inspection before the beginning date of the assisted lease and HAP contract.

### **A. Guidelines and Types of Inspections**

Effort will be made at all times to encourage owners to provide housing above HQS minimum standards. The PHA will not promote any additional acceptability criteria which are likely to adversely affect the health or safety of participant families, or severely restrict housing choice.

If any public utilities are not in service at the time of inspection, the inspector will notify the owner or participant to have the utilities turned on.

If the participant is responsible for supplying the stove and/or the refrigerator, the PHA will allow the stove and refrigerator to be placed in the unit after the unit has passed all other HQS. The household must then certify after move-in that the appliances are in the unit and working. The PHA will not conduct a re-inspection.

There are four types of inspections:

1. **Initial:** Will be conducted prior to the initial term of the lease. Also known as “move-in.”
2. **Annual:** Will be conducted within twelve months of the last annual inspection.
3. **Special:** Will be conducted as needed to determine if the unit meets HQS.
4. **Quality Control:** Will randomly be conducted to ensure that inspections conducted by the inspectors are accurate and complete.

### **B. Initial HQS Inspections**

When a complete Request for Tenancy Approval (RFTA) is received, the PHA will contact the landlord to schedule an inspection appointment within 15 days. The 15 day period is suspended during any period the unit is not available for inspection or the RFTA is not approvable.

The PHA will make every reasonable effort to conduct the initial HQS inspections for the household and owner in a manner that is time-efficient and indicative of good customer service.

The Initial Inspection will be conducted to:

1. Determine if the unit and property meet the HQS defined in this Plan.

2. Document the information to be used for determination of rent reasonableness.

All housing units must be inspected **before** the lease/contract is approved by the PHA. Units are inspected to determine whether they meet HUD's HQS.

If the unit fails the initial HQS inspection, the owner will be given up to 10 days to complete repairs and contact the PHA to schedule a re-inspection appointment.

The owner will be allowed a second inspection after repair work is completed. A third inspection may be authorized only with supervisory approval.

If the time period given by the PHA to correct the repairs has lapsed, or the maximum number of failed re-inspections has occurred, the RFTA will be voided. A new RFTA will be issued to the household with any eligible tolling time. The RFTA must be submitted before the certificate expiration date.

A passed initial inspection is good for up to 30 days.

If the effective date of the lease and contract is between 30 and 90 days after the unit passed HQS inspection, another inspection is not necessary as long as the owner certifies in writing that:

1. The unit has not been occupied since the date the unit passed the HQS inspection, and
2. The unit remains in the same rent-ready condition as when it passed HQS inspection.

If the date the unit passed HQS inspection is more than 90 days from the effective date of the lease and contract, the unit must be re-inspected before the lease and contract may begin.

### C. Annual HQS Inspections

The PHA inspects each assisted unit annually, until and unless, HUD authorizes a less frequent inspection period, in which case HUD's authorization shall be self-implementing on the effective date of publication.

If an additional room has been granted as a reasonable accommodation, at the annual inspection, the PHA will verify that the additional bedroom is being used as approved. If the additional bedroom is verified as not being used as intended, SPC staff will meet with the household and the certificate size may be reduced.

"Reasonable Hours to Conduct an Inspection" are defined as the hours between 8:00 a.m. and 5:00 p.m. Inspections will be conducted only on business days unless specifically permitted by authorized management staff.

The household, SPA, and owner are notified of the date and time of the inspection appointment by email, mail or phone. If the household is unable to be present, they must call

ahead of the scheduled date to reschedule the appointment so that the inspection is completed within seven days of the date originally scheduled for the inspection.

If the household misses two inspection appointments, the PHA will consider the household to have violated a household obligation and their assistance may be terminated.

The owner must correct HQS deficiencies that cause a unit to fail unless the participant is responsible for the repairs.

For participant-caused damages, the participant must correct the repairs within the specified timeline (See Time Standards for Repairs below). The service provider agency staff will be notified of the failed inspection items in order for them to assist the participant repair the damages in a timely manner. If the participant fails to complete repairs within the given time frame, the PHA will consider the household to have violated a household obligation and their assistance may be terminated.

#### D. Time Standards for Repairs

Emergency items must be corrected within twenty-four hours of notification.

The following items are considered to be emergency repairs and must be corrected by the owner or participant (whoever is responsible) within twenty-four hours of notice by the PHA:

1. Lack of security for the unit.
2. Severe structural damage (i.e. collapsed ceilings, walls, or floors).
3. Major plumbing leaks (i.e. those causing flooding or significant hazards).
4. Natural gas leak or fumes.
5. Electrical problem which could result in shock or fire (i.e. exposed stripped wires).
6. No running water.
7. Shattered glass where someone could be injured.
8. Lack of a functioning toilet in the unit.
9. Lack of one working smoke detector per floor.

In those cases where there is leaking gas or potential of fire or other threat to public safety, and the responsible party cannot be reached or it is impossible for the responsible party to make the repairs, the appropriate authorities will be notified by the PHA.

Repairs for non-emergency items must be made within thirty days of the inspection fail date.

An extension beyond the thirty day period may be approved by a Supervisor upon written request from the owner, with verifiable documentation.

#### E. Re-inspections

The household and owner are provided a notice of the inspection appointment by phone, email or mail. If the household is not at home for the re-inspection appointment, a notice will be left at the unit and another appointment is automatically scheduled. The appointment letter contains a warning of abatement (in the case of owner responsibility), and a notice of the owner's responsibility to notify the household in case of tenant-caused abatement. The household is also notified that it is a household obligation to allow the PHA to inspect the unit.

#### F. Consequences if Owner is Responsible for Non-emergency Items

When it has been determined that a unit fails to meet HQS, the owner is responsible for completing the necessary repair(s) in the time period specified by the PHA. The PHA must take prompt action to enforce owner obligations. Remedies for such breach of the HQS may include abatement of the HAP or termination of the HAP contract.

#### G. Abatement

Abatement is the procedure by which the housing assistance payment (HAP) to the owner is withheld, as owner related inspection items have not been mitigated by the given deadlines provided above. Should circumstances arise which warrant abatement of a unit, a notice of abatement of the HAP will be sent to the owner, and the abatement will be effective the first of the month following the specified correction period. The HAP will be abated for no more than a period of thirty (30) days at which time the contract will be terminated if the required repairs are not made and verified by the PHA.

If re-inspection is necessary, the PHA will inspect abated units within seven calendar days of the owner's notification that the work has been completed.

If the owner makes repairs during the abatement period, payment will resume on the day the unit passes inspection.

No retroactive payments will be made to the owner for the period of time the rent was abated and the unit did not comply with HQS. The participant is not responsible for the PHA's portion of rent that is abated and the owner is not permitted to ask the participant for the HAP payment that is abated. This is also stated on the abatement notice provided to the owner.

##### Extensions In Lieu of Abatements

A supervisor may grant an extension to allow more time for repairs in lieu of abatement in the following cases:

1. There is an unavoidable delay in completing repairs due to difficulties in obtaining parts or contracting for services;
2. The repairs must be delayed due to climate conditions.

#### H. HAP Continues during extension period

The extension will be made for a period of time not to exceed thirty days. At the end of that time, if the work is not completed, the PHA will begin the abatement.

#### I. Termination of Contract

If the owner is responsible for repairs, and fails to correct all the deficiencies cited prior to the end of the abatement period, the HAP contract will be terminated. A notice of termination will be mailed to the owner, participant, and SPA, if the participant is still in the unit. The tenant can move to another unit and continue to receive assistance.

#### J. Special/Complaint Inspection

Special inspections may be scheduled between annual inspections, as needed. The PHA will notify the household and the owner of the special inspection date and time in writing/email or by phone.

If, at any time the household or owner notifies the PHA that the unit does not meet HQS, the PHA may conduct a special inspection. Before conducting a special inspection for a participant or owner complaint, the PHA may request verification that the owner or participant has been notified of the deficiency and has not completed the repairs within a reasonable time. Reasonable time for non-emergency items is 30 days.

The PHA will consider complaints and any other information brought to their attention including but not limited to information from third parties such as neighbors or public officials.

The PHA will inspect only the items which were reported, but if the inspector notices additional deficiencies that would cause the unit to fail HQS, the responsible party will be required to make the necessary repairs.

If the annual inspection due date is within ninety days of a scheduled special inspection, the special inspection will be categorized as an annual inspection and all annual procedures will be followed.



## **CHAPTER VIII: HAP CONTRACT EXECUTION**

The PHA makes every effort to execute the Housing Assistant Payment (HAP) contract with the lease. The HAP contract may not be executed more than 60 days after commencement of the lease term. No payments will be made until the contract is executed.

The owner must provide:

1. A current residential address (not a Post Office box).
2. A home telephone number and business number, if applicable.
3. An employer identification number or social security number.
4. Proof of ownership of the property, such as grant deed, certified settlement statement; or letter from the Title Company with date recorded, new owner name & property address.
5. A copy of the management agreement, if agent is acting on behalf of owner.

The PHA will not approve a HAP contract to any relative of the participant who is the property owner unless the lease was effective prior to June 17, 1998, or the relative owner purchased the home while the participant resided in unit in accordance with program rules. The PHA may waive this restriction as a reasonable accommodation for a household member who is a person with a disability, as long as the owner is not also residing in the subsidized unit.

### **A. Rent to Owner**

All HAP contracts will begin the later of:

1. The date the unit passes inspection.
2. The date the household moves in.
3. The date the certificate is issued.
4. The day after the lease-end date of the previous unit.

Once the HAP contract is executed, the PHA begins processing payments to the owner. The PHA is transitioning towards electronic payments of HAP checks. At this time checks are being disbursed monthly both electronically and manually by the PHA's Finance Division. Checks may not be picked up by the owner at the PHA. Exceptions may be made with the approval of a supervisor in case of hardship. It is the intent of the PHA to fully transition to electronic checks to owners within the next year.

#### B. Changes in Utility/Appliance Responsibility

If the participant and owner agree to any changes in the lease, such changes must be in writing. In order to change the utility or appliance responsibility, a sixty day written notice must be issued to the household and submitted to the PHA. Once approved by the PHA a new HAP contract must be issued.

#### C. Lost Checks

Checks that are not received will not be replaced until a request has been received from the payee and a stop payment has been placed on the check. A request for stop payment will be processed no earlier than ten days after the check issuance date.

#### D. Excess Payments

The total of rent paid by the participant plus the PHA HAP to the owner may not be more than the contract rent. The owner must immediately return any excess payment to the PHA.

Owners who do not return excess payments within 10 days will be subject to penalties including but not limited to collecting the funds through a collection agency and/or restricting the owner from future participation in the program. Overpayments may also be collected from future payments for the same or a different tenant.

#### E. Timing for Payment Changes

The owner is required to notify the participant and PHA, in writing, at least 60 days before a proposed change in the amount of contract rent. Any requested change in rent to owner will be subject to rent reasonableness requirements and available PHA funding.

Requests for rent increases will not be approved:

1. If the unit is in an initial lease term.
2. If the participant and PHA have not received proper notice.
3. If the unit is in a failed condition and has not passed an HQS inspection.

If approved, any increase will be effective on the first of the month following the sixty day notice. Upon approval of a rental increase, the new contract rent amount will remain effective for a period of 12 months. Owners may request rent increases no more than once every 12 months.

#### F. Rent Increases

The owner may request a rent increase to be effective at any anniversary date of the HAP contract after submitting a 120 day written notice to the PHA and the tenant. The PHA will

determine reasonable rent in accordance with HUD regulations. The rent increase will be applied to all units included in the HAP contract. If the PHA determines in the course of processing a rent increase that the current contract rent amount is not reasonable given current market conditions, the PHA will process a rent decrease to the reasonable amount. Reasonable is defined as:

1. The proposed rent change is comparable to other unassisted units in the market place.
2. The proposed rent change is comparable to rents being charged for similar units on the premises.

## CHAPTER IX: CALCULATION OF TENANT RENT

Once the RFTA packet is complete, PHA staff will calculate the participant's portion of the rent along with the utility allowance in accordance with the 24 Code of Federal Regulation (CFR) Section 582 Part 310. Specifically, income of participants is calculated in accordance with 24 CFR 5.609 and 5.611 (a). Participant rent shall be the highest of:

1. 30% of the monthly adjusted income, or
2. 10% of monthly gross income.

