

Housing Services Administrative Plan



Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July 2023

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CHAPTER 1: HACSB ADMINISTRATIVE PLAN INTRODUCTION

1. Introduction

The Housing Authority of the County of San Bernardino (hereafter “HACSB” or “Housing Authority”) administers the federally funded Housing Choice Voucher program throughout the County of San Bernardino through its Housing Services Offices. HACSB executed a Moving to Work Agreement (“MTW Agreement”) with the U.S. Department of Housing and Urban Development (HUD) on March 14, 2008. The MTW Agreement governs and supersedes, as appropriate, applicable Federal laws, rules, regulations, contracts, and agreements that have been or will be waived and/or modified by the MTW Agreement and subsequent Amendments to the Agreement.

This Administrative Plan, in conjunction with approved MTW Plans and Amendments, identify the operational policies for the HACSB Housing Choice Voucher program. MTW waivers generally apply only to participants in the MTW Voucher program. These include all households who are not participants of Continuum of Care (CoC) Housing Opportunities for People With AIDS (HOPWA), and Master Leasing Program. . HACSB refers to all types of housing assistance generally known as the Housing Choice Voucher program as the Housing Services program (HSP).

Administration of the Housing Services program and the functions and responsibilities of the Housing Authority’s staff shall be in compliance with the agency’s Personnel Policy and HUD regulations, where applicable, as well as Federal, State, and local Fair Housing laws and regulations.

1.1 Purpose of Plan

The purpose of the Administrative Plan is to establish policies that govern the Housing Authority’s administration of its rental assistance programs in a manner consistent with HUD requirements, HUD Notices, and the Housing Authority’s MTW plan.

The policies in this Administrative Plan comply with applicable local, State, HUD and other Federal regulations, relevant memos, notices and guidelines, including fair housing and equal opportunity requirements. If applicable regulatory changes conflict with this plan, HUD regulations and HACSB’s MTW Plan will have precedence.

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The Housing Authority adheres to its Administrative Plan in administering all rental assistance programs. The Administrative Plan and any changes must be approved by the Housing Authority's Board of Commissioners, and a copy of the Plan must be provided to HUD. As much as possible, revisions and additions are published to coincide with published changes in the Housing Authority's MTW Annual Plan.

Interim changes, including Board mandates and administrative updates reflecting changes in law or regulatory requirements, will be made effective by memo from the Executive Director or designee.

HACSB may exercise discretion in applying the requirements of its policies when changes are made to those policies in response to a specific case. Such discretion will require Executive Director approval. The purpose of this discretionary flexibility is to ensure that policy changes can be applied to families who are the reason for that policy change. For example, if HACSB changes its policy regarding temporary hardship exemptions as the result of an individual case which revealed an oversight or gap in HACSB's temporary hardship exemption policy, HACSB may allow flexibility in the time permitted for the family to provide supporting documents for a temporary hardship exemption request.

1.1.1 Former Upland Housing Authority Participants

Effective July 1, 2017, the Housing Choice Voucher program previously administered by the Housing Authority of the City of Upland (UHA) was absorbed by HACSB through a HUD-approved Voluntary Transfer. As a result, in accordance with the implementation processes outlined in HACSB's 2017 MTW Plan Amendment 2 and HACSB's 2018 MTW Plan, effective January 1, 2018 HACSB's Administration Plan policies apply to the former UHA families, and they will also be subject to HACSB's Moving to Work program in accordance with HACSB's HUD-approved MTW Plan, unless otherwise stated. For all former UHA waiting list applicants effective July 1, 2017, new families admitted from the waiting list will also be subject to HACSB's Administrative Plan policies and HACSB's Moving to Work program in accordance with HACSB's HUD-approved MTW Plan like other HACSB families, unless otherwise stated.

1.2 Organization and Structure of HACSB

The Housing Services Program (HSP) is largely funded by the federal government and administered by the HACSB. The Housing Authority's jurisdiction includes:

- The unincorporated areas of San Bernardino County, California; and
- All cities within the County of San Bernardino with the exception of the City of Needles.

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

Formal actions of the Housing Authority are taken through written resolutions, adopted by the Board of Commissioners and entered into the official records of the HACSB.

The principal staff member of the Housing Authority is the President/Chief Executive Officer (CEO), hired and appointed by the Board of Commissioners. The President/CEO is directly responsible for carrying out the policies established by the Board and is delegated the responsibility for hiring, training and supervising staff to ensure compliance with federal and state laws and directives for the programs managed. In addition, the President/CEO's duties include budgeting and financial planning for the agency.

1.3 Mission Statement and Vision

The Mission Statement of the Housing Authority is:

HACSB empowers all individuals and families in need to achieve an enriched quality of life by providing housing opportunities and resources throughout San Bernardino County.

The Vision of the Housing Authority is:

HACSB is committed to creating a world in which all people have a stable and enriched quality of life.

1.4 Local Objectives

As a public agency, the Housing Authority is committed to providing excellent service to program participants – families and owners – in the community. The Housing Authority's rental assistance programs are designed to achieve four major objectives:

- To provide decent, safe, and sanitary housing for very low-income families while maintaining their rent payments at an affordable level.
- To ensure that all units meet HACSB Local Inspection Standards and families pay fair and reasonable rents.

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- To promote fair housing and the opportunity for very low-income families of all ethnic backgrounds to experience freedom of housing choice.
- To promote a housing program which maintains quality service and integrity while providing an incentive to private property owners to participate and rent to very low-income families.

In addition, the Housing Authority has the following goals for its programs:

- To encourage self-sufficiency of participant families and assist in the expansion of opportunities which address educational, socioeconomic, recreational, and other human service's needs.
- To create positive public awareness and expand the level of family, owner, and community support in accomplishing the Housing Authority's mission.
- To maintain a high level of standards and professionalism in our day-to-day management of all program components.
- To administer an efficient, high-performing agency through continuous improvement of the Housing Authority's support systems and commitment to our employees and their development.

1.5 Housing Services Programs

The purpose of the Housing Services program is to provide rental assistance to eligible families. The rules and regulations of the program are determined by HUD. The Housing Authority is afforded choices in the operation of the program which are included in the HACSB's Administrative Plan and the Housing Authority's MTW Plans.

1.5.1 Housing Services Program Overview

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

When a family is determined to be eligible for the program and funding is available, the Housing Authority selects families to begin searching for a unit. When the family finds a suitable housing unit and funding is available, the Housing Authority will enter into a contract with the owner and the family will enter into a lease with the owner. Each party makes their respective payment to the owner so that the owner receives full rent. Even though the family is determined to be eligible for the program, the owner has the responsibility of approving the family as a suitable renter. The Housing Authority

continues to make payments to the owner as long as the family is eligible and the housing unit continues to qualify under the program.

To administer the Housing Services program, the Housing Authority enters into a contractual relationship with HUD. The Housing Authority also enters into contractual relationships with the assisted family and the owner or landlord of the housing unit. For the program to work and be successful, all parties involved – HUD, the Housing Authority, the owner, and the family – have important roles to play. The roles and responsibilities of all parties are defined in federal regulations and in legal documents that parties execute to participate in the program.

1.5.2 Housing Services Program Types

The Housing Authority administers ten distinct types of Housing Services programs. All of the types, except for Term-Limited Lease Assistance, may be either tenant-based or project-based. Term-Limited Lease Assistance is only available in the tenant-based program.

- **Term-Limited Lease Assistance** – Participants in the Term-Limited Lease Assistance program execute a Family Obligations Agreement (FOA) with the Housing Authority.¹ Each participant receives five years of housing assistance as long as they remain compliant with the FOA and continue to remain eligible for the program. This program became effective for all new non-elderly/non-disabled, tenant-based participants on January 1, 2012, including the former Upland Housing Authority waiting list applicants who are pulled on or after July 1, 2017, and all port-in families, families exercising mobility through the Project-Based Voucher program, and non-legacy families in Rental Assistance Demonstration (RAD) units exercising mobility who are briefed on or after November 1, 2017.
- **Streamlined Fixed Lease Assistance for Elderly/Disabled Families** – Elderly/Disabled families who become participants after November 1, 2014 or were existing participants admitted to the program prior to November 1, 2014 and who have a recertification effective date of February 1, 2015 or later² will participate in the Streamlined Fixed Lease Assistance program.³ This also applies to the former

¹ The FY 2011 Moving to Work Annual Plan included Activity 20: Term-Limited Lease Assistance program.

² The recertification process for families with a February 1, 2015 or later effective date will be commenced in November, 2014.

³ The FY 2013 Moving to Work Annual Plan included Activity 22: Streamlined Lease Assistance programs. The Streamlined Fixed Lease Assistance program serves elderly/disabled families and the Streamlined Tiered Lease Assistance program serves Career Focused Families. Participants, who were not Term-Limited Lease Assistance program participants and who had a recertification effective date prior to February 1, 2015, participated in the

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Upland Housing Authority (UHA) elderly/disabled families as a result of the voluntary transfer on July 1, 2017 with a recertification date of January 1, 2018 or later; future Plan references to Streamlined Fixed Lease Assistance families will also apply to these former UHA families. Each participant family has their income calculated based on gross income and receives no allowances or deductions. Rent is determined based on a set percentage of income throughout participation in the program.

- **Streamlined Tiered Lease Assistance for Career-Focused Families** – Existing participants who received assistance prior to January 1, 2012 and are not elderly/disabled households but who have a recertification effective date of February 1, 2015 or later are part of the Streamlined Tiered Lease Assistance for Career Focused Families program. This also applies to the former Upland Housing Authority (UHA) career focused families as a result of the voluntary transfer on July 1, 2017 with a recertification date of January 1, 2018 or later; future Plan references to Streamlined Tiered Lease Assistance families will also apply to these former UHA families. Each participant family has their income calculated on gross income and receives no allowances or deductions. Rent is determined based on an increasing percentage of income at each recertification.
- **Streamlined Fixed Lease Assistance for Career-Focused Families** – All non-elderly and non-disabled families admitted under the project-based voucher program and sponsor-based project-based voucher program after January 1, 2017, will participate in the Streamlined Fixed Lease Assistance for Career-Focused Families program.
- **Veteran's Affairs Supportive Housing (VASH)** – Assists homeless veterans with severe psychiatric or substance abuse disorders. The Housing Authority and Veterans Administration Medical Center have partnered to provide rental voucher and supportive services to eligible veterans. Except as otherwise specified in this document, the policies for HACSB's Moving to Work program shall apply to this program.
- **Local Disaster Short-Term Rental Assistance Program** – Assistance through this program will be limited to families displaced as the direct result of a local disaster. A local disaster is an event that occurs within the County of San Bernardino and may include a natural disaster, an act of terrorism, or other event

Transitional Assistance for MTW Families program until their next recertification, at which time they were transitioned to the Streamlined Lease Assistance program that they were determined to be eligible for. These participants were subject to HACSB rules that were implemented for MTW families. These specific rules were noted in the prior versions of the Administrative Plan.

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as determined by the Housing Authority. The qualification of a local disaster shall be declared by the Housing Authority through its governing board. The income and rental subsidy for this program shall align with the Streamlined Lease Assistance program methodologies. Except as otherwise specified in this policy, the policies for HACSB's Housing Choice Voucher Program shall apply to this program.

- **Family Unification** - The Family Unification Program (FUP) is administered in partnership with the San Bernardino County Department of Children and Family Services (DCS). Tenant-Based Voucher (TBV) rental assistance is provided to families for which the lack of adequate housing is a primary factor in the imminent placement of the family's child, or children, in out-of-home care; or the delay in the discharge of the child, or children, to the family from out-of-home care. Applications from residents of San Bernardino County are referred through DCS. The income and rental subsidy for this program shall align with the Streamlined Lease Assistance program methodologies. Except as otherwise specified in this policy, the policies for HACSB's Housing Choice Voucher Program shall apply to this program.
- **Mainstream Vouchers** (formally Mainstream 5 and Mainstream 811) - Provides rental assistance for a family containing a member who is a person with disabilities between the ages of 18 – 61 to enable the family to rent suitable and accessible housing in the private market. Effective January 1, 2021, Mainstream 5 participants will transition to the Streamlined Lease Assistance for Elderly and Disabled at recertification.
- **Traditional, Regulatory Assistance for Special Purpose Programs** – Certain HUD programs are not eligible for inclusion in the Moving to Work Demonstration. These programs are administered in accordance with federal regulations and the specific criteria established by the special purpose program. HACSB's MTW Agreement and MTW Plans do not apply to any of these program types. These programs include:
 - **Continuum of Care** – Provides rental assistance for hard to serve homeless persons with disabilities in connection with supportive services funded from sources outside the program.
 - **Housing Opportunities for People with AIDS (HOPWA)** – HACSB has partnered with the Foothill AIDS Project to offer rental assistance and supportive services to persons with HIV or AIDS.
 - **Master Leasing Program** – Funded by the State of California Mental Health, this program serves mentally ill or developmentally disabled families

in a group home setting. Case management and comprehensive support services are provided for participants of this program.

- **Family Self-Sufficiency** – The Family Self-Sufficiency (FSS) program enables families to increase their earned income and eliminate their dependency on public assistance and housing subsidies. Under the FSS program, low-income families are provided opportunities for education, job training, counseling and other forms of social service assistance while receiving housing assistance. The income and housing subsidy for this program shall align with the Traditional, Regulatory Assistance programs methodologies. Except as otherwise specified in this policy, the policies for HACSB's Housing Choice Voucher Program shall apply to this program.
- **Emergency Housing Vouchers** – Emergency Housing Vouchers authorized under the American Rescue Plan Act of 2021 to provide rental assistance to low-income families that are homeless; at risk of being homeless; fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking or human trafficking; or recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability. Eligibility under these categories is defined in Notice PIH 2021-15 and program applicants are referred by the Coordinated Entry System and other partner organizations, who have Memorandum of Understanding with the Housing Authority.

1.6 Rules and Regulations

This Administrative Plan is set forth to define the Housing Authority's local policies for operation of the housing programs in the context of Federal laws and regulations. All issues related to the Housing Services program not addressed in this document are governed by the HACSB's MTW Agreement, MTW Plans, federal regulations, HUD memos, notices and guidelines, state and local laws, and other applicable laws. Applicable regulations include:

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

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- 24 CFR Part 985: The Section 8 Management Assessment Program (SEMAP)

1.7 Fair Housing Policy [24 CFR 982.54(d)(6)]

The Housing Authority is committed to nondiscrimination in housing and does not discriminate on the basis of race, color, religion, sex, national origin, age, familial status, and disability. The Housing Authority complies with all federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

- Title VI of the Civil Rights Act of 1964
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
- Executive Order 11063
- Section 504 of the Rehabilitation Act of 1973
- The Age Discrimination Act of 1975
- Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)
- Violence Against Women Reauthorization Act of 2013 (VAWA 2013)
- The Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Final Rule, published in the Federal Register February 3, 2012
- Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted

When more than one civil rights law applies to a situation, the laws will be read and applied together.

The Housing Authority shall not deny any family or individual the opportunity to apply for or receive assistance under the program on the basis of race, color, sex, religion, creed, national or ethnic origin, age, familial or marital status, handicap, disability, gender identity or sexual orientation. The Housing Authority will not use any of these factors to:

- Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate
- Provide housing that is different from that provided to others
- Subject anyone to segregation or disparate treatment
- Restrict anyone's access to any benefit enjoyed by others in connection with the housing program

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- Treat a person differently in determining eligibility or other requirements for admission
- Steer an applicant or participant toward or away from a particular area based any of these factors
- Deny anyone access to the same level of services
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program
- Discriminate in the provision of residential real estate transactions
- Discriminate against someone because they are related to or associated with a member of a protected class
- Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class.

To further its commitment and compliance with applicable Civil Rights laws, the Housing Authority will provide Federal, State, and local information to applicants and participants regarding unlawful discrimination and any recourse available to families who believe they are victims of a discriminatory act. Such information will be made available during the family briefing session, and all applicable fair housing information and HUD-903 “Housing Discrimination Complaint” form will be made a part of the briefing packet.

Applicants or participants who believe that they have been subject to unlawful discrimination may notify the Housing Authority either orally or in writing. The Housing Authority will attempt to remedy discrimination complaints made against the agency. The Housing Authority will provide a copy of a discrimination complaint form to the complainant and provide them with information on how to complete and submit the form to HUD’s Office of Fair Housing and Equal Opportunity (FHEO).

The Housing Authority will ask all applicants and participants if they require any type of accommodations, in writing, on all relevant forms and notices of adverse action by the Housing Authority by including the following language:

“If you or a member of your family have a disability and think that you might need or want a reasonable accommodation you may request it at any time.”

All Housing Authority staff will be required to attend fair housing training and informed of the importance of affirmatively furthering fair housing and providing equal opportunity to all families, including providing reasonable accommodations to persons with disabilities.

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Fair housing signage is posted throughout the Housing Authority's office/s, including in the lobby and interview rooms and the equal opportunity logo will be used on all outreach materials. Staff will attend local fair housing update training sponsored by HUD and other local organizations to keep current with new developments and/or regulations.

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 Housing Authority's facilities are inaccessible to or unusable by persons with disabilities. Posters and housing information are displayed in locations throughout the Housing Authority's office in such a manner as to be easily readable from a wheelchair.

The San Bernardino, Upland, and Victorville offices are accessible to persons with disabilities. In order to provide accessibility for persons who are deaf, hard-of-hearing or speech impaired, the Housing Authority utilizes the national 711 telecommunications relay services.

1.8 Reasonable Accommodations Policies and Procedures [24 CFR 8.24]

The Housing Authority's policies and practices are designed to provide assurances that all persons with disabilities will be provided reasonable accommodation so that they may fully access and utilize the housing program and related services. The availability of specific accommodations will be made known by including notices on Housing Authority forms and letters to all families.

The Housing Authority will make a reasonable accommodation or modification for individuals with disabilities when necessary to ensure equal access to HACSB's property and property amenities, programs, services and activities. Reasonable modifications include changes to a building, grounds or an individual apartment and reasonable accommodations include changes to policies, programs, services and procedures. HACSB will provide accommodations or modifications as requested unless doing so is unreasonable. A request is unreasonable if it is structurally infeasible, would result in a fundamental alteration in the nature of a HACSB program, or would result in an undue financial and administrative burden. If a request is unreasonable, HACSB will work with the individual to try to accommodate his or her needs.

An individual with a disability may request a reasonable accommodation at any time during the application process or participation in the Housing Services program. Individuals may submit their reasonable accommodation request(s) in writing, orally, or

by any other equally effective means of communication. However, Housing Authority will ensure that all reasonable accommodation requests are put in written form.

Within twenty (20) business days of receipt, the HACSB will notify the individual, in writing, if additional information or documentation is needed and a reply date for the submission of the required documentation. This notification letter may also request the completion and submittal of additional forms.

HACSB may request additional documentation in order to verify the extent of an individual's functional limitations and whether the requested accommodation is substantially related to the functional limitations of the disability. In addition, HACSB may request that the individual provide suggested reasonable accommodations. However, HACSB will not require individuals to disclose confidential medical records in order to verify a disability. In addition, HACSB will not require specific details regarding the disability. HACSB will only request documentation to confirm the disability-related need(s) for the requested accommodation(s). HACSB may not require the individual to disclose the specific disability(is) or the nature or extent of the individual's disability(is).

Unless a disability is already known by the Housing Authority or readily apparent, a knowledgeable professional must provide verification of an individual's disability and the need for the requested accommodation. Knowledgeable professionals include, but are not limited to (1) physician; (2) licensed health professional; (3) professional representing a social service agency; or (4) disability agency or clinic.

Within thirty (30) business days of receipt of the request and, if necessary, all supporting documentation, HACSB will provide written notification to the individual of its decision to approve or deny the request(s). If HACSB approves the accommodation, the individual will be notified of the projected date for implementation. If HACSB denies the accommodation, the individual will be notified of the reasons for denial. In addition, the notification of the denial will also provide information regarding their right to appeal.