### A. Deductions

The following deductions will be made from the household's annual income:

1. Dependent Allowance: \$480 each for household members (other than the head or spouse) who are minors, and for household members who are 18 years and older who are full-time students or who are disabled.
2. Elderly/Disabled Allowance: \$400 per household for families whose head or spouse is 62 years or over or disabled.
3. Allowable Medical Expenses: Deducted for all household members of an eligible elderly/disabled household.
4. Child Care Expenses: Deducted for the care of children under 13 when childcare is necessary to allow an adult member to work, attend school, or actively seek employment.
5. Allowable Disability Assistance Expenses: Deducted for attendant care or auxiliary apparatus for persons with disabilities if needed to enable the individual or an adult household member to work.

There is no minimum rent for the SPC program.

### B. Averaging Income

When annual income cannot be anticipated for a full twelve months, the PHA will average known sources of income that vary to compute an annual income.

If there are bonuses or overtime, which the employer cannot anticipate for the next twelve months, bonuses and overtime received the previous year will be used (if not used in the prior year). Income from the previous year may be analyzed to determine the amount to

anticipate when third party or check-stub verification is not available.

If by averaging an estimate can be made for those families whose income fluctuates from month to month, this estimate will be used so the tenant rent will not change from month to month. The method used depends on the regularity, source and type of income.

#### C. Minimum Income

There is no minimum income requirement.

Families reporting zero income will be required to:

1. Complete an interim recertification every 90 days and an income checklist at each interim recertification until the household ceases to report zero income.
2. Provide written explanation of the sources of funds being used to maintain any credit account payments.
3. Submit a written statement regarding their means of basic subsistence, such as food, utilities, transportation, etc.

If the household's expenses exceed their known income, the PHA will make inquiry of the head of household as to the nature of the household's accessible resources. The PHA will request credit reports for all adult members of families that report zero income.

Where credit reports show credit accounts open and payments current, the PHA will take action to investigate the possibility of fraud or program abuse.

#### D. Income of Person Permanently Confined to Nursing Home

If a household member is permanently confined to a hospital or nursing home and there is a remaining household member, the PHA will exclude the income of the person permanently confined to the nursing home and give the household no deductions for medical expenses for the confined household member. The remaining household member's certificate size eligibility will be reassessed at the next annual recertification.

#### E. Regular Contributions and Gifts

Regular contributions and gifts are counted as income for calculation of the Total Tenant Payment. Loans that occur regularly for six months will be considered contributions.

Any contribution or gift received every three months or more frequently will be considered a "regular" contribution or gift, unless the amount is less than \$400 per year. This includes rent and utility payments made on behalf of the household and other cash or non-cash contributions provided on a regular basis. It does not include casual contributions or sporadic gifts.

If the household's expenses exceed its known income, the PHA will inquire of the household regarding contributions and gifts.

#### F. Alimony and Child Support

Regular alimony and child support payments are counted as income for calculation of the Total Tenant Payment.

If the amount of child support or alimony received is less than the amount awarded by the court, the PHA will use the amount awarded by the court unless the household can verify that they are not receiving the full amount and verification of item(s) below are provided.

The PHA will accept verification that the household is receiving an amount less than the award if:

1. The PHA receives verification from the agency responsible for enforcement or collection.

or

2. The household furnishes documentation of child support or alimony collection action filed through a child support enforcement/collection agency, or has filed an enforcement or collection action through an attorney.

#### G. Military Pay Income

Military pay and allowances (except hazardous duty pay when exposed to hostile fire and any other exceptions to military pay HUD may define) shall be counted as income.

#### H. Lump Sum Receipts

Lump-sum additions to household assets, inheritances, deferred employment income, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses, are not included in income but may be included in assets.

Lump-sum payments caused by delays in processing periodic payments such as unemployment or welfare assistance are counted as income. Lump sum payments from Social Security or SSI are excluded from income, but any amount remaining will be considered an asset. Deferred periodic payments which have accumulated due to a dispute will be treated the same as periodic payments which are deferred due to delays in processing.

In order to determine the amount of retroactive participant rent that the household owes as

a result of the unreported lump sum receipt, the PHA uses a calculation method which calculates retroactively.

#### I. Retroactive Calculation Methodology

The PHA will go back to the date the lump-sum payment was received, or to the date of admission, whichever is closer.

The PHA will determine the amount of income for each certification period, including the income derived from a lump sum, and recalculate the participant rent for each certification period to determine the amount due the PHA.

The amount owed "retroactive" is due and payable to the PHA within sixty days from the date of informing the client of the retroactive amount due to the PHA.

The amount owed by the household is a collectible debt even if the household becomes unassisted.

#### J. Attorney Fees

The household's attorney fees may be deducted from lump-sum payments when computing annual income if the attorney's efforts have recovered a lump-sum compensation, and the recovery paid to the household does not include an additional amount in full satisfaction of the attorney fees.

#### K. Contributions to Retirement Funds

Contributions to company retirement/pension funds are handled as follows:

1. While an individual is employed, count as assets only amounts the household can withdraw without retiring or terminating employment.
2. After retirement or termination of employment, count any amount the employee elects to receive as a lump sum.

#### L. Assets Disposed of for Less than Fair Market Value

The PHA must count assets disposed of for less than fair market value during the two years preceding initial certification or reexamination. The PHA will count the difference between the market value and the actual payment received in calculating total assets.

Assets disposed of as a result of foreclosure or bankruptcy is not considered to be assets disposed of for less than fair market value. Assets disposed of as a result of a divorce or separation is not considered to be assets disposed of for less than fair market value.

The PHA's minimum threshold for counting assets disposed of for less than fair market

value is \$5000. If the total value of assets disposed of within a two-year period is less than \$5000, they will not be considered an asset.

#### M. Student Income

Generally, SPC participants enrolled in an Institution of Higher Education meet the qualifications for the Student Rule. Therefore, the amounts paid for tuition and fees would be subtracted from income and the remaining balance of income would be considered income. Financial assistance from grants, financial aid, or awards would be counted as income for SPC students.

Any financial assistance received in excess of amounts received for tuition shall be considered income, except amounts received by a person over the age of 23 with dependent children. Financial assistance does not include loan proceeds.

In cases where the student is not considered an “independent student,” both the student’s and parents’ income are considered for eligibility purposes.

Independent status must be verified by:

1. Obtaining address information sufficient to determine that the student has maintained a separate household for at least one year.
2. Parents’ income tax returns for the past year to determine whether a parent or guardian has claimed the student as a dependent, and
3. Written confirmation of the level of support provided by the parents to the student, including no financial assistance. The financial support is considered in determining the income eligibility of the student household.

#### N. Child Care Expense

Non-reimbursable childcare expenses for children under thirteen years of age shall be deducted from annual income if they enable a household member to actively seek employment, to be employed, or to further his or her education to comply with federal law.

For disabled household members who are children thirteen years of age and older, childcare expenses, which enable a household member to actively seek employment, to be employed, or to further his or her education shall be considered deductible disability expenses.

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

Childcare expenses must be reasonable. Reasonable is determined by what the average



allowance expense rates are in the PHA's jurisdiction.

Allowing deductions for childcare expenses is based on the following guidelines:

1. **Childcare to work:** The maximum childcare expense allowed must be less than the amount earned by the person enabled to work. The "person enabled to work" will be the adult member of the household who earns the least amount of income from working.
2. **Childcare for school:** The number of hours claimed for childcare may not exceed the number of hours the household member is attending school (including one hour travel time to and from school).

The PHA will require the household to provide verification of childcare expenses. Such verification may include but is not limited to:

1. Cancelled checks and/or money order receipts from a licensed or unlicensed childcare service, or
2. Receipts from a licensed agency providing the childcare service.

#### O. Medical Expenses

To qualify for a deduction, medical expenses must meet two essential criteria:

1. Must be anticipated, regular, ongoing expenses that a household expects to pay in the 12 months following examination or reexamination, and
2. Must be un-reimbursed and not covered by an outside source such as insurance.

The medical expense deduction is limited to families whose head, spouse, co-head, or sole member is at least 62 years of age or is a person with disabilities (elderly or disabled families). If a household qualifies for medical expense deductions then the expenses of all household members are considered.

Medical expenses are expenses anticipated to be incurred during the 12 months following certification or reexamination which are not covered by an outside source such as insurance. The medical allowance is not intended to give a household an allowance equal to last year's expenses, but to anticipate regular ongoing and anticipated expenses during the coming year. Medical expenses may include:

1. Services of doctors and health care professionals.
2. Services of health care facilities.

3. Medical insurance premiums.
4. Prescription/non-prescription medicines (prescribed by a physician and legible receipts submitted).
5. Transportation to treatment (transportation fare, mileage).
6. Dental expenses, eyeglasses, hearing aids, batteries.
7. Live-in or periodic medical assistance.
8. Monthly payment on accumulated medical bills (regular monthly payments on a bill that was previously incurred). The allowance may include only the amount expected to be paid in the coming 12 months.

If the bill has been paid off with a credit card, this is not considered an anticipated, ongoing expense as the bill has already been paid to the health care professional/other entity unless the expense is of an ongoing nature in which case it could be toward the medical deduction.

When it is unclear whether or not to allow an item as a medical expense, IRS Publication 502 will be used as a guide. Even if an expense is allowable, in order to be deductible it must be deemed an ongoing expense.

The PHA will require the household to provide verification of expenses. Verification may include but is not limited to print outs and statements from a doctor certifying the anticipation of the medication and/or treatment costs for the next twelve months. A participant signed certification of medical expenses will not be accepted as proof of medical expenses.

#### P. Special Calculation for Households Eligible for Disability and Medical Expenses

If an elderly household or disabled household has both medical expenses and disability assistance expenses, a special calculation is required to ensure the household's three-percent share of these expenses is applied only one time. Because the allowance for disability assistance expenses is limited by the amount earned by the person free for work, the disability allowance must be calculated before the medical allowance is calculated.

When the household has disability assistance expenses greater than or equal to three percent of annual income, an allowance for disability assistance expenses is computed as described above. In such an instance, the allowance for medical expenses will be equal to the household's total medical expenses.

When a household has disability assistance expenses that are less than three percent (3%) of annual income, the household will receive no allowance for disability assistance expense. However, the allowance for medical expenses will be equal to the amount by which the sum of both disability and medical expenses exceeds three percent of annual

income.

If the disability assistance expense exceeds the amount earned by the person who was freed for work, the allowance for disability assistance will be capped at the amount earned by that individual. When the household is also eligible for a medical expense allowance, the three percent (3%) may have been exhausted in the first calculation it then will not be applied to medical expenses.

## CHAPTER X: ANNUAL RECERTIFICATIONS

Once a participant is housed, the PHA is required by HUD regulations to recertify the participant's eligibility on an annual basis. This includes:

1. Verifying the household's income and household composition.
2. Re-inspecting the unit to assure that it continues to meet federal Housing Quality Standards (HQS).
3. Adjusting the apartment's rent if the landlord requests an increase that is reasonable and within the federal rent ceilings.

In accordance with HUD requirements, on an annual basis the SPC staff will reexamine the income and household composition of all participants and ensure an HQS inspection is conducted. This includes notifying the household of any increases in tenant rent at least thirty days before the effective date of change.

### A. Participant Documentation

The PHA will maintain a recertification tracking system and the household will be notified by mail at least ninety days in advance of the anniversary date of the re-certification, however, documents will be due prior to the anniversary date. The PHA may require that a household attend a recertification appointment. If requested as an accommodation by a person with a disability, the PHA will provide the notice in an accessible format. The PHA will also mail the notice/recertification packet to the service provider agency contact listed as a third party contact.

The PHA will send the participant a notice of required annual recertification along with forms to be completed. The written notification will state the due date the completed recertification documents are required. The participant must return the following documents to the PHA within 15 days:

1. Current income verification for each member of the household.
2. Bank statements and any other documents required by the PHA to verify assets.
3. Completed recertification packet that documents the household composition.
4. Authorization for the Release of Information/Privacy Act Notice, signed by each member of the household aged 18 or older.
5. Verifications for any deductions claimed for medical expenses, childcare expenses, or student status.

6. Additional information/verification may be requested by SPC staff.

#### B. Timeframe for Response

If the participant does not respond within 15 days to the first request for information, the SPC staff will send a second and final notice scheduling a mandatory tenant conference (MTC) to submit/complete the annual recertification paperwork. The SPC staff will also notify the participant's SPA for assistance in collecting the required documentation.

If the household attends the MTC, a formal warning may be issued, notifying them that future failure to respond in a timely manner may result in termination.