If a request for accommodation is denied, individuals may file a request for an appeal with the Reasonable Accommodation Review Committee for evaluation and final decision.

1.9 Program Accessibility [24 CFR 8.6]

HUD regulations require the Housing Authority ensure that persons with disabilities related to hearing and vision have reasonable access to the Housing Authority's programs and services.

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At the initial point of contact with each applicant, the Housing Authority shall inform all applicants of alternative forms of communication that can be used other than plain language paperwork. To meet the needs of persons with hearing or speech impairments, the Housing Authority utilizes the national 711 telecommunications relay service.

To meet the needs of persons with vision impairments, large-print and audio versions of key program documents will be made available upon request. When visual aids are used in public meetings or presentations, or in meetings with HACSB staff, one-on-one assistance will be provided upon request.

Additional examples of alternative forms of communication are sign language interpreters; having material explained orally by staff; or having a third party representative (a friend, relative or advocate, named by the applicant) to receive, interpret and explain housing materials and be present at all meetings.

1.10 Interpretation and Document Translation

The Housing Authority acknowledges the importance of serving Limited English Proficiency (LEP) persons and adopted a Language Access Plan to ensure its programs and services are accessible to persons with LEP. In accordance with Federal guidelines, the Housing Authority will make reasonable efforts as appropriate and in consideration of cost and availability of resources to provide language assistance for its LEP participants, applicants, and/or persons eligible for Housing Authority programs. The Housing Authority employs bilingual staff and utilizes telephonic language interpretation services. A copy of the Language Access Plan is located on the agency's website at www.hacsb.com or can be requested by calling any Housing Authority Office.

1.11 Management Assessment

The Housing Authority operates its housing assistance program with efficiency and utilizes all resources in a manner that reflects its commitment to quality and service. In order to demonstrate compliance with HUD and other pertinent regulations, the Housing Authority will maintain records, reports, and other documentation for a time that is in accordance with HUD requirements and in a manner that will allow an auditor, housing professional, or other interested party to follow, monitor, and/or assess the agency's operational procedures objectively and with accuracy.

Due to the standardized format of HUD's Section Eight Management Assessment Program (SEMAP), and the lack of a successor system for Moving to Work Agencies, the

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Housing Authority has been unable to participate in the SEMAP program.⁴ However, the Housing Authority has been collaborating with a group of other Moving to Work Public Housing Authorities to develop a replacement to HUD's SEMAP. Once a successor system has been adopted, the Housing Authority will participate in the assessment program. The Housing Authority will continue to maintain its internal performance management systems to ensure effective management and customer service.

1.12 Privacy Rights [24 CFR 982.551 and 24 CFR 5.212]

Applicants and participants, including all adults in their households, are required to sign the "Authorization for the Release of Information/Privacy Act Notice." This document incorporates the Federal Privacy Act statement and describes the conditions under which HUD will release family information. The Housing Authority also has additional Release of Information Forms which must be completed by household members as required.

The Housing Authority's policy regarding release of information is in accordance with State and local laws which may restrict the release of family information. A statement of the Housing Authority's policy on release of information to prospective landlords will be included in the briefing packet that is provided to the family.

Records subject to the provisions of the Privacy Act will be maintained with appropriate administrative, technical, and physical safeguards to ensure the security and confidentiality of records and to protect against any anticipated threats or hazards to their security or integrity which could result in substantial harm, embarrassment, inconvenience, or unfairness to any individual on whom information is maintained.

Any and all information which would lead one to determine the nature and/or severity of a person's disability must be kept in a separate confidential folder. The personal information in this folder must not be released except on an "as needed" basis in cases where an accommodation is under consideration. All requests for access and granting of accommodations based on this information must be approved by the supervisory staff.

The Housing Authority's practices and procedures are designed to safeguard the privacy of applicants and program participants. All applicant and participant files will be stored in a secure location which is only accessible by authorized staff. Housing Authority staff will not discuss family information contained in files unless there is a business reason to do

⁴ The FY 2009 Moving to Work Annual Plan included Activity 3: Alternate Assessment Program.

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so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

Information such as credit history, criminal record, date of birth, social security number, medical records, financial status, and similar information would normally be considered sensitive. Managers should consider the sensitivity of the data contained in the records and the anticipated threats or hazards to their security as a basis for establishing safeguards to provide adequate protection.

Privacy Act records containing sensitive information with few anticipated threats or hazards should be maintained subject to the following minimum safeguards:

- Areas in which the records are maintained or regularly used should be posted with a warning that access to the records is limited to authorized persons. The warning should state that the Privacy Act provides for civil and criminal penalties for unauthorized disclosure of records to which it applies.
- During working hours, the area in which the records are maintained or regularly used should be occupied by authorized personnel or access to records should be restricted by their storage in locked file cabinets or a locked room.
- During non-working hours, access to the records should be restricted by storage in locked file cabinets or a locked room.
- Care should be taken to ensure that master keys are not available to unauthorized personnel.

The destruction of records subject to the Privacy Act should be sufficient to prevent the association of any individual name or identifier with any information pertaining to that individual. Acceptable methods of destruction include burning, shredding or pulping.

CHAPTER 2: WAITING LIST AND INITIAL ELIGIBILITY

2. Introduction [24 CFR 982.54(d)]

This chapter describes the policies and procedures of the Housing Authority's Housing Services programs' waiting lists, placement and denial of placement on the waiting list, limitations on who may apply as well as selection from the waiting list. It is the policy of the Housing Authority to ensure that all families who express an interest in housing assistance are given an equal opportunity to apply and are treated in a fair and consistent manner. The chapter also discusses the policies related to initial eligibility intake, applications and eligibility.

2.1 Waiting List Types

It is the Housing Authority's objective to ensure that families are placed in the proper order on the waiting list and selected from the waiting list for admissions in accordance with the policies in this Administrative Plan. By maintaining an accurate waiting list, the Housing Authority will be able to perform the activities which ensure that an adequate pool of qualified applicants will be available so that program funds are used in a timely manner.

The Housing Authority administers two distinct types of waiting lists for the Housing Services program. The first is for tenant-based assistance. The second is for project-based assistance. In very limited circumstances, the Housing Authority also admits families onto the program who are not selected from either waiting list. Special Program and targeted admissions, portability vouchers from other housing authorities and transfers from other HACSB programs may be admitted to the Housing Services programs through alternate methods that are described in this section. The Housing Authority will not merge the waiting lists for the Affordable Housing and Housing Services programs.

2.1.1 Tenant-Based Assistance

The Housing Authority administers one waiting list for its tenant-based assistance program. Families who apply for this waiting list are applying for participation in the Housing Services program. Once selected from the tenant-based waiting list, the Housing Authority will determine the applicable Housing Services program for which the family is eligible. The Housing Authority uses a lottery system to place families on the waiting list. Once families are on the waiting list, the Housing Authority generally selects based on preference and placement order. For administrative purposes, the Housing Authority may also schedule initial eligibility interviews for certain Housing Services programs based on

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families who appear to qualify for such programs. The Housing Authority will continue to pull families from the waiting list based on lottery order but may schedule initial eligibility intake based on the program type for which the family is most likely to qualify.

The Housing Authority may also target waiting list pulls in order to meet HUD requirements to serve the same comparable mix of families that it was serving prior to its participation in the Moving to Work demonstration.

As part of the voluntary transfer of the Housing Choice Voucher program from the Upland Housing Authority (UHA) to HACSB on July 1, 2017, the applicants on the UHA waiting list will be transferred to HACSB's waiting lists. Applicants on the waiting list for the UHA Housing Choice Voucher program have been placed onto the HACSB tenant-based voucher waiting list effective January 1, 2018. The UHA applicants have been proportionately interspersed with HACSB applicants to ensure equitable distribution of HACSB and UHA applicants.

2.1.2 Project-Based Assistance

The Housing Authority administers a site-based waiting list for each senior project-based community and a mixture of site-based and region-based waiting lists for other communities. Families are placed on the project-based waiting lists based on preference, date and time. Certain project-based communities are designated for families where the head of household, spouse or cohead is fifty-five (55) or sixty-two (62) years of age or older. Families that do not meet this age criteria are not eligible for the senior project-based communities.

Some project-based communities are designated for No Child Left Unsheltered⁵ or other homeless and special need populations and provide supportive services to residents. For these communities, the Housing Authority only accepts referrals to the waiting list from designated partners.

2.1.3 Special & Targeted Program Admissions [24CFR982.204(e) & 24CFR982.203]

The Housing Authority administers numerous special purpose programs funded by HUD or approved by HUD and selects families for participation in those programs based on the specific requirements of the program.

⁵ The FY 2014 Moving to Work Annual Plan included Activity 23: No Child Left Unsheltered.

2.1.3.1 Special Purpose Program Admissions

Special purpose funding or Moving to Work activities with specific eligibility criteria may be implemented by the Housing Authority. Such housing assistance funding shall be for the individuals and families indicated in the federal, State or local requirements, rules, and regulations for each program. In some cases, use of the tenant-based waiting list is required, or a separate waiting list must be established.

2.1.3.1.1 Mainstream Program

Families will be selected from the general tenant-based voucher wait list based on their eligibility for the Mainstream program, wait list position (application sequence or lottery number), and applicable local preferences. Families may apply for assistance (by applying directly to the wait list or through a referral from a partner agency) at any time when the tenant-based voucher wait list is open. If the general tenant-based voucher wait list is closed and does not have enough applicants to fill the available funding, the Housing Authority may open the wait list only to applicants who qualify for the Mainstream Program.

2.1.3.1.2 Referral Based Special Purpose Programs

Other special purpose programs are referral based and families may be admitted outside of the waiting lists. A referral based special purpose program may be either a tenant-based or project-based program. Subject to available funding, families are admitted through referrals from designated partners on a first come, first served basis for certain programs, including, but not limited to:

- Continuum of Care (formerly known as Shelter Plus Care)
- Housing Opportunities for People With AIDS (HOPWA)
- Veteran's Affairs Supportive Housing (VASH)
- Family Unification Program (FUP)
- Emergency Housing Vouchers (EHV)

2.1.3.1.3 Moving to Work Activities

The following HUD approved Moving to Work activities are non-waiting list special admissions:

- Local Disaster Short-Term Rental Assistance Program⁶
- No Child Left Unsheltered Program⁷

⁶ The FY 2017 Moving to Work Annual Plan, Amendment 1 included Activity 26: Local Disaster Short-Term Rental Assistance Program.

⁷ The FY 2014 Moving to Work Annual Plan Included Activity 27: No Child Left Unsheltered program. Families may be referred to the program as special admissions or placed onto a waiting list.

- CoC households identified as eligible for the Moving On Strategy⁸

2.1.3.2 HUD Special Admissions (Non-Waiting List) [24 CFR 982.203]

The Housing Authority may admit certain types of families outside of the waiting list process. These families do not have to qualify for any preference, are not required to be on the program waiting list and are not required to be referred by an outside entity. The Housing Authority will maintain separate records of these admissions. The following are examples of types of program funding that may be designated by HUD for families living in a specified unit:

- A family displaced because of demolition or disposition of a public or Indian housing project;
- A family residing in a multifamily rental housing project when HUD sells, forecloses, or demolishes the project;
- For housing covered by the Low Income Housing Preservation and Resident Homeownership Act of 1990;
- A family residing in a project covered by a project-based contract at or near the end of the contract term; and
- A non-purchasing family residing in a HOPE 1 or HOPE 2 project.

2.1.4 Portability Vouchers from Other Public Housing Authorities

Under portability, families from other housing authorities may become participants in HACSB's Housing Services program. Families who port in from other housing authorities do not apply for the waiting list.

2.1.5 Transfers from Other HACSB Programs

In order to afford persons with disabilities an 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, the Housing Authority may relocate a family that is a current participant in any HACSB subsidized housing programs, including but not limited to: Affordable Housing Program or Housing Services program, with a disabled head of household or family member, to another HACSB housing program. Examples include:

⁸ The FY 2023 Moving to Work Annual Plan included Activity 29: Moving On Strategy detailing process for Continuum of Care participants identified for a voluntary transfer to Streamlined Lease Assistance to be evaluated by the Department of Behavioral Health (DBH) and HACSB for readiness and post-transition rent burden.

- There are no affordable housing units to accommodate the family's household size based on occupancy standards
- There are no ADA/504 units available to accommodate the family's needs (i.e., customized wheelchair exceeds normal dimensions, other specialized equipment needs, etc.)
- There are no affordable units/communities that meet a medically necessary restriction or requirement
- There is a significant, identified barrier to that participant in the private market to finding and securing stable private sector housing that meets their disability needs, including but not limited to ADA compliant and mobility accessible units.

2.2 Overview of the Initial Application Process [HCV GB, pp. 4-11 – 4-16, Notice PIH 2009-36]

Any family that wants to receive Housing Services program assistance must apply for admission to the program. Families who wish to apply for the Housing Authority's tenant-based programs or project-based programs must apply electronically through HACSB's applicant portal when the waiting list is open. Applications may be taken over the phone to accommodate applicants who do not have access to the applicant portal or as a reasonable accommodation. Applications will be made available in an accessible format for persons with disabilities as a reasonable accommodation.

The application process is comprised of two phases. The first phase is the initial application for assistance, which is also known as the pre-application. After completion of the pre-application, the Housing Authority will determine a household's placement or denial of placement on the waiting list.

The second phase of the application process is the final determination of eligibility, also known as the full application. A household will be required to complete a full application when the family reaches the top of the waiting list. The full application is completed on the applicant portal. At this time the Housing Authority ensures that verification of all HUD and HACSB eligibility factors are current in order to determine the family's eligibility for the issuance of a tenant-based voucher or placement in a project-based unit.

2.2.1 Opening of the Waiting List [24 CFR 982.206 and 982.54(d)(1)]

The Housing Authority will advertise the opening of the waiting list through public notice in newspapers of general circulation, minority publications, and other media entities. This process shall not apply to the waiting list for the Local Disaster Short-Term Rental Assistance Program, which shall be open only to families referred by partnering agencies

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in the event of a locally declared disaster nor shall it apply to the waiting list for the Family Unification Program, which is open only to families referred by the DCS. The notice will contain:

1. The dates, times, and locations where the family may apply;
2. The Housing Authority telephone number and website address;
3. The program(s) for which applications will be taken;
4. A brief description of the program(s);
5. Information on eligibility requirements and the availability of preferences;
6. Any limitations on who may apply; and
7. The Fair Housing logo.

The notices will be made in an accessible format to persons with disabilities if requested. As a reasonable accommodation for a person with a disability, an additional ten (10) days may be given for submission of an application after the stated deadline if the request is received by the Housing Authority prior to the closing date.

The Housing Authority will also conduct outreach as necessary to ensure that the Agency has a sufficient number of applicants on the waiting list to use the resources it has been allotted. Because HUD requires the Housing Authority to serve a specified percentage of very low income families, the Authority may need to conduct special outreach to ensure that an adequate number of such families apply for assistance [HCV GB, p. 4-20 to 4-21]. The Housing Authority outreach efforts must comply with fair housing requirements which include:

- Analyzing the housing market area and the populations currently being served to identify underserved populations
- Ensuring that outreach efforts are targeted to media outlets that reach eligible populations that are underrepresented in the program
- Avoiding outreach efforts that prefer or exclude people who are members of a protected class

Housing Authority outreach efforts must be designed to inform qualified families about the availability of assistance under the program. These efforts may include, as needed, any of the following activities:

- Submitting press releases to local newspapers, including minority newspapers
- Developing informational materials and flyers to distribute to other agencies
- Notify other public and private agencies that serve the very low income population

- Developing partnerships with other organizations that serve similar populations, including agencies that provide services for persons with disabilities

The Housing Authority will monitor the characteristics of the population being served and the characteristics of the population as a whole in the Authority's jurisdiction. Targeted outreach efforts will be undertaken if a comparison suggests that certain populations are being underserved. When the waiting list is open any family asking to be placed on the waiting list for tenant-based rental assistance will be given the opportunity to apply.

2.2.2 Applying to the Waiting List [24 CFR 982.204 and 205]

The Housing Authority will utilize a computerized pre-application form through the Housing Authority Applicant Portal for all waiting lists. Assistance will be provided as a reasonable accommodation for persons with a disability. The purpose of the pre-application is to permit the Housing Authority to preliminarily assess family eligibility or ineligibility and to determine placement on the waiting list. A lottery process is applied to the tenant-based waitlist and HACSB will randomly select a number of pre-applications based on the estimated number of families that can be served within a three (3) to five (5) year timeframe. Project-based waitlist are accepted as long as the waitlist is open. Information entered into the Applicant Portal must be completed by the applicant and will contain at least the following information:

- Applicant Name, including the names of all household members and personal date (i.e. social security number, date of birth, etc.)
- Address
- Accessibility Needs
- Qualification for Veteran's Preference
- Racial or ethnic designation of all household members
- Annual (gross) family income

Duplicate applications will not be accepted. The information on the pre-application will not be verified until the applicant has been selected for final eligibility determination. Final eligibility will be determined when the full application process is completed and all information is verified. At that time, HACSB will ensure that family is served under the appropriate program and make the required adjustment.

2.2.3 Closing the Waiting List [24 CFR 982.206]

The application period for the waiting list shall be long enough to achieve a waiting list adequate to cover projected turnover and new allocations over a three (3) to five (5) year

timeframe. The Housing Authority will give at least a ten (10) day public notice prior to closing the list. The waiting list may not be closed if it would have a discriminatory effect inconsistent with applicable civil rights laws. This process shall not apply to the waiting list for the Local Disaster Short-Term Rental Assistance Program, which shall be open only to families referred by partnering agencies in the event of a locally declared disaster nor shall it apply to the waiting list for the Family Unification Program, which is open only to families referred by DCS.

2.2.4 Eligibility for Placement on the Waiting List [24 CFR 982.201(f)]

The Housing Authority will review each completed pre-application received and make a preliminary assessment of the family's eligibility. To be eligible for placement on the waiting list a household must:

- Meet HACSB's definition of a family.
- Be a citizen or noncitizen who has eligible immigration status as determined in accordance with 24 CFR part 5, subpart E. If the applicant is a victim of domestic violence, dating violence, sexual assault, or stalking, 24 CFR part 5, subpart L, applies.
- For the Local Disaster Short-Term Rental Assistance Program, the household must also have been referred to HACSB by a partnering agency as a family displaced from housing as the direct result of a locally declared disaster.
- For the Family Unification Program, the household must also have been referred to HACSB by DCS.

When a family is determined to be ineligible, the Housing Authority will notify the family in writing.

For the tenant-based waiting list, the Housing Authority will randomly select a number of pre applications based on the estimated number of families that can be served within a three (3) to five (5) year timeframe. When a family is eligible and selected as part of the randomized process for placement on the waiting list, the family will be placed on a waiting list of applicants. No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list. An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the Housing Services program.

2.2.4.1 Ineligible for Placement on the Waiting List

If the Housing Authority can determine from information provided that a family is ineligible, the family will not be placed on the waiting list. Where a family is determined to be ineligible, the Housing Authority will send a written notification of the ineligibility determination. The notice will specify the reasons for ineligibility and will inform the family of its right to request an informal review as well as the process for requesting an informal review. Persons with disabilities may request to have an advocate attend the informal review as an accommodation.

2.2.4.2 Eligible for Placement on the Waiting List

The Housing Authority will send a written notification to all households selected for placement on the waiting list. Placement on the waiting list does not indicate that the family is, in fact, eligible for assistance. A final determination of eligibility will be made when the family is selected from the waiting list. Tenant-based applicants are randomly assigned a lottery number. Applicants will be placed on the waiting list in order of their assigned lottery number and according to the Housing Authority's preference. Project-based applicants are placed on the waiting list based on specified preferences followed by date/time of the pre-application.