If the household fails to respond to the MTC and does not show for the meeting, the SPA staff and the PHA staff will coordinate efforts to contact the participant to understand why he/she missed the MTC. If possible, given the severe disabilities of the Shelter Plus Care clients, the MTC may be rescheduled to discuss the violations/incomplete recertification information. If the participant cannot be reached after two successive attempts and all extenuating circumstances have been reviewed, the PHA (upon consultation with the SPA staff) will mail the household a *Notice of Proposed Termination of Eligibility*, and an *Informal Hearing Request* form.

## **CHAPTER XI: VERIFICATION**

All verification documents used to recertify the household income must be dated within 60 days of the request date of the annual recertification paperwork.

When all pertinent verification information is received, it will be analyzed to determine:

1. The continued eligibility of the participant household.
2. The unit size required by the household, and
3. The amount of rent the household should pay.

### **A. Methods of Verification and Time Allowed**

The PHA will verify information through the five methods of verification acceptable to HUD in the following order:

1. Up-Front Income Verification (UIV) is income which could be obtained through the Enterprise Income Verification (EIV) system or other system that allows a PHA direct access to verify tenant income. Verifications received by direct electronic access from the source are considered Up-Front Income Verification.
2. Third-Party Verification which is a document provided by the tenant from the income provider or source.
3. Written Third Party Verification which is written income verification request submitted by the PHA to the income provider or source to verify the income received by the participant.
4. Oral Third Party Verification which is income verified orally by phone with the income provider or source.
5. Review of Tenant Supplied Documents.
6. Tenant Self-Certification.

The PHA will allow ten (10) days for return of third-party verifications and allow ten days to obtain other types of verifications before going to the next method. The PHA will document

the file as to the reason third-party written or oral verification was not used. For applicants, verifications may not be more than sixty days old at the time of the initial voucher issuance.

The PHA will not delay the processing of an application or recertification beyond a reasonable and appropriate time period because a third party information provider does not return the verification in a timely manner.

1. Upfront Income Verification

Upfront Income Verification (UIV) is the highest level of third party verification.

2. Family-Delivered from Agencies

The PHA will accept verifications delivered by the family as third-party (if they can be verified by other means) from agencies, including but not limited to:

1. Social Security Administration.
2. Veterans Administration.
3. Welfare Assistance
4. Unemployment Compensation Board
5. City or County Courts
6. Pharmacy (in regard to prescription drugs)
7. A Local, State or Federal Court
8. The Work Number
9. State Wage/ Income Collection Agency
10. TANF

3. PHA-Sourced Written Third Party

PHA-sourced Written Third Party Verification is submitted to the income provider or source which verifies income information received by the participant. PHA staff will wait no more than ten days to receive a response from the income provider or source.

#### 4. Third-Party Oral Verification

When third-party oral verification is used, PHA staff will be required to complete a *Certification of Document Viewed* or *Person Contacted Form*, noting with whom they spoke, the date of the conversation, and the facts provided. If provided by telephone, the PHA must originate the call.

#### 5. Review of Tenant Supplied Documents

The PHA will utilize documents generated by a third party source provided by the family as the primary source if the documents provide complete information. All such documents, excluding government checks, will be photocopied and retained in the applicant file. In cases where documents are viewed which cannot be photocopied, staff viewing the document(s) will complete a *Certification of Document Viewed* or *Person Contacted Form* or document.

The PHA will accept the following documents from the family provided that the document is such that tampering would be easily noted:

1. Printed wage stubs: a minimum of two (2) check stubs are required.
2. Computer printouts from the employer.
3. Other documents noted in this chapter as acceptable verification

The PHA may accept faxed documents and photocopies.

If third-party verification is received after documents have been accepted as provisional verification, and there is a discrepancy that differs by greater than \$100 a month per income source, the PHA will utilize the third party verification.

#### 6. Tenant Self-Certification

When verification cannot be made through any of the higher forms of verification including upfront or third party, the PHA will require the tenant to complete a written self certification (*Affidavit*) of income. Tenant Self-Certification is also permitted as a primary means to verify assets, like bank accounts, that contain less than \$50,000, though at least March 31, 2014 or such other time as HUD may extend.

Self-certification means a statement written on an Affidavit signed under penalty of perjury. The application or the annual recertification packet may also serve as a form of self-certification as long as all adult household members sign it.

The PHA does not require an applicant or participant to have documents notarized or to incur the financial expenses of doing so.



## B. Release of Information

All adult household members will be required to sign the HUD 9886 *Release of Information/Privacy Act* form and a Sacramento Housing and Redevelopment Agency (SHRA) *Authorization for the Release of Information*.

Household refusal to cooperate with the HUD prescribed verification system will result in denial of admission or termination of assistance. It is a household obligation to supply any information and to sign consent forms requested by the PHA or HUD.

In cases where there are questions about the validity of information provided by the household, the PHA will require the most recent federal income tax statements.

Where doubt regarding income exists, a referral to the IRS for confirmation will be made.

## C. Recurring Gifts

The household must furnish a self-certification, which contains the following information:

1. The person who provides the gifts
2. The value of the gifts
3. The regularity (dates) of the gifts
4. The purpose of the gifts

## D. Zero Income Status

Families claiming to have no income will be required to execute verification forms to determine that forms of income such as unemployment benefits, TANF, SSI, etc. are not being received by the household. There will be a review of income every 90 days. Recertifications will be processed for any change in income.

After 120 days of zero reported income, if there is no change in income, the PHA will run a credit report.

## E. Full-Time Student Status

Only the first \$480 of the earned income of full-time dependent students will be counted toward household income. This \$480 is disregarded for dependents, netting zero.

Verification of full-time student status includes written verification from the registrar's office or other school official, indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution. A printout of class schedules are not acceptable verification of full time status.

All financial assistance received by the household member must be reported.

## F. Verification of Allowable Deductions from Income

### 1. Medical Expenses

Families, whose head or co-head is elderly or disabled are eligible to claim medical expenses will be required to submit a certification as to whether or not any expense payments have been, or will be reimbursed by an outside source. One or more of the methods listed below will verify all expense claims:

- Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, of: (a) the anticipated medical costs to be incurred by the household and regular payments due on medical bills; and (b) extent to which those expenses will be reimbursed by insurance or a government agency.
- Written confirmation by the insurance company or employer of health insurance premiums to be paid by the household.
- Written confirmation from the Social Security Administration of Medicare premiums to be paid by the household over the next twelve months. A computer printout will be accepted.
- For attendant care, a knowledgeable professional's certification that the assistance of an attendant is necessary as a medical expense and a projection of the number of hours the care is needed for calculation purposes. The PHA may request the attendant's written confirmation of hours of care provided and amount and frequency of payments received from the household or agency (or copies of canceled checks the household used to make those payments) or stubs from the agency providing the services.
- Receipts, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next twelve months;
- Copies of payment agreements or most recent invoice that verify payments made on outstanding medical bills that will continue over all or part of the next twelve months.
- Receipts or other record of medical expenses incurred during the past twelve months that can be used to anticipate future medical expenses. PHA may use this approach for "general medical expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not for one time, nonrecurring expenses from the previous year.

- The PHA will use mileage at the IRS rate, or cab, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment.
- Costs for over the counter medications will not be counted in determining medical expenses unless prescribed by a medical professional.
- Cost for transportation to a store will not be counted in determining medical expenses unless receipts can be provided that show the participant obtained medication or treatment prescribed by the physician on the day the transportation cost is being claimed.
- Cost for medical magazines, books or medical buyer club type enrollment will not be counted in determining medical expenses unless prescribed by a doctor.

2. Assistance to Persons with Disabilities

- a. Written certification from a reliable, knowledgeable professional that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function sufficiently independently to enable another household member to be employed.
- b. Household's certification as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.

c. Attendant Care

Certification of household and attendant and/or copies of canceled checks household used to make payments;

Attendant's written certification of amount received from the household, frequency of receipt, and hours of care provided.

d. Auxiliary Apparatus

Receipts for purchases or proof of monthly payments and maintenance expenses of or auxiliary apparatus;

In the case where the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

G. Verifying Non-Financial Factors; Legal Identity

In order to prevent program abuse, the PHA will require applicants to furnish verification of legal identity for all household members.

The documents listed below will be considered acceptable verification of legal identity for adults. If a document submitted by a household is illegible or otherwise questionable, more than one of these documents may be required including but not limited to:

1. Valid Government issued photo identification card (employment related ID's are unacceptable)
2. Certificate of Birth, naturalization papers
3. U.S. military discharge (DD 214)
4. U.S. Passport
5. Department of Human Assistance Identification Card

Documents considered acceptable for the verification of legal identity for minors may be one or more of the following:

1. Certified copy or original Certificate of Birth or Naturalization
2. Adoption papers
3. Custody agreement
4. Department of Human Assistance ID
5. School ID cards
6. Passport
7. Valid state Identification Card or Drivers License

a. Familial Relationships

Self-certification will normally be considered sufficient verification of household relationships. In cases where reasonable doubt exists, the household may be asked to provide verification.

The following verifications will be accepted:

1. Birth Certificates
2. Baptismal certificates

b. Verification of guardianship:

1. Court-ordered assignment

2. Affidavit of parent
3. Verification from social services agency
4. School records

#### H. Verification of Permanent Absence of household Member

If an adult member who was formerly a member of the household is reported permanently absent by the family, the PHA will consider any of the following as verification:

1. Order of protection/restraining order obtained by one family member against another.
2. Proof of another home address, such as utility bills, canceled checks for rent, driver's license, or lease or rental agreement.
3. Statements from other agencies such as social services or a written statement from the owner or manager that the adult family member is no longer living at that location.
4. If the adult family member is incarcerated, a document from the Court or correctional facility should be obtained stating how long they will be incarcerated.
5. If no other proof can be provided, the PHA will accept a self-certification from the head of household or the spouse/partner or co-head, if the head is the absent member.

#### I. Verification of Change in household Composition

The PHA may verify changes in household composition (either reported or unreported) through letters, telephone calls, utility records, inspections, owners, neighbors, credit data, school or DMV records, IRS tax returns and other sources.

#### J. Notification of Results of Recertification

The Subsidy Adjustment Notice (SAN) and Calculation Summary which provide summaries of tenant rent and the HAP are mailed to the participant, SPA case manager and owner (SAN notice only). If the household disagrees with the rent adjustment, they may request a tenant conference to review the rent calculations. If the household still disagrees they may request an informal hearing.

#### K. Tenant Rent Increases at Annual Recertification

If the participant rent increases, a notice of the change will be mailed to the household at least 30 days prior to the effective date of change.

If less than thirty days are remaining before the scheduled effective date of the annual recertification, the participant rent increase will be effective on the first of the month following a full thirty-day notice.

If there was a misrepresentation or a material omission by the household, or if the household causes a delay in the recertification processing, there will be a retroactive increase in rent to the scheduled effective date of the annual recertification.

#### L. Tenant Rent Decreases at Annual Recertification

If participant rent decreases, the decrease will be effective on the anniversary date.

If the household causes a delay so that the processing of the recertification is not completed by the anniversary date, rent change will be effective on the first day of the month following completion of the recertification processing by the PHA.

If the participant experiences a decrease in income and the participant reports the change after reporting the annual reexamination but prior to the effective date of the annual recertification, the change will be treated as an early annual reexamination. The change will be effective the first of the following month that the household reported the change. The next annual reexamination date (anniversary date) will be one year from the effective date of the early annual reexamination.

#### M. Interim Adjustments

##### 1. Income Changes

Participants are required to report all changes in income to the PHA within 30 days of receiving notification that there is a change in income.

The PHA will conduct interim recertifications for families experiencing increases in income only during the annual recertification process unless the household is currently receiving no income (Zero Income household). The participant is still responsible to report this change in income to the PHA within 30 days of receiving notification of the change, and after proper verification is received, SPC staff will provide the participant with a written notice PHA confirming the action taken and the effective date of the change.

When a decrease in income is reported within 30 days of receiving notification, and appropriate third-party verification has been received, the SPC staff will perform a revised

rent calculation. However, if the SPC staff confirms that the decrease in income will last less than 30 days from the date of reported and verified change, or the decrease in income is less than \$50 per month, the rent calculation will not be revised.

Should the rent calculation be revised, the participant, case manager and landlord are notified in writing of the revisions to the tenant rent portion and the housing assistance payment (HAP). The adjusted rent will be effective 30 days beyond the end of the month that it was reported.