2.2.5 Method for Placement on the Tenant-Based Waiting List

For the tenant-based waiting list, the Housing Authority will use a lottery system to select and place families on the waiting list. Applications will be accepted for a designated period of time as specified in the announcement notice. After applications are no longer being accepted, the Housing Authority will take applications that are submitted and randomly assign a lottery number to each application. The number of applicants selected for the list will be based on the number of families required to achieve a waiting list adequate to cover the next three (3) to five (5) years.

2.2.5.1 Local Disaster Short-Term Rental Assistance Program

The Housing Authority will determine prioritization of placement for eligible families on the wait list for this program based on the nature of the locally declared disaster. Criteria for determining prioritization may include, but are not limited to: the availability of funds to support the issuance of vouchers under this program, targeting to extremely low-income and very low-income families, and other circumstances related to the displacement of the family.

2.2.5.2 Family Unification Program

The Housing Authority will compare the list of Department of Child & Family Services (DCS) referrals to the tenant-based voucher wait list to determine if any names in the DCS referral list are already on the wait list. Any names in the DCS referral list that match the wait list will maintain the order of their position on the wait list. Any referrals that are not already on the wait list must be added to the wait list by order of referral. The Housing Authority may open the wait list only to accept DCS referrals.

2.2.5.3 Emergency Housing Voucher Program

If the number of referrals exceeds the number of vouchers available under the Emergency Housing Voucher (EHV) program, the Housing Authority will establish a separate waiting list. Referrals will be placed in order by the date and time the referral was received. The program has no waiting list preferences. Once the voucher issuance period has ended, the applicants on the waiting list will be notified that the program is no longer available. Applicants on the EHV waiting list are not eligible to be transferred to any other waiting list.

2.2.6 Change in Applicant Circumstances

Applicants are required to inform the Housing Authority in writing of changes in mailing address and household size via the applicant portal. Applicants are also required to respond to requests from the Housing Authority to update information on their pre-application and to determine their continued interest in assistance.

2.2.7 Removal from the Waiting List and Purging [24 CFR 982.204]

The Housing Authority may request each applicant to respond to a request for current information and/or confirmation of continued interest to ensure that the waiting list is current and accurate. This process will be conducted through the applicant portal and by mail. The Housing Authority is authorized to remove the names of applicants who do not respond to requests for information or periodic updates. An applicant who fails to respond to a Housing Authority mailing within the time frame indicated will be removed from the waiting list without further notice. An extension may be considered as a reasonable accommodation if requested in advance by a person with a disability. Notices will be made available in accessible format upon the request of a person with a disability.

The family's response must be in writing and may be delivered in person, by mail, through the applicant portal or by fax. Responses should be postmarked or received by the HACSB no later than the due date on the HACSB notification. If the family fails to respond by the due date, the family will be removed from the waiting list without further notice.

If an email notification from the applicant portal returns a delivery error or no response is received, a notification will be mailed to the applicant. If the notification is returned by the Post Office, the applicant will be removed from the waiting list without further notice. The returned envelope and original letter will be maintained in the file.

When a family is removed from the waiting list during the update process for failure to respond, no informal review will be offered. Such failures to act on the part of the applicant prevent the HACSB from making an eligibility determination. Therefore, no informal review is required.

Applicants who are removed from the waiting list for failure to respond or due to the mail being returned undeliverable are not entitled to reinstatement on the waiting list, unless:

- The Housing Authority verifies an extenuating circumstance, such as a long-term illness or other family emergency, or
- The applicant failed to respond because of a family member's disability.

The request for reinstatement for one of the above circumstances along with supporting documentation must be received within six months of the due date.

2.2.7.1 Project-Based Waiting List Bedroom Size Changes

For the project-based waiting list, the application may be removed if the household no longer qualifies for the available bedroom size due to changes in household composition. However, if the waiting list for the bedroom size for which the household is now eligible was open at the time of the original application, the household will be placed on the waiting list for the eligible bedroom size using the original date and time of application. If an applicant is no longer eligible for a bedroom size due to changes in occupancy standards, the application will be updated with the appropriate bedroom size if available at the development regardless of whether the waiting list was open at the time of application.

2.2.8 Selection from the Waiting List [24 CFR 982.204]

When funding is available, families will be selected from the waiting list in their determined sequence, regardless of family size, subject to income targeting and comparable mix under the Moving to Work demonstration requirements. When there is insufficient funding available for the applicant at the top of the list, the Housing Authority will not admit any other applicant until funding is available for the first applicant.

Based on the Housing Authority's turnover and the availability of funding, groups of families will be selected from the waiting list to form a final eligibility "pool."

2.2.8.1 Income Targeting [24 CFR 982.201(b)(2)]

In accordance with the Housing Authority's Moving To Work Agreement, each fiscal year the Housing Authority will reserve a minimum of seventy-five percent (75%) of its Housing Services program new admissions for families whose income does not exceed fifty percent (50%) of the area median income. HUD refers to these families as "very low-income families." The Housing Authority will admit families who qualify under the very low-income limit to meet the income targeting requirement, regardless of preference.

HUD may award HACSB funding for a specified category of families on the waiting list. HACSB must use this funding only to assist the families within the specified category. In order to assist families within a targeted funding category, HACSB may skip families on the waiting list that do not qualify within the targeted funding category. Within this category of families, the order in which such families are assisted is determined according to the policies provided in Section 2.2.8. Selection from the Waiting List [24 CFR 982.204].

The Housing Authority's targeting requirement does not apply to low-income families continuously assisted as provided for under the 1937 Housing Act. The Housing Authority is also exempted from this requirement where the Housing Authority is providing assistance to low- or moderate-income families entitled to preservation assistance under the tenant-based program as a result of a mortgage prepayment or opt-out.

2.2.8.2 Comparable Mix [Moving to Work Standard Agreement]

The Housing Authority may also target families on the waiting list in order to meet the terms of its Moving to Work Agreement with HUD. The Housing Authority is required to, "maintain a comparable mix of families by family size, as would have been served or assisted had the amounts not been used under the demonstration."

2.2.8.3 Wait List Preferences

HACSB will select applicants from the waiting list using the local admission preferences described in the following sections.

2.2.8.3.1 Veteran Preference

The Housing Authority provides Veteran Preference to applications in which the head of household or spouse is:

- An active member of a branch of the United States Military Armed Forces;
- A Veteran; or

- Surviving spouse of a Veteran

2.2.8.3.2 Mainstream Program Preference

HACSB will give a limited preference to non-elderly persons with disabilities who are transitioning out of institutional or other segregated settings, at serious risk of institutionalization, homeless, or at risk of becoming homeless, or persons who previously experienced homelessness and are currently a participant in a permanent supportive housing or rapid rehousing program. The definitions stated in the 2019 Mainstream Notice of Funding Availability (NOFA) are used for the Mainstream Program preference. The preference is limited to ten (10) Mainstream vouchers or Mainstream turn-over vouchers per calendar year, whichever is less. However, fewer applicants may be selected under the Mainstream preferences if an insufficient number of applicants on the waitlist meet one of the preferences.

2.2.8.3.3 Other Preferences

Applications or referrals from designated partners received under “other preferences” described below will be assisted on a first come, first served basis and receive the highest priority on the wait list. Under these categories, applications and/or referrals may be accepted to the wait list for the tenant-based voucher program regardless of whether the Housing Authority wait list is open or closed, subject to available funding:

- A family participating in a Continuum of Care (CoC) program administered by the Housing Authority when CoC funding is not renewed;
- Participants that have utilized the Veterans Affairs Supportive Housing (VASH) Continuum of Care (CoC), or Housing Opportunities for People with Aids (HOPWA) for a 3 year term, no longer require supportive services and are eligible to transition to the voucher program provided they meet all other eligibility requirements. Verification from the supportive services provider stating that supportive services are no longer needed is required;
- No Child Left Unsheltered (NCLU) Families described below;⁹
- Families referred by HUD as part of a witness relocation program; or

⁹ The FY 2014 MTW Plan, Activity 23: No Child Left Unsheltered, set aside 40 tenant-based or project-based vouchers for the program. The FY 2018 MTW Plan modified the activity to add 20 tenant-based vouchers. The FY 2019 MTW Plan modified the activity to add that the NCLU families are transitioned to the TLA or SLA activity after two years of participation for those admitted after October 1, 2019.¹⁰ An otherwise eligible youth who has attained at least 18 years of age and who has left foster care, or will leave foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older.

- Families who are involuntarily displaced as described below.

2.2.8.3.3.1 No Child Left Unsheltered (NCLU)

Under NCLU, the Housing Authority assists unsheltered families with children and young adults participating in the Department of Children and Family Services Foster Care Aftercare Program. Families are either admitted to the program as a special admission or placed on a waiting list for this program.

Families with children must be unsheltered at time of application, but do not otherwise qualify as chronically homeless under the HUD definition, but who:

- Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 90 days immediately preceding the date of application for homeless assistance; and
- Have experienced persistent instability as measured by two moves or more during the six-month period immediately preceding the date of applying for homeless assistance; and
- Can be expected to continue in such status for an extended period of time because of chronic disability, chronic physical health or mental health conditions, substance use disorder, history of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or
- Two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment.

For young adults participating in the Aftercare program, applicants must be between the ages of 18-21 and in need of housing support to transition to stable independent living. To be eligible for housing support through this component of NCLU, the household must:

- Be referred by San Bernardino County Department of Children and Family Services;
- Be a low-income family as defined by HUD;
- Meet HACSB's criminal history background screening requirements; and
- Be an active participant in the Aftercare program.

HACSB has partnered with a variety of local community service providers, including the school system, to identify and refer families, particularly those with school-age children, who are unsheltered. Service coordination for NCLU families is provided by the Department of Behavioral Health.