Participants who report having zero income will be expected to work with their case manager to obtain a stable source of income during their first 120 days of participation in the program, such as applying for SSI benefits (if applicable or other suitable income). Failure to do so may result in the participant being placed on probation to work with his/her case manager to secure financial assistance to meet the required three HUD goals including achieving residential stability, increasing skill levels or income and developing greater self-determination.

## 2. Timely Reporting of Changes in Household Composition

Changes in household composition require an interim recertification and may result in a change to the tenant rent. The bedroom size may be changed at the next annual recertification or if client is in the move process. All changes in household composition must be reported within 30 days of the occurrence.

## 3. Changes in Certificate Size as a Result of household Composition Changes

Irrespective of any increase or decrease in the payment standard amount, if the household unit size increases or decreases during the HAP contract term, the new household unit size must be used to determine the payment standard amount for the household beginning at the household's first regular reexamination following the change in household unit size. Exceptions to this policy include:

- An increase in certificate size made as a result of a Reasonable Accommodation will be effective the month following the month of approval.
- If the household is already in the move process it will be effective with the new lease and contract.
- If the change causes the household to be under-housed, causing an HQS fail.

## 4. Standard for Timely Reporting of Changes

The PHA requires that the household report in writing any change to household

composition to the PHA within thirty (30) days of when the change occurs.

If the change is not reported within the required time period, or if the household fails to provide documentation or signatures, it will be considered untimely reporting.

#### 5. Procedures When the Change is Reported in a Timely Manner

The PHA will notify the household and the owner of any change in the HAP to be effective according to the following guidelines:

- aa. Increases in the Tenant Rent are effective on the first of the month following at least thirty days' notice.
- bb. Decreases in the Tenant Rent are effective the first of the month, following the month in which the PHA is provided adequate written documentation. However, no rent reductions will be processed until all the facts have been verified, even if a retroactive adjustment results.

#### 6. Procedures When the Change is Not Reported by the household in a Timely Manner

If the household does not report the change as described under 'Standards for Timely Reporting', or does not provide requested verification within the given timeframe, the household will be considered to have caused a delay in the interim recertification processing and the following guidelines will apply:

- a. Increases in Tenant Rent will be effective retroactive to the date it would have been effective had it been reported on a timely basis. The household will be liable for any overpaid housing assistance and will be required to pay the debt in full within 60 days so an interim recertification for increases could be processed
- b. Decreases in Tenant Rent will be effective on the first of the month following completion of processing by the PHA and not retroactively.

#### 7. Misrepresentation of Household Circumstances

If any participant deliberately misrepresents the information on which eligibility or tenant rent is established, the PHA (after consultation with the case manager) may terminate assistance and may refer the household file/record to the appropriate authorities.

### N. Other Interim Reporting Issues

#### 1. Decrease in Income Due to Imputed Income

The PHA will conduct an interim recertification to count imputed welfare income (defined below) for families whose welfare assistance is reduced specifically because of:



- aa. Welfare fraud, or
  - bb. Failure to participate in an economic self-sufficiency program, or
  - cc. Noncompliance with a work activities requirement.
2. The PHA will also conduct an interim recertification to reflect changes in actual welfare income if the welfare assistance reduction is a result of:
- aa. The expiration of a lifetime time limit on receiving benefits; or
  - bb. A situation where the household has complied with welfare program requirements but cannot or has not obtained employment;
  - cc. The household has complied with welfare program requirements, but the duration time limit; such as a cap on the length of time a household can receive benefits, and causes the household to lose their welfare benefits.

3. Definition of "Imputed Welfare Income"

Imputed Welfare income is the amount of annual income projected but not actually received by a household as a result of a specified welfare benefit reduction.

The amount of imputed welfare income is determined by the PHA, based on written information supplied to the PHA by the welfare agency, including:

- aa. The amount of the benefit reduction
- bb. The term of the benefit reduction
- cc. The reason for the reduction
- dd. Subsequent changes in the term or amount of the benefit reduction

The household's annual income will include the imputed welfare income, as determined at the household's annual or interim recertification, during the term of the welfare benefits reduction (as specified by the welfare agency). The amount of imputed welfare income will be offset by the amount of additional income the household receives that commences after the sanction was imposed. When additional income from other sources is at least equal to the imputed welfare income, the imputed welfare income will be reduced to zero.

If the household was not an assisted participant when the welfare sanction began, imputed welfare income will not be included in annual income.

4. Household Dispute of Amount of Imputed Welfare Income

If the household disputes the amount of imputed income and the PHA denies the household's request to modify the amount, the PHA will provide the participant with a notice of denial, which will include:

- aa. An explanation for the PHA's determination of the amount of imputed welfare income.
- bb. A statement that the participant may request an informal hearing.
- cc. A statement that the grievance information received from the welfare agency cannot be disputed at the informal hearing, and the issue to be examined at the informal hearing will be the PHA's determination of the amount of imputed welfare income, not the welfare agency's determination to sanction the welfare benefits.

#### 5. Verification of Welfare Before Denying a Request to Reduce Rent

The PHA will obtain written verification from the welfare agency stating that the household's benefits have been reduced due to fraud or noncompliance with welfare agency economic self-sufficiency or work activities requirements before denying the household's request for rent reduction.

The PHA will rely on the welfare agency's written notice regarding welfare sanctions.

## **CHAPTER XII: VOLUNTARY AND INVOLUNTARY MOVES**

### **A. Exceptions**

Participants in the SPC Program who are receiving tenant-based rental assistance (excluding MLK Village and Fairview) may request to move residences with continued SPC assistance.

Residents at MLK Village and Fairview are required to reside at these units due to the intensive case management services provided for these clients at these residences. Residents who live at housing by other Shelter Plus Care Sponsor-Based grants (currently Shasta and Boulevard Court) are not permitted to move unless they forego their SPC subsidy.

The eligible participants shall notify SPC staff of his or her wish to transfer. All requests to transfer must be approved by SPA case management and SPC staff. The move is approved if all of the following conditions are met:

1. The participant has resided in the unit for at least one year.
2. The participant is compliant with the terms of the lease.
3. The participant has a current Case Plan and he/she can still access case management services from the new location.
4. The participant is in good standing in the SPC Program and is abiding by the terms of their Program Agreement.

The Violence Against Women Act (VAWA) allows a household to move out of the assisted unit (assuming all other obligations are met) to protect the health or safety of the victim of domestic violence, dating violence, or stalking who believes he/she is imminently or actually threatened by harm or further violence if he/she stayed in the unit.

Exceptions to facilitate a move will be considered for participants by the SPC staff in the following situations:

1. There are serious safety concerns or serious habitability issues that are out of the participant's control.
2. The household size has changed such that a change in unit size is necessary, or
3. There is mutual agreement between the property owner and the participant to terminate the rental contract, and the participant is otherwise in good standing in the program.
4. As a reasonable accommodation when necessary to provide the participant with an equal housing opportunity and in accordance with the PHA's reasonable accommodation policy.

#### B. Restrictions on Move

The PHA will deny permission to move:

- During the initial term of the lease unless a mutual agreement is signed by the participant and the owner.
- If the household owes any PHA money or is not current with payments as specified in a repayment agreement.
- If the unit is in fail status for participant-responsible items.
- If the household's annual recertification is due within 120 days and the household is moving voluntarily, the move will be delayed until the recertification is completed.

Upon receipt of a request to move, the PHA will begin the recertification process. The recertification will be expedited promptly after submission of all paperwork. This will ensure that families lease up a new unit that is affordable to them based on current information. If the household is moving involuntarily, every effort will be made to expedite the recertification also for the same reason, but the household will not be delayed in moving.

- If a household has an interim recertification pending. The interim change must be processed prior to the move being processed. Every effort will be made to process the interim expeditiously assuming all necessary back up documentation (third party verification) and other paperwork is received.
- If there is insufficient funding for continued assistance.

Families will only be permitted to move once every 12 months. The supervisor may consider exceptions to these restrictions if there is an emergency justification for the move over which the participant has no control, or as a reasonable accommodation.

## C. Procedures for Moves

### 1. Issuing the Subsidy Certificate

Families approved to move to a new unit within the County of Sacramento's jurisdiction will be issued a new certificate within 15 business days after all necessary documents have been submitted by the household. The PHA will require a recertification if the household's recertification is due within the next 120 days.

Families who do not have an annual recertification due in the next 120 days will be required to complete a self certification form as a condition of issuance that certifies that no reportable changes have taken place in household income or composition since the last annual re-examination

Subject to the restrictions on moves, the PHA will issue the authorization (certificate) to move, and may require the household to attend a briefing if they have not done so in the last 18 months.

If the household does not locate a new unit, they may remain in the current unit so long as the owner permits. The HAP will terminate on the date identified in the 'Notice to Vacate' unless a 'Notice to Rescind/ Extend' the vacate date is delivered to the PHA.

### 2. Notice Requirements

The household must give the owner thirty days written notice of intent to vacate as specified by applicable law and must simultaneously give a copy to the PHA

## D. Involuntary Transfers

Tenant-Based SPC participants who receive a 30-day notice by the owner or are served with an eviction notice must contact SPC staff to provide a copy of the notice and request a transfer certificate. If the initiation of eviction proceedings is due to no fault of the participant, such as in the case of the building being sold, the request will be approved.

If the initiation of eviction proceedings is due to violations of the lease agreement, the request will be granted at the discretion of the SPC Supervisor. A mandatory tenant conference (MTC) will be scheduled to discuss the reasons for the lease agreement violations. Permission to move may be granted so long as the participant:

- Continues to fulfill their household obligations/responsibilities as specified in the SPC Program Agreement and annual recertification paperwork; and

- Takes reasonable steps to resolve the issues that contributed to the eviction

#### E. Portability

SPC subsidies are not portable outside Sacramento County.

#### F. Program Retention

Given the substantial disabled homeless population in Sacramento County, it is recommended that the SPA develop a wait list of qualified clients who can benefit from the opportunities provided with the SPC program. It is further recommended that priority be given to those who meet the definition of chronically homeless.

The Sacramento SPC Program recognizes that serving a homeless, disabled population requires a flexible approach. In the event that a program participant loses his or her housing due to unresolved problem behavior, or requires a higher level of care with a period of institutional care (over 90 days), should openings be available in the program, the SPA can request the former participant to be re-instated. This reentry request will only be considered after a minimum of six months. Reentry is not guaranteed and requires special approval from the SPC supervisor and the availability of grant funds to support re-entry of the individual/household into the program.

Every case is evaluated on a case by case basis. A re-applicant's past history will be taken into consideration in making an eligibility determination but will not be the sole determining factor for acceptance. While mitigating factors may be considered, the applicant must not have any outstanding debts to the PHA, or landlords, during their previous participation on the Shelter Plus Care program.

The re-applicant must have the willingness and ability to take steps to address the concerns at hand and show responsibility, motivation and readiness to re-enter the program. For instance, re-applicants must agree and be capable of participating in monthly case management services and must have resolved any outstanding financial liabilities associated with the program.

In some cases, however, termination from the program may be warranted due to incidents of violent behavior, criminal activity or other behavior that seriously threatens the health and safety of the community, or when a previous participant has repeatedly lost their housing due to lease violations.

If the re-applicant's request for reinstatement is denied, they will be notified in writing and given the opportunity to appeal the decision.

If a re-applicant is otherwise offered re-admission to the SPC program, they must have fully satisfied any remaining debt to the PHA prior to being offered a new security deposit.

## **CHAPTER XIII: CONTRACT TERMINATIONS**

The initial term of the HAP contract is one year. The contract between the owner and the PHA may be terminated by the PHA or by the owner.

No future subsidy payments on behalf of the household will be made by the PHA to the owner after the month in which the contract is terminated. The owner must reimburse the PHA for any subsidies paid by the PHA for any period after the contract termination date.

If the household continues to occupy the unit after the SPC contract is terminated, the household is responsible for the total amount of rent due to the owner.

After a contract termination, if the household meets the criteria for a move with continued assistance, the household may lease-up in another unit with continued assistance.

Household termination of the lease must be in accordance with the terms of the lease. Families are required to notify the PHA and the owner in writing with at least 30 days notice before they move out of a unit.

### **A. Termination of Tenancy by the Owner**

During the term of the lease, the owner may not terminate the tenancy except for the grounds stated in the HUD regulations and state or local law. The owner must provide the PHA with a copy of the termination notice. During the initial term of the lease the owner may only terminate tenancy for:

- Serious or repeated violations of the lease, including but not limited to failure to pay rent or other amounts due under the lease, or repeated violation of the terms and conditions of the lease.
- Violations of federal, state or local law that imposes obligations on the participant in connection with the occupancy or use of the premises.
- Criminal activity by the participant, any member of the household, a guest or another person under the participant's control that threatens the health, safety or right to peaceful enjoyment of the premises by the other residents, by persons residing in the immediate vicinity of the premises.
- Any drug-related criminal activity on or near the premises.
- Participant history of disturbance of neighbors, destruction of property, or behavior resulting in damage to the premises.



- Other good cause (in accordance with federal, state, and local law).

The eviction notice must specify the cause for the eviction.

During the initial term of the lease, the owner may not terminate the tenancy for “other good cause” unless the owner is terminating the tenancy because of something the household did or failed to do. For example, the following are NOT grounds for termination of tenancy during the initial lease term:

- Failure by household to accept offer of new lease or lease revision.
- Owner’s desire to use unit for personal or other use.
- Business or economic reason.

After the initial term of the lease, other good cause includes:

- Business or economic reason for regaining possession.
- Owner’s desire to repossess unit for personal use, or
- Participant’s refusal to accept offer of a new lease.

The owner may not terminate tenancy if the PHA fails to pay the HAP or pays it late. PHA failure to make the HAP is not a violation of the lease between the household and the owner.

## B. Foreclosures

The following provisions regarding foreclosure expire on December 31, 2014 or such other time as may be determined by state or federal authorities:

- During the term of the lease, the participant has a right to remain in the unit and cannot be evicted, except for actions that constitute good cause.
- If the lease ends in less than 90 days, the new owner may not evict the participant without giving the participant a minimum 90 days notice.
- At the end of the term of the lease, the new owner may terminate the tenancy if the new owner provides a 90-day notice.
- The new owner may terminate the tenancy if the owner will occupy the unit as a primary residence, and has provided the participant a notice to vacate at least 90 days before the effective date of such notice. This is the only exception to the rule that the participant may not be evicted during the term of the lease.

The foreclosure of a property does not constitute other good cause.

#### C. Termination of the Contract by the PHA

The term of the HAP contract terminates when the lease terminates, when the PHA terminates program assistance for the household, and/or when the owner has breached the HAP contract.

The PHA will also terminate the contract if:

- The PHA terminates assistance to the household.
- The household is required to move from a unit when the unit does not meet the HQS space standards because of an increase in household size or a change in household composition.
- Funding is no longer available.
- Household vacates without notice.
- Household self-terminates from SPC participation.

The contract will automatically terminate after 180 days have passed since the last housing assistance payment to the owner of a certification of income for a decrease in income has not been received.

## CHAPTER XIV: PROBATION, TERMINATIONS, AND APPEALS

The County of Sacramento SPC Program is designed to serve disabled people who are homeless and have had poor access to housing and supportive services. In order to reach this disadvantaged and hard-to-reach homeless population, sensitivity, flexibility, and respect for the participant's past experiences is critical. Behavior that might be grounds for dismissal in more traditional programs may not be appropriate grounds for dismissal from the SPC Program.

### A. SPC Program Violations

Assistance may be terminated or a participant may be put on probation if the participant violates SPC program requirements or conditions of occupancy. Examples of SPC program violations are:

- The household refuses to participate in the program. Participation is defined as meeting with the SPA case manager at least once per month (including a home visit), or more often if necessary, and participating in services outlined in the *Individual Case Plan*. The participant **MUST** also allow the case manager to make monthly home visits to ensure that he/she is meeting the 3 HUD goals, including housing stability. The case manager should not be made to feel unsafe within the participants' home environment.
- The SPA is no longer providing services to the participant for any reason. It is the responsibility of the participant to ensure that he/she receives case management services on a monthly basis. If the participant cannot find a service provider agency to provide the services that were previously provided by another agency, the participant may be terminated. The PHA may provide referrals of existing SPAs that can be contacted, however, it is the responsibility of the participant (and if possible with the assistance of the prior SPA) to secure case management services. If new case management services cannot be secured within 30 days, the participant may be terminated from the program. Extensions to find these services are reviewed on a case by case basis. Factors taken into consideration include the severity of the participant's disability, their prior efforts to find case management and other pertinent factors.
- Assistance may also be terminated if a participant is unable to meet the terms and conditions of occupancy due to a need for a level of care and supervision that cannot be provided through the SPC Program.

The SPC Program shall exercise judgment in determining when violations are serious enough to warrant probation or termination. The program will do as much as possible to ensure that applicants and participants are given access to supportive services provided by SPA agencies so that a participant's assistance is terminated only in the most severe cases. The program shall give participants written warning prior to termination so that they may have an

opportunity to take appropriate action to resolve the problems and thus continue their participation in the program.

Extremely serious program violations (such as violent, drug-related, or other criminal behavior) that affect the health and safety of the participant, their family, or community will result in proceeding immediately to termination proceedings. In all other cases, whenever possible the participant (upon consultation with SPA staff) may be given a written warning, and will be placed on probation prior to termination.

If the participant commits fraud or is involved in any other illegal scheme with the owner, the PHA will deny or terminate assistance.

The PHA schedules appointments and sets deadlines in order to obtain the required information. A participant who fails to keep an appointment, or to supply information required by a deadline without notifying the PHA, may be sent a Notice of Proposed Termination of Assistance. Failure to provide required information, failure to attend a Mandatory Tenant Conference, and failure to allow the PHA or their contractor to inspect the unit are all considered serious violations of the program rules and regulations.

PHA staff will make every attempt to work with the SPA case manager and the participant to ensure that appointments are kept and paperwork is provided to complete the interim/annual recertifications. If appointments are repeatedly (more than one time) missed, the participant may be terminated from the program for not meeting their obligations. After issuance of the termination notice, if the participant offers to correct the breach within the time allowed to request a hearing, the termination may be rescinded after the participant cures the breach.

A decision by a landlord to terminate a participant's tenancy does not necessarily constitute termination from the SPC Program. PHA staff will determine with the SPA the reasons for the tenancy termination and address the violations to ensure they are corrected/not repeated. Based on the individual situation, the participant may be given the opportunity to move (with a warning not to violate program rules) and/or be placed on probation.

#### B. Termination – Zero HAP Assistance

The household may remain in the unit at Zero HAP for 180 days after the last Housing Assistance Payment. After this time period, the participant is considered to not need the assistance of the SPC program and will graduate from the program and the termination of assistance will be processed. If, within the 180-day timeframe, the PHA receives notice that the household requested a decrease in their income, the PHA will complete a review of the household's income and resume assistance payments for the household if the review process verifies the household continues to be eligible for the program. If the household moves out of their current unit during the 180 day Zero HAP time-frame, the new lease must result in a HAP payment or the eligibility will automatically terminate at the time of move-out.

#### C. Termination Process

All federally assisted housing is intended to provide a place to live and raise families. It is the intention of the PHA to fully endorse and implement a policy designed to:

- Help create and maintain a safe and drug-free community.
- Protect our program participants free from threats to their personal and household safety.

Given that the SPC clients face severe disabilities and are working towards achieving self sufficiency and residential stability, SPC staff will work with the SPA staff to provide assistance as needed to help them succeed with the program.

All termination of assistance procedures shall be administered without violating the rights to privacy and shall not discriminate on the basis of race, color, nationality, religion, familial status, disability, sex, transgender identity, or other legally protected groups.

#### Step 1: Mandatory Tenant Conference

Upon receiving information that the participant has violated the SPC program policies, the PHA Housing Specialist will send a mandatory tenant conference (MTC) appointment letter to the participant and SPA case manager detailing the allegations / request for information that will be discussed at the *Mandatory Tenant Conference*.

At the MTC the Housing Specialist will discuss the allegations / required information and the participant will be allowed to provide any documentation related to the allegations / or submit required information and complete an affidavit.

The SPA case manager's attendance is critical during this meeting to ensure that the participant understands the alleged violations and the possible consequences. The SPA will attempt to work with the participant to address the problem(s). If, for example, the landlord is involved, the SPA case manager shall attempt to resolve the problem through negotiating with the landlord.

If the participant was arrested for drug charges, the participant must work closely with the SPA case manager and revise the case plan (if necessary) to ensure that he/she follows the steps outlined to stay clean and sober.

Each case will be reviewed on a case-by-case basis.

A *MTC Disposition Notice* will be mailed to the participant and the SPA case manager informing the participant how the PHA will proceed in this matter. A warning notice will also be mailed informing the participant of the violations of the program and household obligations and that the SPC subsidy is in danger of being revoked if there is a recurrence of this violation.

#### Step 2a: Probation Notice

If the participant continues to violate their lease agreement and/or program agreement such that they are at risk of losing their housing and/or being terminated from the program, upon consultation with the case manager, the PHA staff may place the client on probation. The period for the probation can vary from 30-90 days depending on the individual situation, the severity of the violations, the level of oversight necessary, and other factors.

The notice of probation shall clearly state the reason(s) the participant has been placed on probation, the duration of the probation, and the specific step(s) the participant must take in order to remain in the program. Should the probation be for a time period over 30 days, there will be a monthly check in between the participant/service provider and the Housing Specialist (at a minimum of) every 30 days to ensure the participant is following the guidelines of the probation notice.

#### Step 2 b: No Probation

Not every participant will necessarily be placed on probation after his/her first infraction. Each case is reviewed separately and some cases may warrant a written warning of the infraction and that the SPC subsidy is in jeopardy.

Should the participant have a second infraction, PHA staff, after coordination with SPA staff may initiate the termination process

#### Step 3: Written Notice of Termination

If the decision made by PHA staff (in coordination with SPA staff) is that the participant is not complying with program rules the case shall proceed with proposed termination.

If the matter proceeds to termination, the Housing Specialist shall notify the participant and case manager in writing that they are being proposed for termination from the program. The notice must contain a clear statement of the reason(s) for termination, the effective date of the termination and the participant's right to an Informal Hearing for a review of the decision, at which time the participant is given the opportunity to present written or oral objections and may be represented by a third party advocate. The participant will be provided an *Informal Hearing Request* form and the date by which a request for an informal hearing must be received by the PHA.

A participant who fails to request an informal hearing by the due date provided on the form waives this right, and the decision to terminate them from the program becomes final.

Termination of housing assistance will be effective at the end of the month, following a 30-day notice of adverse action. The PHA will provide written notice of the contract termination to the owner so that it will coincide with the Termination of Assistance. The Notice to the owner will not include any details regarding the reason for termination of

assistance.

#### Step 4: Informal Hearing Process

A request for an informal hearing must be received in writing no later than 15 days from the date of the PHA's notification of adverse action. The informal hearing will be scheduled within 45 days from the date the request is received.

If the participant does not request an informal hearing within 15 days of the date of written notice, s/he waives his/her right to a hearing, and the PHA's proposed disposition of the grievance remains.

It is the PHA's objective to resolve disputes at the lowest possible level and will ensure that participants receive all of the protections and rights afforded by the law and the regulations.

The notification of hearing (to the participant and case manager) will give at least 15 days notice and will contain:

- The date and time of the hearing.
- The location where the hearing will be held.
- The household's right to provide evidence before the hearing, or to include witnesses, legal or other representation at the household's expense.
- The household's right to view any documents or evidence in the possession of the PHA upon which the PHA based the proposed action. The household may obtain a copy of such documents prior to the hearing. Requests for such documents or evidence must be received no later than three days before the hearing date.
- A notice to the participant that the PHA is requesting a copy of any documents or evidence the participant will use at the hearing. Such documents or evidence must be received no later than three days before the hearing date.
- The SPA case manager should be in attendance at the Informal Hearing.

#### D. The Hearing Process

After a hearing date is scheduled, the participant may request to reschedule a hearing only

upon showing "good cause," which is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the household.

Participants have the right to:

- Present written or oral objections to the PHA's determination.
- Examine the documents which are the basis for the PHA's action.
- Copy any relevant documents at their expense.
- Present any information or witnesses pertinent to the issue of the hearing; except for new evidence, or legal briefs which the PHA has not been given at least three full business days to examine (to include making a copy at the PHA's expense), at the PHA offices, prior to the hearing. Such documents should not be left in drop boxes and must clearly be marked as Hearing Documents. If the household does not make the document available for examination on request of the PHA, the household may not rely on the document at the hearing.
- Request that the PHA staff be available or present at the hearing to answer questions pertinent to the case, and
- Be represented by legal counsel, advocate, or other designated representative at their own expense.

If the household requests copies of documents relevant to the hearing, the PHA will make the copies or provide electronic files for the household and assess a fee as stated in the *Schedule of Fees and Charges*.

Comment [st1]: What is the fee?