2.2.8.3.3.2 Involuntary Displacement

The Housing Authority may also provide assistance to the following types of families who are not on the waiting list:

- Displaced HACSB public housing residents
- Displaced participants from other housing authorities
- Disaster victims who are non-participants in any housing services programs at any housing authority
 - Families displaced as a result of federally declared disasters may receive preference over waiting list placeholders.

2.2.9 Verification of Preferences

Any preference claimed on the pre-application or while the family is on the waiting list will be verified in accordance with the Housing Authority's verification policies after the family is selected from the waiting list and prior to completing the full application described in this Chapter. The qualification for the preference must exist at the time the preference is claimed and at the time of verification because a claim of preference determines placement on the waiting list. If the Housing Authority denies a preference, the Housing Authority will notify the applicant in writing of the reasons why the preference was denied and return the applicant to the waiting list without the benefit of the preference. Families who are returned to the waiting list for not meeting the claimed preference are not entitled to an informal review as they have not been found ineligible. Applicants may exercise other rights if they believe they have been discriminated against.

2.3 Completion of a Full Application [HCV GB, p. 4-16]

After an applicant is selected from the waiting list, and any preference is verified (if applicable), the applicant will be contacted through email and mail to complete a full application in the applicant portal or on HACSB supplied forms provided through the mail. All adult members of an applicant's household will be required to complete and sign forms and submit required documentation.

The Housing Authority uses the full application process to document the family's circumstances in greater detail and verify information which has been provided by the family and to ensure that the information is complete.

Correspondence during the full application process will be in English. For limited English proficient applicants, the Housing Authority will provide translation services in accordance with the Housing Authority's Language Access Plan.

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Applicants who fail to submit the full application and/or documentation request, with good cause, and want an extension must make the request for extension no later than the original due date of the documents. If an applicant fails to submit the full application by the due date, without notifying the Housing Authority, their application will be removed from the waiting list without further notice unless:

- The Housing Authority verifies an extenuating circumstance, such as a long-term illness or other family emergency, or
- The applicant failed to respond because of a family member's disability.

The request for reinstatement for one of the above circumstances along with supporting documentation must be received within six months of the due date.

However, if the applicant submits their intake but does not complete the entire full application with the additional documents needed by the due date, the Housing Authority will send a denial letter.

Upon request, reasonable accommodation will be made for persons with a disability who requires an advocate or accessible offices. A designee will be allowed to participate in the full application process, but only with permission from the person with a disability. If an application is denied due to failure to complete the full application and supporting documentation, the applicant will be notified in writing.

In addition to the full application, all adult members must sign the HUD-9886, "Authorization for the Release of Information/Privacy Act Notice", the full application, the declarations and consent forms related to citizenship/immigration status, and any other documents required by the Housing Authority. Applicants will be required to sign specific verification forms for information which is not covered by the HUD-9886. Every adult household member also must sign a consent form to release criminal conviction records and to allow the Housing Authority to receive records and use them in accordance with HUD regulations. Failure to sign all required forms will be cause for denial of the application.

Assistance cannot be provided to the family until all Social Security Number documentation requirements are met. However, if the Housing Authority determines that an applicant family is otherwise eligible to participate in the program, they will have ten (10) days to provide the SSN documentation. Documentation may include the Social Security card or other documentation issued by the Social Security Administration or a Federal, State or local government agency that includes the name and SSN of the

individual. If the information is not supplied within the required time period, the Housing Authority will provide the family a written notification of denial for assistance.

If the Housing Authority determines during or after the review of the full application that additional information or document(s) are needed, the Housing Authority will request the information or document(s) in writing. The notification will include if information is not received within the specified timeframe, the applicant will be denied assistance. The family will be given ten (10) business days to supply the information.

2.3.1 Term-Limited Lease Assistance Program

Families will be required to sign a statement that they are aware that they will only receive rental assistance for a maximum of five (5) years. The head of household will also be required to sign an Individual Training and Services Plan (ITSP) committing to participation in self-sufficiency related activities, programs and services during the five years of rental assistance.

2.3.2 Verification

Information provided by the applicant will be verified, using the verification policies outlined in Chapter 7 of this Administrative Plan.

2.3.3 Final Determination and Notification of Eligibility [24 CFR 982.201]

After the verification process is completed, the Housing Authority will make a final determination of eligibility. This decision is based upon information provided by the family, the verification completed by the Housing Authority, and the current eligibility criteria in effect. If the family is determined to be eligible, the Housing Authority will mail or email a notification of eligibility. A briefing will be scheduled, and the family will receive a tenant-based voucher or placement in a project-based unit.

If the family is determined to be ineligible, the Housing Authority will provide a written notification to the applicant of denial of assistance. The notice will specify the reasons for ineligibility and will inform the family of its right to request an informal review as well as the process for requesting an informal review. Persons with disabilities may request to have an advocate attend the informal review as an accommodation.

2.3.3.1 Term-Limited Lease Assistance Program

If the family is determined to be eligible, the Housing Authority will mail a notification of eligibility and ensure that the head of household signs an ITSP.

2.4 Insufficient Funding

If at any time through the waiting list selection or initial eligibility process the Housing Authority determines that insufficient funding is available to provide assistance to eligible households, the Housing Authority will return the family to their original placement on the waiting list for selection until such time that funding becomes available.

CHAPTER 3: ELIGIBILITY FACTORS FOR ADMISSION

3. Introduction [24 CFR 982.54(d)]

This chapter defines the criteria used by the Housing Authority to determine program eligibility, and the requirements that families and family members must meet in order to receive assistance under the program. This chapter also clarifies the circumstances that may lead to a denial of admission, and the process for notifying families if they are denied admission.

Family members being added to households that are currently receiving assistance are subject to eligibility factors described in Chapter 15.

The intent of these policies is to maintain consistency and objectivity in evaluating the eligibility of families who apply for the programs. The criteria listed in this chapter are the only factors used to review eligibility to minimize the possibility of bias or discrimination. Selection shall be made without regard to, race, color, sex, religion, creed, national or ethnic origin, age, familial or marital status, handicap, disability, or sexual orientation, source of income, or disability/handicap.

3.1 Eligibility Factors and Requirements [24 CFR 982.201 and 24 CFR 982.552]

In accordance with HUD regulations, the Housing Authority has established the following eligibility criteria, which are detailed throughout this chapter. To be eligible for admission, an applicant family must:

- Meet the definition of a “family” as defined in this Chapter;
- Be within the appropriate income limit;
- Be a citizen, or a non-citizen with eligible immigration status [24 CFR §5.508]; and
- The applicant and all members of the applicant’s household must disclose the complete and accurate social security number (SSN) assigned to each household member, and the documentation necessary to verify each SSN.
 - These requirements do not apply to noncitizens who do not contend eligible immigration status.

The Housing Authority will also deny admission as follows:

- If applicant fails to meet specified criteria regarding drug abuse and other criminal activity;
- If the applicant is a current participant of the same program or PBV development for which an application has been submitted (such as an applicant for the Term-Limited Lease Assistance program who is a current participant of the Term-Limited Lease Assistance program);
- If applicant fails to submit required consent forms or any other Housing Authority-required information to verify family eligibility, composition, or income (including birth certificates and valid government issued identification);
- If applicant is in violation of other criteria listed in this Chapter;
- If the applicant is a member, officer, or employee of the Housing Authority who formulates policy or influences decisions with respect to federally-funded rental assistance programs or a public official or a member of the local governing body or member of Congress; or
- If applicant is a student enrolled in an institution of higher learning and meets all the criteria listed in the Full-Time Student section of Chapter 4: Members.

The Housing Authority's procedures regarding notification and informal reviews for applicants who are denied assistance can be found at the end of this chapter. The Housing Authority may take into consideration any admission criteria listed in this chapter in order to screen applicants for program eligibility; however, it is the owner's responsibility to screen applicants for family behavior and suitability for tenancy.

The Housing Authority will assist and advise applicants on how to file a complaint if they have been discriminated against by an owner.

3.2 Family Composition [24 CFR 982.201(c)]

This section outlines the Housing Authority definitions of what constitutes a family for the purposes of admission. Definition of individual household members is described in Chapter 4.

3.2.1 Family Types

The applicant must qualify as a family. The Housing Authority defines a family as a single person or a group of persons as described in the following sections on elderly family, disabled family, group of persons and a single person.

3.2.1.1 Elderly Family

The Housing Authority uses four different definitions of elderly family. The first applies to families participating in the Term-Limited Lease Assistance and Streamlined Lease Assistance programs. The second applies to families in Traditional, Regulatory Assistance for Special Purpose programs. The third and fourth definitions apply to families residing in the Horizons at Yucaipa senior housing development.

3.2.1.1.1 Term-Limited Lease Assistance and Streamlined Lease Assistance

An elderly family is one whose head, spouse, or sole member is a person who is at least fifty-seven (57) years of age. It may include two (2) or more persons who are at least fifty-seven (57) years of age living together, or one (1) or more persons who are at least fifty-seven (57) years of age living with one (1) or more live-in aides.

3.2.1.1.2 Traditional, Regulatory Assistance for Special Purpose Programs

An elderly family is one whose head, spouse, or sole member is a person who is at least sixty-two (62) years of age. It may include two (2) or more persons who are at least sixty-two (62) years of age living together, or one (1) or more persons who are at least sixty-two (62) years of age living with one (1) or more live-in aides.

3.2.1.1.3 Families Residing in Mental Health Stabilization Act Designated Units at Horizons at Yucaipa Senior Housing Development

An elderly family is one whose head, spouse, or sole member is a person who is at least sixty (60) years of age. It may include two (2) or more persons who are at least sixty (60) years of age living together, or one (1) or more persons who are at least sixty (60) years of age living with one (1) or more live-in aides.

3.2.1.1.4 Families Residing in HACSB Awarded Project-Based Voucher Units at Horizons at Yucaipa Senior Housing Development

An elderly family is one whose head, spouse, or sole member is a person who is at least fifty-five (55) years of age. It may include two (2) or more persons who are at least fifty-five (55) years of age living together, or one (1) or more persons who are at least fifty-five (55) years of age living with one (1) or more live-in aides.