The PHA has a right to:

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



The informal hearing shall be conducted by the Hearing Officer, a third party appointed by the PHA and is neither the person who made or approved the decision, nor a subordinate of that person.

The hearing shall concern only the issues for which the household has received the opportunity for hearing. Evidence presented at the hearing may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings. Evidence not presented at the time of the hearing may not be accepted, unless such evidence was unavailable at the time of the hearing due to circumstances beyond the client's control. The decision to allow evidence not available at the time of the hearing will be decided at the hearing officer's discretion. The opposing party will always be given an opportunity to submit a written or oral response. No documents may be presented which have not been provided to the other party before the hearing if requested by the other party. "Documents" includes records and regulations.

The hearing may be conducted by telephone if acceptable to both parties.

If the household misses the hearing, or is more than 15 minutes late for a hearing, they will be required to show "good cause" or the action of the PHA shall take effect and another hearing will not be granted.

The Hearing Officer(s) will determine whether the decision of the PHA is legal in accordance with HUD regulations and this *Policies and Procedures Manual* based upon the evidence and testimony provided at the hearing. Factual determinations relating to the individual circumstances of the household will be based on a preponderance of the evidence presented at the hearing.

The Hearing Officer shall mail a notice of findings to the PHA and the household within 14 days and shall include:

- A clear summary of the decision and reasons for the decision.
- Notice that the Code of Civil Procedure, Sec 1094.6 governs the time within which judicial review must be sought.
- The date the decision goes into effect.
- If the PHA's decision is upheld by the Hearing Officer, a notice of termination of subsidy will be sent, stating that the subsidy will cease at the end of the month, following 30 days notice.

The PHA is not bound by hearing decisions:

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

The PHA shall send a letter to the participant if it determines that the PHA is not bound by the Hearing Officer(s)'s determination within ten days. The letter shall include the PHA's reasons for the decision.

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

Transcripts: Either party 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.

## **CHAPTER XV: REPAYMENT AND FRAUD**

### **A. Household Repayment of Debt to PHA**

When a household has incurred a debt to the PHA, the PHA will meet with the household to inform them of the money owed and the process used to determine the debt. The household will be asked to repay the debt no later than sixty (60) days from issuance of the notice. When a debt is under \$5,000 the PHA will propose termination of eligibility, effective sixty days from the date of the notice unless the debt is repaid. If the household fails to repay the money owed in full during the sixty days, a termination notice will be issued and the household can request an Informal Hearing. If the household repays all money owed before the date of termination, the PHA will rescind the termination. However, if the amount owed exceeds \$5,000 the PHA will demand full repayment of the debt, will propose termination of the household's assistance and refer the case to the HUD Office of Inspector General's (OIG) office for prosecution.

If the debt resulted from the household's failure to report income and the failure to report has occurred in at least one other instance, the PHA will seek repayment of the debt and will propose termination due to the repeated violation, regardless of the amount.

### **B. Owner HAP Overpayment**

If an owner has an overpayment on a HAP check and has other HAP contracts, the overpayment amount will be deducted from the next monthly HAP check issued on behalf of any tenant. If an owner does not have any other active HAP contracts, the owner has ten (10) working days from the date of notification to:

- Issue a cashier's check or money order for the amount of the overpayment payable to the PHA; or
- Return the un-cashed HAP check

The owner will be subject to collections if the overpayment has not been paid in full.

### **C. Program Fraud**

HUD's definition of program fraud and abuse is a single act or pattern of actions that:

- Constitutes false statement(s), omission, or concealment of a substantive fact, made with intent to deceive or mislead, and
- Results in payment of SPC program funds in violation of program requirements.

#### D. Household Repayment for Program Fraud

The PHA may:

- Seek immediate repayment of money owed by families due to program fraud.
- Review the case to determine future eligibility, and
- Refer the case to HUD Office of Inspector General (OIG) for collection or criminal prosecution, if appropriate.

#### E. Owner Repayment for Program Fraud

If the PHA determines that the owner has retained housing assistance or claim payments the owner is not entitled to, the PHA may reclaim the amounts from future housing assistance or claim payments owed by the owner for any units under contract.

If future housing assistance or claim payments are insufficient to reclaim the amounts owed within twelve (12) months, the PHA may:

- Require the owner to pay the amount in full within ten (10) days.
- Pursue collections through a collection agency such as Sacramento County Department of Revenue Recovery or other collection agent(s).
- Restrict the owner from future participation.

#### F. Writing Off Debts Still Owed

Debts may be written off after 90 days, however, the amount owed continues to be due. There is no amnesty or forgiveness for unpaid debts to the PHA by owners or participants.

#### G. Criteria for Investigation of Suspected Fraud and Abuse

The PHA will not undertake an inquiry or an audit of a participating household arbitrarily. The PHA's expectation is that participating families are complying with HUD requirements, provisions of the lease, and other program rules. The PHA staff

will make every effort to educate all families in order to avoid unintentional violations. The PHA has a responsibility to HUD, to the community, and to eligible families in need of housing assistance, to monitor participants and owners for compliance and to investigate reports of possible abuse.

The PHA will initiate an investigation and any subsequent follow-up of a participating household only in the event that one or more of the following circumstances occur:

- The PHA receives information that a household is in non-compliance with, or otherwise violating the household obligations, or any other program rules.
- A copy of the allegation will be retained in the household's file.
- Internal file review reveals (as a function of initial eligibility, recertification, interim recertification, or quality control review) information or facts which conflict with file data, the PHA's knowledge of the household, or is discrepant with statements made by the household;
- If the PHA receives independent verification or documentation which conflicts with representations in the household's file (such as public record information, credit bureau reports, or reports from other agencies).

#### H. Confidentiality of Criminal Records

The PHA will ensure that any criminal record received is maintained confidentially, not misused or improperly disseminated, and then destroyed once the purpose for which it was requested is accomplished.

Misuse of the above information by any employee may be grounds for termination of employment.

If the household is determined eligible for initial or continued assistance, the PHA's copy of the criminal report will be shredded as soon as the information is no longer needed for eligibility or continued assistance determination.

If the household's assistance is denied or terminated, the criminal record information will be shredded immediately upon completion of the informal review or informal hearing, a final decision has been made and any appeal deadline has expired.

The PHA will document in the household's file that the household was denied admission or the tenancy was terminated due to findings in the Criminal History Report.

## I. Allegations of Abuse and Fraud Investigations

If the PHA determines that an allegation or referral warrants follow-up, either the staff person who is responsible for the file, or the Program Integrity Analyst, or other designated staff person will conduct the investigation. As appropriate, the PHA will secure the written authorization from the program participant for the release of information. The steps taken will depend upon the nature of the allegation and may include, but are not limited to, the following:

- Determine if there is financial activity that conflicts with the reported income of the household via Credit Bureau inquiries (with proper authorization by the participant or applicant);
- Contact employers or ex-employers to verify wages that may have been previously undisclosed or misreported;
- Interview neighbors and/or other witnesses who are believed to have knowledge of facts pertaining to the PHA's review. In such instances, the client's privacy will be protected by the PHA;
- Contact investigators, caseworkers or representatives of other benefit agencies;
- Review public records kept in any jurisdictional courthouse such as real estate, marriage, divorce, uniform commercial code financing statements, voter registration, judgments, court or police records, state wage records, utility records and postal records; and,
- Investigate allegations against a participant/applicant or owner. This review will consist of an internal review of the file or information received to determine the nature of the allegation(s). A determination will be made whether or not the information reported has been previously disclosed to the PHA. The PHA will make a determination as to which is the most appropriate authority to perform any follow-up investigation;
- Conduct a tenant conference to exchange information regarding the allegation(s) with the head of household and / or adult member(s) of the household.

## J. Tenant Conference for Serious Violations and Misrepresentations

When the PHA suspects that misrepresentation(s) may have occurred, a mandatory tenant conference (MTC) will be scheduled with the household representative and a PHA staff person who is knowledgeable about the circumstances of the case.

This MTC will take place prior to any proposed action by the PHA. The purpose of the MTC is to:

- Review the information obtained by the PHA with the participant
- Provide the participant an opportunity to explain any document findings which conflict with representations in the household's file
- Consider any new information, documents or mitigating circumstances presented by the household, and
- Assist the PHA in determining the course of action most appropriate for the case.

#### K. Placement of Documents, Evidence, and Statements Obtained by the PHA

Documents and other evidence obtained by the PHA during the course of an investigation will be considered "work products" and will either be kept in the participant's file, or in a separate "work file". In either case, the participant's file or work file shall be kept in a secured area. Such cases under review will not be discussed among PHA staff unless they are involved in the process, or have information which may assist in the investigation.

#### L. Conclusion of the PHA's Investigative Review

At the conclusion of the investigative review, the reviewer will report the findings to the Supervisor. It will then be determined what action, if any, is appropriate.

#### M. Evaluation of Findings

If it is determined that a program violation has occurred, the PHA will review the facts to determine:

- The type of violation (procedural, non-compliance, fraud)
- The seriousness of the offense
- Whether the violation was intentional or unintentional
- What amount of money (if any) is owed by the household or owner
- Whether or not the household and/or owner are eligible for continued program participation.

#### N. Procedures for Documented Violations

Once a program violation has been documented, the PHA will propose the most appropriate remedy based upon the type and severity of the violation. Such actions can include, but not be limited to, issuing warnings to the household, mailing a mandatory tenant conference (*MTC* form), or proposing termination.

Should a warning notice be issued, the notice will be mailed to the household and SPA case manager and include the following:

- A description of the alleged abuse or fraudulent activity.
- The corrective action to be taken by the household or PHA to remedy the situation.
- The date by which the violation must be corrected or the procedure complied with.
- The action, which will be taken by the PHA if the procedure or obligation is not complied with by the date, specified by the PHA, and
- The consequences of repeated (similar) violations.

#### O. Household-Caused Errors and Program Abuse

An incorrect subsidy determination caused by a household may be the result of incorrect reporting of household composition, income, assets, or expenses.

An applicant or participant in the SPC Program must not knowingly:

- Make a false statement to the PHA.
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program.
- Pay to the owner excess amounts over the amount authorized by the PHA for rent, security deposit and additional services.
- Offer bribes or illegal gratuities to the PHA Board of Commissioners, employees, contractors, or other PHA representatives.
- Offer 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 household's behalf.



- Use a false name.
- Use falsified, forged or altered documents.
- Misreport household information or circumstances (e.g. income, household composition), or,
- Omit facts that were obviously known by a household member (e.g., not reporting employment income).

#### P. Household Reimbursement to the PHA

In the case of the household-caused errors or program abuse, the household will be required to repay any excess subsidy received and/or be terminated.

#### Q. Penalties for Program Abuse

In the case of program abuse caused by a household, the PHA may impose any of the following remedies:

- Require the household to repay excess subsidy amounts paid by the PHA within 60 days.
- Require, as a condition of continuing assistance, that a culpable household member not reside in the unit.
- Deny or terminate the household's assistance, or
- Refer the household for state or federal criminal prosecution.

Where it is determined that an individual or group has engaged in activities including, but not limited to misrepresentation, duplicitous activity, fraud, or is complicit in any such activity while acting in any matter related to business with SHRA, the PHA may, at its discretion, refuse to conduct business in any capacity with the individual or group.

#### R. Vacancy Policy

For cases of death the SPC Program will pay the rental subsidy until the end of the month that the unit was vacated. No additional assistance will be paid until another eligible household occupies the unit.

It is the expectation that SPA staff inform SPC staff immediately after the participant is incarcerated or has passed away.

For planned vacancies, the SPC participant must provide the property owner with a

written “30-Day Notice to Vacate.” The Program will terminate the rental assistance 30 days from the date the owner is notified by the participant, or when the participant no longer resides in the unit, unless the owner has consented to terminate the contract sooner.

When SPA staff learns that a SPC participant has vacated a unit for any reason they must immediately notify the SPC Program Specialist. SPC staff will send the property owner a written 30-day notice of contract cancellation, prior to termination of the rental subsidy.

SPC participants can enter an institution (including jail, hospital, psychiatric institution) not to exceed 90 days. Should the participant have repeated episodes of being out of the unit for extended periods of time for such inpatient care, the Housing Specialist will inform the supervisor to determine the next steps based on a case-by-case basis.

#### S. Conflict of Interest Policy

Current paid staff members of the PHA’s SPC Program’s or SPAs may not rent properties to participants of the program.

Current participants of the PHA’s SPC Program may pursue employment with one of the SPC SPAs, as long as:

- Their employing agency is not the same as their designated SPA (i.e. it cannot be the same agency that provides case management to the participant). If a participant wishes to become a regular employee at the agency that is currently their SPA, they must first obtain written agreement from another SPA partner agency to become their service provider, in order to avoid any potential conflict of interest; and
- Their job responsibilities are separate from the SPC Program, and they would not have access to confidential information regarding other SPC Program participants, and
- They sign a consent form acknowledging that information about their participation in the SPC Program may be discussed during meetings among the SPC partner agencies, and thus potentially shared with their employing agency. (As much as possible, the SPC Program will avoid discussing a participant who is employed by a partner agency in settings where their fellow employees may be present).

Volunteers are not precluded from participating in the SPC Program, as long as they do not have access to confidential information regarding other SPC participants.

## T. Recording Keeping and Data Collection

The PHA does not maintain paper files for each participant. All paperwork initially provided to the client will be scanned into an electronic database and stored electronically for the participant's duration in the program. All annual recertification paperwork will also be scanned into the electronic database for future storage. Once the paperwork is scanned into the database system it is sent to archives and stored for ninety days. After this time period, the files are destroyed.

The electronic program files will at a minimum contain:

- SPC Referral Forms including contact information.
- SPC Primary Service Provider Agreement.
- Documentation verifying eligibility for the SPC Program, including homeless history, homeless and disability certifications, and income verification.
- Copies of picture identification and social security cards for each member of the household.
- Copies of birth certificates for each minor in the household.
- Individualized Case Plan for the SPC applicant updated annually.
- Homeless Management Information Systems (HMIS) data at intake and from each annual recertification.
- Pertinent Consent Forms.
- Move Requests.
- Arrest/Complaint information and follow up documentation.
- Probation notices – if applicable.
- Requests for Security Deposit.
- Documentation of interim adjustments in household income.
- Annual recertification documentation including but not limited to:
  - Participant Data Worksheet.
  - Income verification for each adult household member.
  - Copies of ID, social security cards for each adult household member.

- Copies of social security cards and birth certificates for each child in the household.
- HUD Authorization for the Release of Information/Privacy Act Notice.
- Consent to Release Information to request third-party verification of income.

Other housing related paperwork including but not limited to:

- *Request for Tenancy Approval.*
- Copies of inspection reports to verify each unit complies with federal HQS.
- Documentation of the rent reasonableness assessment.
- *Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards* signed by landlord and participant.
- SPC lease and any addendum added by landlord, signed by property manager and participant.
- Copy of HAP contract signed by property manager.

All records will be retained in accordance with the PHA's records retention policy.

#### U. Audit

SPC service provider agencies shall also maintain records documenting program participants' eligibility and monthly services provided to participants. Service provider agencies may be audited for program compliance on an annual basis. Agencies will be given a fourteen (14) day notice of the audit and list of participant files being reviewed.

Agencies must additionally maintain records of SPC Program services being provided as leverage to the housing subsidy and shall provide quarterly reports to the SPC Supervisor documenting the value of these services.

Service agency files shall contain the following documentation:

- Waiting List – if applicable
- SPC Program Application
- Proof of Homelessness

- Proof of Disability
- Proof of Income
- Program Agreement
- Consent for Release of Information for SPC Program
- Consent for Release of Information for participation in HMIS
- Birth Certificates for minor household members
- Marriage Certificate (if applicable)
- Photo I.D.
- Social Security Card
- Case Plan – updated annually
- Annual recertification paperwork and supporting documents
- Interim household/income changes and supporting documents
- Progress notes
- Copy of lease agreements
- Correspondence with the SPC Housing Specialist, owner
- Probation documentation – if applicable
- Service Match Documentation

#### V. Privacy and Confidentiality Guidelines

Staff and volunteers will respect SPC participants' right to confidential treatment of records. All information obtained in the course of providing case management services is confidential and may not be revealed, shared, or discussed other than at closed meeting sessions amongst PHA staff, case conferences with the SPA staff, or pursuant to guidelines for disclosure as described below.

Programs must obtain the informed, voluntary and written consent of the participant to release confidential information. A *Release of Information* form is valid only if it is

signed, contains a specific statement of the information to be released and the purpose for which it is sought, contains the date the consent was signed and a date the consent expires, the identity of the person to whom information will be given, the identity of the person within the agency releasing the confidential information, and a statement that the participant may withdraw their consent at any time. A copy of the signed release must be maintained in the participant's file.

## **CHAPTER XVI: FINANCIAL MANAGEMENT AND GRANT ADMINISTRATION**

### **A. Housing Assistance Payments**

The SPC Program provides ongoing rental assistance to participants for as long as they continue to qualify for the program, their rental unit remains eligible, and the PHA continues to receive grant funding. The total tenant payment (TTP) and the Housing Assistance Payment (HAP) are calculated by formula as described in the 24 Code of Federal Regulations (CFR) 582.310.

### **B. Administrative Costs**

Eligible expenses include only those costs associated with administering the housing assistance, and may not be spent on the costs of providing or administering supportive services or the grant itself.

SPC and the SHRA's Finance staff jointly work to ensure that administrative funds are used for allowable activities and expenditures. Allowable activities and expenditures include:

- Receiving new participants into the program.
- Providing housing information and search assistance.
- Determining participant income and rent contributions.
- Inspection units for compliance with Housing Quality Standards.
- Processing housing assistance payments to landlords.
- Payroll expenses related to the allowable administrative activities.
- Operating expenses for administering the rental assistance.

### **C. Invoicing HUD**

On a monthly basis SHRA's Finance staff will use HUD's Line of Credit Control System (LOCCS) to draw down funds from each SPC grant to reimburse the PHA for its eligible expenditures. The following procedures will be followed:

- Disability and bedroom data for all SPC programs are provided to Finance staff.

- A General Ledger report is generated by Finance staff documenting all expenditures for the period, including both administrative costs and rent payments.
- A LOCCS voucher is completed including the expenditure, disability and bedroom data, using HUD's electronic LOCCS system.
- All detailed backup documentation related to the draw is attached to a copy of the LOCCS voucher and maintained on file by SPC staff.
- SHRA Finance staff prepares journal entries to record the revenues to the automated accounting system.
- SHRA Finance staff generates financial statements and reconciles all transactions to the budget on a monthly basis.

#### D. Monitoring Grant Administration, Capacity, and Utilization

The SPC Supervisor receives a copy of the monthly invoices to HUD, and monitors the rate of expenditure of program funds as well as grant utilization. On a monthly basis, the Supervisor assesses the lease-up rate, and projects whether the program will be overspent or under spent by the end of the grant term.

The SPC Supervisor in consultation with other management staff will make needed program adjustments. If based on the rate of expenditures the program has capacity to enroll additional participants, the SPC Supervisor will open the program for additional participants based on HUD Continuum of Care priorities. Such priorities can include prioritizing the chronically homes, and unsheltered individuals and families.

If based on the rate of expenditures, the program is at risk of overspending of a grant, the SPC Supervisor will not accept new applicants until the spending rate is reduced to the desired level.

PHA staff will also conduct annual audits of the service provider participant files to ensure that all information required is accurately documented. The participant files should include accurate documentation related to eligibility to the program in addition to documentation ensuring that the participant meets all requirements to receive continued assistance in the program. Documentation must show that the service provider staff is meeting with each client at least once a month including a home visit. If the client is on probation, the service provider staff must show evidence that he/she is working with the participant to resolve pending probationary issues.



14 day notice will be provided to the service provider agency of the upcoming audit and files to be reviewed during the visit. The audit will be held offsite at the service provider agency's headquarters or applicable site location.

#### Grant Applications and Renewals

SHRA staff will participate in the Sacramento County Continuum of Care and may seek additional SPC funding contingent upon staff capacity to administer additional grants, and sufficient service capacity by interested partner agencies.

The PHA has an open door policy in developing partnerships with project sponsors. If an agency approaches the PHA to develop a partnership to apply for a sponsor-based SPC grant, the PHA will evaluate the request, and may proceed with a new application contingent upon verification that the sponsor agency has site control of the units to be included in a new SPC grant, sufficient staff capacity to administer the grant, and reliable service capacity to provide ongoing services to participants served by the grant to reasonably assure their success in housing.

The PHA staff will prepare and submit the renewal applications for each SPC grant prior to the grant expiration date as part of the Sacramento County Continuum of Care submission.

#### E. Grant Amendments

Prior to making any significant changes to a grant, the PHA will consult with the local HUD office and submit a written request to HUD for approval. If a grant extension is necessary, the PHA will submit the request to HUD well in advance of the grant's expiration date.

#### F. Reporting Requirements

##### 1. Annual Progress Reports

The SPC Supervisor is responsible for preparing the Annual Progress Report (APR) for each grant, and submitting the report to HUD within 90 days of the end of the grant period. The SPC Supervisor shall maintain a database with each of the data elements required by HUD to complete the report. Data for completing the APR will be generated from (but not limited to) the following sources:

- SPC Program database
- HMIS

- Participant case records
- Case management supportive services information

## 2. Support Services Match/Leverage

HUD regulations require the PHA to provide in-kind support services. As a condition of being a SPA for the SPC program, each agency agrees to document the value of services provided by their agencies to participants in the SPC Program (including both individual and aggregate data), and provide this leverage information quarterly, to the SPC Supervisor. The SPAs shall keep track of all matched and leveraged resources and provide to the SPC program at the end of the grant year. This matched data is reviewed and provided to HUD as part of the APR report for the grant.

The PHA will competitively seek to receive Continuum of Care funding on an annual basis per the guidelines period to the annual Continuum of Care Notice of Funding Availability process requested during the application period to provide address information as needed to supplement the grant applications.

## **ADDENDUM I: STEP-BY-STEP REASONABLE ACCOMMODATION GUIDE**

### **A. Procedure for Processing Requests for Reasonable Accommodation of Disabilities**

This procedure establishes a framework for the receipt, processing, and final disposition of informal and formal client reasonable accommodation requests. While individual requests may require special handling, these guidelines are to be followed whenever possible. Proper documentation and tracking for each step in the process is essential.

A brochure has been developed explaining the process for requesting a reasonable accommodation which is distributed to families at initial intake and at annual re-certifications.

### **B. Informal Reasonable Accommodation Request**

When a client requests a reasonable accommodation which appears, on its face, to be reasonable in relation to the client's visible disability, PHA staff should handle the request informally. "Informally," means that the request can be granted with Supervisory review and approval, without first submitting it to the Reasonable Accommodation Committee (RAC) for review (RAC review will take place after the fact).

Informal reasonable accommodation requests may be made and granted expeditiously. Staff must still enter information into the appropriate fields of the Reasonable Accommodation Tracking Log and notate the electronic tenant file (in "Chronos") as to the request and the granting of a specific reasonable accommodation. All reasonable accommodations granted informally shall be reviewed and approved by the appropriate Supervisor or Program Manager prior to implementation.

The Supervisor or Program Manager will use the *Informal and Interactive Tracking* form located at "U:/PHA/reasonable accommodation" to document the approval or denial. The Supervisor or Program Manager will then forward the completed form to the RAC. (These steps are important as there is no third party verification for informal requests.)

Annual approvals for informal requests for reasonable accommodations will not be required during subsequent re-certifications. However, if information comes to light that casts doubt on the need for reasonable accommodation, the case worker will, as part of the next annual recertification process, require third party verification in order to verify the continuing nature of the disability and determine if there is a need for future verification.

Some examples of disabilities that may fit the informal approval procedure include:

- Quadriplegics requesting a front door ramp, wider doorways, grab bars, and reduced-height and cut-out kitchen cabinetry, or an additional bedroom for an existing live-in aide. The client's self-certification and the caseworker's observations are sufficient to informally grant the reasonable accommodation request when there is a nexus between the observed disability and the requested reasonable accommodation.
- Increases in the Payment Standard up to 110% of the FMR to accommodate disabled residents' higher cost for housing that meets particular needs, when those particular needs are visible.
- A visible disability or impairment which would require an accommodation wherein business will be conducted over the telephone, by home visits, or by other means not involving trips to the office.

The processing of Informal Reasonable Accommodation Requests should be done promptly to reduce the time the client must wait to obtain their reasonable accommodation. When possible, housing staff should immediately begin the process of securing the requested reasonable accommodation.

Informal handling of Reasonable Accommodation Requests should not be used as a "shortcut" to third party verification. If the disability is not visible or the requested accommodation does not appear to be directly related to assisting the client obtain the same benefits of assisted or public housing as any non-disabled applicant or client then it should be put through the formal process..