3.2.1.2 Disabled Family

A disabled family is one whose head, spouse, cohead or sole member is a person with disabilities. It may include two (2) or more persons with disabilities living together, or one (1) or more persons with disabilities living with one (1) or more live-in aides.

3.2.1.3 Group of Persons

A group of persons is considered a family. This includes two (2) or more persons sharing residency, who are not categorized as an elderly or disabled family, whose income and resources are available to meet family needs. A single person who is pregnant or in the process of adopting or securing legal custody of any individual under the age of eighteen (18) is considered a group of two (2) for the purpose of this definition.

3.2.1.4 A Single Person

A single person family is one comprised of a single person or youth described in 42 U.S.C. 1437(x)(2)(B),¹⁰ who lives alone or intends to live alone, who is not categorized as elderly, disabled, or the remaining member of a tenant family.

3.3 Applicant Family Break Up [24 CFR 982.315]

When a family on the waiting list breaks up into two (2) otherwise eligible families, only one (1) of the new families may retain the original application date. Other former family members may make a new application with a new application date if the waiting list is open.

In the absence of a judicial decision or an agreement among the original family members concerning the disposition of the application, the Housing Authority will determine which family will retain their placement on the waiting list. In making its determination, the Housing Authority will review which family member(s) will retain the application in the following priority order:

1. The domestic violence victim if separation is due to actual or threatened incidents of domestic violence, dating violence, sexual assault or stalking.
2. Which family member applied as head of household.
3. Which members were part of the household at the time of application.
4. Which family member retains the youngest child.

If the head of household dies while on the waiting list, the Housing Authority may transfer the application to a spouse, cohead or other adult household member if that person is listed on the application. If the head of household wishes to voluntarily relinquish the application to remaining household members, the Housing Authority may transfer the

¹⁰ An otherwise eligible youth who has attained at least 18 years of age and who has left foster care, or will leave foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older.

application to a spouse, cohead or other adult if that person is listed on the application, and the head of household's request is received prior to the application being selected from the waiting list. The application cannot be transferred to an individual listed as a live-in aide on the application. The remaining applicant family must meet the eligibility criteria for the specific program that they are applying for.

The Housing Authority may request supporting documentation for any of the above factors.

3.4 Multiple Families in the Same Household

When families consisting of two (2) families living together (such as a mother and father, and a daughter with her own husband or children), apply together as a family, they will be treated as a one (1) family unit.

3.5 Joint Custody of Children

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family fifty-one percent (51%) or more of the time. When more than one (1) applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or recertification will be able to claim the dependents. If there is a dispute about which family should claim them, the Housing Authority will make the determination based on available documents such as court orders, school records or an IRS return showing which family has claimed the child for income tax purposes. Under no circumstances will a family member be permitted to reside in multiple properties assisted under the 1937 Housing Act.

3.6 Income Limitations [24 CFR 982.201(b) and 24 CFR 5.603(b)]

HUD is required by law to set income limits that determine the eligibility of applicants for the Housing Services programs. The income limits are published annually and are based on HUD estimates of median family income in a particular area or county, with adjustments for family size.

3.6.1 Income Eligibility

To be eligible for assistance, an applicant must be:

1. An extremely low-income family (a family whose gross annual income does not exceed thirty percent (30%) of the established median income for the Riverside-San Bernardino Metropolitan Statistical Area); or

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2. A very low-income family (a family whose gross annual income does not exceed fifty percent (50%) of the median income for the Riverside-San Bernardino Primary Metropolitan Statistical Area); or
3. A low-income family (a family whose gross annual income does not exceed eighty percent (80%) of the median income for the Riverside-San Bernardino Primary Metropolitan Statistical Area).

To determine if the family is income-eligible, the Housing Authority compares the annual gross income of the family to the applicable income limit for the family's size. Families whose annual gross income exceeds the income limit will be denied admission and offered an informal review. Factors related to annual gross income are described in Chapter 6.

For initial lease-up at admission, families who exercise portability must be within the applicable low-income limit for the jurisdiction of the receiving Housing Authority in which they want to live.

3.6.2 Income Targeting [24 CFR 982.201(b)]

As required by HUD regulations and HACSB's MTW Agreement with HUD, seventy-five percent (75%) of all new admissions will be required to meet the definition of a very low-income family. To achieve the required balance, it may be necessary to skip over an otherwise eligible family. If this occurs, families that have been skipped over will retain their original position on the waiting list and will be admitted as soon as an appropriate opening becomes available.

3.6.3 Income Limits for Other Programs

Periodically, HUD has provided funding to the Housing Authority for projects involving preservation opt-outs and/or the expiration of a project-based contract. HUD provides the income limits applicable to those projects through specific regulation. The Housing Authority will follow HUD directives in determining admissions for such programs.

3.7 Citizenship/Eligible Immigration Status [24 CFR 982.201(a) & 982.203(b)(4) & 5.508]

Eligibility for assistance is contingent upon a family's submission of evidence of citizenship or eligible immigration status. In order to receive assistance, a family member must be a U.S. citizen or eligible immigrant. Each family member, regardless of age, must submit a signed declaration of U.S. citizenship or eligible immigration status. The Housing Authority may request verification of the declaration according to verification guidelines detailed in this chapter and chapter 7.

3.7.1 Declaration [24 CFR 5.508]

HUD requires each family member to declare whether the individual is a citizen, a national, or an eligible noncitizen, except those members who elect not to contend that they have eligible immigration status. Those who elect not to contend their status are considered to be ineligible noncitizens. For citizens, nationals and eligible noncitizens the declaration must be signed personally by the head, spouse, cohead, and any other family member eighteen (18) or older, and by a parent or guardian for minors. The family must identify in writing any family members who elect not to contend their immigration status (see Ineligible Noncitizens below). No declaration is required for live-in aides, foster children, or foster adults.

3.7.2 Ineligible Noncitizens

Those noncitizens who do not wish to contend their immigration status are required to have their names included on a noncontending family members listing, signed by the head, spouse, or cohead (regardless of citizenship status), indicating their ineligible immigration status. The Housing Authority is not required to verify a family member's ineligible status and is not required to report an individual's unlawful presence in the U.S. to the United States Citizenship and Immigration Services (USCIS).

Providing housing assistance to noncitizen students is prohibited [24 CFR 5.522]. This prohibition extends to the noncitizen spouse of a noncitizen student as well as to minor children who accompany or follow to join the noncitizen student. Such prohibition does not extend to the citizen spouse of a noncitizen student or to the children of the citizen spouse and noncitizen student. Such a family is eligible for prorated assistance as a mixed family.

3.7.3 Mixed Families [24 CFR 5.504]

An applicant family is eligible for assistance as long as at least one (1) member is a U.S. citizen or eligible immigrant. A family that includes eligible and ineligible individuals is called a "mixed family." Mixed family applicants will be given notice that their assistance will be prorated and that they may request an informal review if they contest this determination in accordance with the policies described in Chapter 15.

3.7.4 No Eligible Members [24 CFR 982.552(b)(4)]

The Housing Authority is required to deny admission if no member of the family is a U.S. citizen or eligible immigrant. Families will be provided the opportunity to appeal the decision in an informal review in accordance with the policies described in Chapter 15.

3.8 Social Security Requirements [24 CFR 5.216 (a)]

The applicant and all members of the applicant's household must disclose the complete and accurate social security number (SSN) assigned to each household member, and the documentation necessary to verify each SSN described in Chapter 7. These requirements do not apply to noncitizens who do not contend eligible immigration status. If the family fails to provide SSN documentation within the timeframes established by the Housing Authority, assistance will be denied in accordance with the policies described in Chapter 15.

3.9 Family Consent to Release of Information [24 CFR 5.230, HCV GB p. 5-13]

Applicants must provide true and complete information to the Housing Authority whenever information is requested. The Housing Authority will obtain proper authorization from the family before requesting information from independent sources. The Housing Authority must deny admission to the program if any member of the applicant family fails to sign and submit the consent forms for obtaining information in accordance with 24 CFR 5, Subparts B and F [24 CFR 982.552(b)(3)].

3.9.1 Term-Limited Lease Assistance and Streamlined Lease Assistance

All adult family members will be required to sign the HACSB-9886 "Authorization for Release of Information/Privacy Act Notice" that replaces HUD form-9886. In addition to the Authorization for Release of Information/Privacy Act Notice, the Housing Authority requires family members to sign other specific authorization for release of information forms. Each member requested to consent to the release of specific information will be provided with a copy of the appropriate forms for their review and signature.

3.9.2 Traditional, Regulatory Assistance for Special Purpose Programs [PIH Notice 2010-19]

All adult family members will be required to sign the HUD-9886 "Authorization for Release of Information/Privacy Act Notice." In addition to the Authorization for Release of Information/Privacy Act Notice, the Housing Authority requires family members to sign other specific authorization for release of information forms. Each member requested to consent to the release of specific information will be provided with a copy of the appropriate forms for their review and signature.

3.10 Screening for Criminal Background and Drug Abuse [24 CFR 982.522 - 982.553 and PIH Notice 2012-28]

The Housing Authority will screen all applicants eighteen (18) years of age and older for criminal and drug related activity. Applicants will be advised on the pre-application and at

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the start of the eligibility process that criminal behavior may preclude admission to the Housing Services Program. All persons who sign the Disclosure Form, including the certification of criminal activity, declare under penalty of perjury that the information provided is accurate. Providing false information on this certification is grounds for denial of assistance.

The Housing Authority will check for criminal activity of an applicant family by using the criminal records system of the City and County of San Bernardino, the State of California, and the federal National Crime Information Center (the "NCIC"). The Housing Authority will also examine criminal histories provided by other States or municipalities, court records, and other evidence that might document any criminal activity. The information to be examined includes:

- Any and all information relative to any criminal convictions or activity, both felonies and misdemeanors within the past seven (7) years;
- Any and all information relative to any criminal charges that are currently pending before the court of the State of California or any jurisdiction, including the federal courts;
- Lifetime sex offender registration requirement for any household member. The Housing Authority will check in California and any other states where any family member is known to have resided.