The RACC shall review each week's reasonable accommodation requests to determine whether informal reviews are being utilized appropriately and communicate any adjustments to staff that may be necessary for efficient and proper handling of these requests.

### C. Formal Reasonable Accommodation Requests

Formal processing of reasonable accommodation requests is required when:

- The disability and/or the need for a specific accommodation is not visible; or
- It is not clear how the requested accommodation is related to the disability, or
- The reasonable accommodation is unreasonable, cost prohibitive, or approval at the informal level is uncertain.

In these cases, a Formal Reasonable Accommodation Request must be submitted for the review of the RAC.

#### Step 1: Client Request for Reasonable Accommodation Due to Disability

Upon a client's request for a reasonable accommodation for a disability, staff should immediately recommend that the client complete the first two pages of the *Authorization for Use or Disclosure of Health Information* form. This form will provide the information needed to identify the client, specify their requested accommodation, and authorize their health care or other qualified professional to release information needed to properly verify the client's need for the accommodation they are requesting. The client may take the first two pages of the *Authorization For Use Or Disclosure of Health Information* form home to obtain the health care provider's contact information (street address or fax number) if they do not have that information readily available, or if it cannot quickly be determined. However, the form must be returned to the office so that PHA staff can fax the form to the health care professional. This will help to maintain the integrity of the third party verification process that is central to the formal reasonable accommodation process.

#### Step 2: Staff Action on the Request

Once the completed pages of the *Authorization For Use Or Disclosure of Health Information* form are received, staff will review the form for completeness and work with the client to clarify the request as needed. Staff will ensure that all appropriate information is provided and will then sign and date the bottom of the form (designated for office use only). The client may be provided with a copy of page 1 of this form as a receipt and verification of the date the form was received in the office. If the first pages of the *Authorization For Use Or Disclosure of Health Information* form are received by mail, the receipt may be sent to the client by mail.

Staff shall send via fax the entire *Authorization For Use Or Disclosure of Health Information* form to the health care professional identified by the client the same day and no later than the next business day, if it is requested by the client. PHA staff should advise the client to contact the health care professional to encourage their participation and cooperation in the timely processing of their reasonable accommodation request.

Staff will document in the electronic tenant file (Yardi in "Chronos") the date request received, the accommodation requested and the date when the form was faxed to the health care professional.

Finally, staff sends the Accommodation Request Packet (ARP) to the RAC by interoffice mail to mail code HCV-A

The ARP consists of the first 2 pages of the *Authorization For Use Or Disclosure of Health Information* form that are sent to the health care professional, along with the fax confirmation sheet, if it is available

The Packet must be sent to the RAC no later than the end of the next business day from the date the forms were received by the client. Generally, all paperwork should be completed the same day.

#### Step 3: Front End Processing Responsibility

The Reasonable Accommodation Receiver (RAR) will be responsible for the centralized tracking and filing up until consideration of the RAC.

The RAR will receive Application Packets from staff, compile completed *Authorization For Use Or Disclosure of Health Information* form from health care professionals, and respond to status questions from clients or process questions from health care professionals.

#### Step 4: Role of the RAC

The RAC reviews all completed reasonable accommodation requests weekly. The members are:

1. The Chair (Accommodation Coordinator, who is a PHA Assistant Director)
2. One Program Manager from the Housing Choice Voucher program
3. One Program Manager from the Housing Management division;
4. One Site Manager;
5. One Supervisor or above from PHA Applications (HCV or public housing).

At least three (3) members are necessary to make a decision.

RAC members shall meet to review and evaluate the requested accommodations in light of the provider's verification of disability-related need and recommendations as to the needs for reasonable accommodations.

If the information submitted by the health care professional is incomplete, the RAC may follow up to request additional information or clarification.

The RAC shall also review the *Informal Requests for Reasonable Accommodations* and maintain documentation of these decisions.

The RAC shall determine whether the reasonable accommodation request is:

- Granted; or
- Denied

The RAC may also choose to work interactively with the household to obtain additional information or to look at other alternatives through an interactive process before making a decision.

#### Step 5: Client Communication and the Interactive Process

In the event that the Health Care Professional specified in the ARP is non-responsive for sixty (60) calendar days, a void letter shall be issued saying that no response has been received from the health care professional. The void letter shall specify that any additional information will be considered.

In those cases where an evaluation of the health care provider's recommendation indicates an alternate accommodation may be similarly effective, and based on the RAC's recommendation, the Reasonable Accommodation Coordinator, or designated staff, will engage in an interactive process with the client. This negotiation attempts to reach agreement between the original request and an alternate accommodation that would effectively address the disability-related need as stated by the health care professional. Note that the client must voluntarily agree to an alternate accommodation. The interactive process should normally be completed within a week, but may take longer if a site inspection is needed or under other special circumstances.

If an alternate accommodation is agreed to, the Reasonable Accommodation Coordinator (or designee) will inform the Accommodation Committee at the next meeting and the alternate accommodation is documented. Consultation with PHA staff is essential to the successful outcome of the interactive process.

The interactive process may also be utilized when the RAC needs additional information or the requested accommodation is not clear. In any case, whenever the RAC has complete information from the health care provider, the RAC must always render a decision: either to approve or to deny the request and must communicate this decision in writing to the household in a timely manner.

When requests are made for an additional bedroom for medical equipment, a home visit may be scheduled to evaluate the size and quantity of the equipment to be accommodated.

#### Step 6: Completing the Reasonable Accommodation Process

When reviewing the information submitted, the RACC is looking for a nexus between the requested accommodation and the disability-related need. The purpose of granting the accommodation is to either allow a disabled person access to the program or to allow a disabled person to obtain all of the same benefits of program participation as a non-disabled person.

The completed and documented file shall be the responsibility of the Reasonable Accommodation Coordinator, who shall securely maintain the central files containing confidential reasonable accommodation processing paperwork separate from regular client files.

When the decision is made, the electronic file will be documented (in “Chronos”).

The Reasonable Accommodation Coordinator, or his/her designee, shall issue the final disposition of the reasonable accommodation request in writing to the client. The disposition letter shall provide the client with:

- A brief rationale for the accommodation’s approval, modification, or denial
- Specific information regarding the client’s right to additional reconsideration if/when they submit further information to support their request
- The client is also provided with a phone number, which they may call to speak with a RAC representative if there are any questions, and
- The household’s right to appeal the Accommodation Committee’s determination to a third party, acting as a hearing officer, provided that the written request for a informal hearing is received within (30) days from the time they receive their determination letter.

A copy of this letter will be placed in the tenant file. No confidential health-related information shall be included in the tenant or case file.

The senior Accommodation Committee member representing the program from which the client originated shall have the ultimate responsibility to ensure the final accommodation is implemented in a timely manner.

#### Step 7: No Subsequent Third Party Verification for Formal Requests

No further annual approvals for reasonable accommodations will be needed during subsequent re-certifications as long as the client’s health professional has previously certified that the condition is not expected to improve over the long term.

However, if information comes to light that casts doubt on the need for reasonable accommodation, the case worker may, as part of the next annual recertification process, require third party verification in order to determine the continued need for the verification. If it is believed the reasonable accommodation was granted under false pretenses or not required anymore, an interim examination and re-evaluation may be initiated with supervisory approval.



#### Step 8: Confirmation at Inspection

When the RAC approves an additional bedroom for any purpose, a note is sent to the inspectors at the time of annual inspection so that the Agency can verify that the bedroom is continuing to be used for its approved purpose. If the purpose of the bedroom has been changed from what was approved, the inspector will take photographs and send to the PHA Staff who will then call the household in for a tenant conference. At the tenant conference, the household and the PHA Staff will determine if the additional bedroom is still needed as a reasonable accommodation or if it is no longer needed for that purpose.

#### Step 9: Grievance or Appeal Process

If the RAC denies the requested accommodation, a letter is sent to the household stating that any additional information will be considered at any time it is received. The client is also provided with a phone number, which they may call to speak with the Committee Coordinator. Additionally, the household is notified of their right to appeal the decision by requesting an Informal Hearing before a third party. During the Informal Hearing the household may present their reasons for requesting the reasonable accommodation and any supporting documentation.

An applicant or participant can submit more than one reasonable accommodation request simultaneously or subsequently to an earlier one.

## **ADDENDUM 2: OWNER DISAPPROVAL AND RESTRICTION**

For purposes of this section, “owner” includes a principal or other interested party.

### **A. Owner Disapproval**

The PHA will disapprove the owner for the following reasons:

1. HUD or other agency directly related has informed the PHA that the owner has been disbarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.
2. HUD has informed the PHA that the federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other Federal equal opportunity requirements and such action is pending.
3. HUD has informed the PHA that a court or administrative agency has determined that the owner has violated the Fair Housing Act or other Federal equal opportunity requirements.
4. Unless their lease was effective prior June 17, 1998, the owner must not be a parent, child, grandparent, grandchild, sister, or brother of any member of the household. The PHA may waive this restriction as a reasonable accommodation for a household member who is a person with a disability if there is a nexus between the disability-related need and the provisions included in the rental property.

The PHA may disapprove the owner for the following reasons:

1. In cases where the owner and participant bear the same last name, the PHA may, at its discretion, require the household and or owner to certify that they are not related to each other in any way.
2. The owner has violated the terms of the HAP contract. This includes, but is not limited to, charging the participant, or accepting from the participant, payments in excess of the approved contract rent (“illegal side payments”).
3. The owner has violated any obligation under the HAP contract for the dwelling unit, including the owner’s obligations to maintain the unit to HQS, as well as any standards the PHA has adopted in this administrative policy.
4. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.

5. The owner has engaged in drug related criminal activity or violent criminal activity.
6. The owner has a history or practice of non-compliance with the HQS for units leased under the SPC program, HCV (Section 8) program, or any other federal housing program.
7. The owner has a history or practice of renting units that fail to meet state or local housing codes.
8. The owner has not paid state or local real estate taxes, fines or assessments.
9. The owner has failed to comply with regulations, the mortgage or note, or the regulatory agreement for projects with mortgages insured by HUD or loans made by HUD.
10. The owner has engaged in or threatened abusive or violent behavior toward PHA personnel. "Abusive or violent behavior" includes verbal as well as physical epithets or other language, written or oral, that is customarily used to intimidate, may be cause for termination or denial. "Threatening" refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.
11. The PHA will not approve a HAP contract to any relative owner, except when needed as a reasonable accommodation for disability.
12. The owner has a history or practice of failing to terminate tenancy of participants of units assisted under the SPC or any other federally assisted housing program for activity engaged in by the participant, any member of the household, a guest or another person under the control of any member of the household that:
  - a. Threatens the right to peaceful enjoyment of the premises by other residents.
  - b. Threatens the health or safety of other residents, of employees of the PHA, or of owner employees or other persons engaged in management of the housing.
  - c. 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; or has engaged in drug-related criminal activity or violent criminal activity

#### B. Owner/Agent Restrictions

Where it is determined that an owner or agent has violated the terms of the HAP contract, the PHA may do the following:

- Conduct an owner or agent conference to determine the extent of the violation.
- Issue a warning against further program violations.
- Recommend program disbarment for a period of up to 5 years or permanent disbarment.

In the case where the PHA determines that there has been an overpayment of HAP to the owner, the PHA will issue a repayment notice for any outstanding HAP.

#### C. Disapproval of Proposed Rent

In any of the programs, if the proposed contract rent is not reasonable, at the household's request the PHA will negotiate with the owner to reduce the rent to comply with the rent reasonableness test. If the rent can be approved after negotiations with the owner, the PHA will continue processing for tenancy approval and lease.

If the owner does not agree on the proposed contract rent to owner, the PHA will disapprove the RFTA.

#### D. Information to Owners

In accordance with HUD requirements, the PHA will furnish prospective owners with the household's current address as shown in the PHA's records and, if known to the PHA, the name and address of the owner at the household's current and prior address.

The PHA will make an exception to this requirement if the household's whereabouts must be protected due to domestic abuse or witness protection related issues.

The PHA will inform owners that it is the responsibility of the owner to determine the suitability of prospective participants. Owners will be encouraged to screen applicants for rent payment history, payment of utility bills, eviction history, respecting the rights of other residents, past damages to units, 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.

#### E. Shelter Plus Care Exceptions

Applicants cannot transfer between Continuum of Care programs unless they meet all SPC program criteria, including but not limited to, meetings, homeless and disability criteria for the program. Any exceptions must be approved by HUD and by the SHRA.