The Housing Authority also will screen all applicants ages eighteen (18) years and older for drug related activity. The Housing Authority is a federally funded Agency and as a result, does not recognize State and Local laws that decriminalize certain drugs, including medical marijuana.

The Fair Housing Act explicitly states that current illegal drug users ARE NOT a protected class (persons with disabilities) and permits Housing Authority to reject such applicants. Further, notwithstanding any other provision of law, no individual shall be considered a person with disabilities, for the purposes of eligibility for low-income housing, solely on the basis of any drug or alcohol dependence. [QHWRA; Subtitle A; Sec. 506(3)].

The Housing Authority will not conduct additional screening to determine an applicant family's suitability for tenancy. However, HUD requires the Housing Authority to provide prospective owners with the family's current and prior address (as shown in Housing Authority records) and the name and address (if known) of the owner at the family's current and prior addresses.

An applicant will be denied admission for criminal and drug related history in accordance with the policies described in Chapter 15.

3.11 Housing Services Program Determination

Once all eligibility factors have been confirmed, the Housing Authority will determine the Housing Services program for which the family qualifies. Program determination criteria are described in this section.

3.11.1 Term-Limited Lease Assistance

All applicants admitted after January 1, 2012, who are not elderly or disabled families are required to participate in the Term-Limited Lease Assistance program. All port-in families, families exercising mobility through the Project-Based Voucher program, non-legacy families in Rental Assistance Demonstration (RAD) units exercising mobility who are briefed on or after November 1, 2017, or as soon as practicable thereafter, and the former Upland Housing Authority waiting list applicants who are pulled on or after July 1, 2017, are required to participate in the Term-Limited Lease Assistance Program. No Child Left Unsheltered (career-abled) families admitted on or after October 1, 2019, will transition to the Term-Limited Lease Assistance Program at the conclusion of the initial two-year period. Exceptions to this policy may be made for families exercising portability or mobility through a VAWA accommodation. For the purpose of this program, a non-elderly family is one in which the head of household, spouse or cohead is fifty-six (56) years of age or younger. A non-disabled family is one in which the head of household, spouse or cohead is not disabled.

3.11.2 Streamlined Fixed Lease Assistance for Elderly/Disabled Families

The households that will be admitted to the Streamlined Fixed Lease Assistance for Elderly/Disabled Families include:

- All elderly/disabled applicants for Housing Services programs (excluding Term-Limited Lease Assistance eligible families) who are selected from the waiting list after February 1, 2015
- Incoming portability households for which HACSB bills the initial PHA
- Elderly/disabled families admitted under the No Child Left Unsheltered program criteria
- Moving On Strategy program criteria for Continuum of Care households
- Sponsor-based project-based voucher program criteria
- Former Upland Housing Authority elderly/disabled families transferred through the HUD approved voluntary transfer on July 1, 2017

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For the purpose of this program, an elderly family is one in which the head of household, spouse or cohead is fifty-seven (57) years of age or older. A disabled family is one in which the head of household, spouse or cohead is disabled.

No Child Left Unsheltered elderly/disabled families, admitted on or after October 1, 2019, will be transitioned to the Streamlined Fixed Lease Assistance program after two years of participation in the No Child Left Unsheltered program.

3.11.2.1 Mainstream Vouchers

The Mainstream Voucher Program was developed to provide rental assistance to persons with disabilities who are seeking suitable, affordable, and accessible housing in the private market. Vouchers awarded under the Mainstream 811 NOFA are administered using the same rent calculation methods as the Streamlined Fixed Lease Assistance program.

3.11.3 Streamlined Tiered Lease Assistance for Career-Focused Families

All non-elderly and non-disabled participants who received assistance prior to January 1, 2012 and have a recertification effective date of February 1, 2015 or later, including incoming portability families for which HACSB bills the initial PHA, families assisted under the No Child Left Unsheltered program criteria (admitted prior to October 1, 2019), families assisted under the sponsor-based project-based voucher program criteria, current project-based voucher participants, and/or former Upland Housing Authority career focused families transferred through the HUD approved voluntary transfer on July 1, 2017 will participate in the Streamlined Tiered Lease Assistance for Career Focused Families program as of their recertification date.

3.11.4 Streamlined Fixed Lease Assistance for Career-Focused Families¹¹

All non-elderly and non-disabled families admitted under the project-based voucher program and sponsor-based project-based voucher program after January 1, 2017, will participate in the Streamlined Fixed Lease Assistance for Career-Focused Families program. Current project-based voucher and sponsor-based voucher participant families who no longer qualify for Streamlined Fixed Lease Assistance for Elderly/Disabled Families program after January 1, 2017, will participate in the Streamlined Fixed Lease Assistance for Career-Focused Families program as of their recertification date.

¹¹ HACSB's 2016 MTW Plan included revisions to Activity 22: Streamlined Lease Assistance, to add Streamlined Fixed Lease Assistance for Career-Focused Families.

3.11.4.1 Family Unification Program

The Family Unification Program (FUP) will be administered using the Streamlined Fixed Lease Assistance Program for Career-Focused Families unless the family meets the criteria for the Streamlined Lease Assistance for Elderly/Disabled Families. HUD does not permit term limits for FUP families. FUP-eligible youth are limited to 36 months of assistance under FUP regulations and may qualify for rental assistance for up to 24 months beyond the 36-month term limit. See section 16.2.2.3.1 for extension criteria.

3.11.5 Traditional, Regulatory Assistance for Special Purpose Programs

The Special Purpose programs program described in this section are administered in accordance with federal regulations and the specific criteria established by the special purpose program. Some of the eligibility criteria described in this Chapter, such as certain criminal background requirements, may be different for participants in these programs. A description of each program, including certain eligibility criteria, is provided below:

3.11.5.1 Continuum of Care

The Continuum of Care program was developed by the Housing Authority in cooperation with the County of San Bernardino Department of Behavioral Health (DBH) to provide decent housing and long-term mental health services to mentally ill participants and their families. Applicants are referred by DBH and must cooperate with supportive service providers in order to maintain their eligibility for the program. DBH utilizes a network of resources to provide a variety of services related to job training, health care, child care, and educational advancement.

3.11.5.2 Veterans Affairs Supportive Housing (VASH)

The Veterans Affairs Supportive Housing program (VASH) is for homeless veterans with severe psychiatric or substance abuse disorders. The Housing Authority and Veterans Administration Medical Center (VAMC) have partnered to provide rental vouchers and supportive services to eligible veterans.

The veteran must demonstrate to the VAMC that he/she is homeless (has been living outdoors, in a shelter, in an automobile, etc.) before being evaluated for this program. VAMC will provide supportive services and if appropriate refer veterans to the Housing Authority. After receiving the referral Housing Authority will determine if the veteran is eligible for the program.

3.11.5.3 Mainstream 5 Program

The Mainstream 5 program was developed to provide rental assistance to persons with disabilities who are seeking suitable, affordable and accessible housing in the private

market. Effective with the January 1, 2021 recertifications, Mainstream 5 participants will be transitioned onto the Streamlined Fixed Lease Assistance program.

3.11.5.4 Housing Opportunities for People with AIDS (HOPWA)

The Housing Authority has partnered with the Foothill AIDS Project to offer rental assistance and supportive services to individuals with HIV/AIDS through the HOPWA program. Applications from residents of San Bernardino County are processed through the Foothill AIDS Project to the Housing Authority from designated local service providers. Once verification of the applicant's diagnosis is obtained, the Foothill AIDS Project will assess the applicant's duration of participation in their case management program and facilitate location of suitable housing to meet the client's needs. Priority is given to clients who demonstrate stability and the ability to follow through with their case plan.

3.11.5.5 Master Leasing Program

The Master Leasing program is funded by the State of California Mental Health funds and serves mentally ill or developmentally disabled families with intensive supportive services provided by the Department of Behavioral Health.

3.11.5.6 Emergency Housing Voucher Program

The Emergency Housing Voucher Program is for individuals and families who are homeless, at risk of homelessness, fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability. Referrals are received by the Coordinated Entry System and other partner organizations, who have Memorandum of Understanding with the Housing Authority.

3.12 Denial of Assistance [24 CFR 982.201(f)(1) and 982.552(a)(2)]

Denial of assistance for an applicant family may include denying placement on the waiting list; denying or withdrawing a voucher or family obligations agreement; refusing to enter into a Housing Assistance Payment or Lease Assistance Payment contract or approve a lease; and refusing to process or provide assistance under portability procedures.

Families from the waiting list who are determined to be ineligible will be notified in writing of the reason for denial and given an opportunity to request an informal review if they do not agree with the decision. This policy also applies to incoming families from other housing authorities that have not yet received assistance in the Housing Authority's jurisdiction. Refer to Chapter 15 for more information on the informal review process.

3.13 Violence Against Women Act

The Violence against Women Reauthorization Act of 2013 (VAWA 2013) prohibits denial of admission to an otherwise qualified applicant on the basis that the applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking. Specifically, Section 606(4)(A) of VAWA adds an addition provision to Section 8 of the U.S. Housing Act of 1937, which lists contract provisions and requirements for the housing choice voucher program. The addition provision is that an applicant or participant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking is not an appropriate reason for denial of program assistance or for denial of admission, if the applicant otherwise qualifies for assistance or admission [24 CFR 5.2005].

3.13.1 Definitions [24 CFR 5.2003]

The following defines the terms as used in the VAWA legislation:

The term *bifurcate* means, with respect to an assisted lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members' lease and occupancy rights are allowed to remain intact.

The term *domestic violence* includes felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

The term *dating violence* means violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors: The length of the relationship, the type of relationship and the frequency of interaction between the persons involved in the relationship

The term *stalking* means:

Engaging in a course of conduct directed at a specific person that would cause a reasonable person to:

- Fear for the person's individual safety or the safety of others; or
- Suffer substantial emotional distress

The term *affiliated* means:

With respect to an individual, as a spouse, parent, brother, sister, or child of that individual, or an individual to whom that individual stands in loco parentis (in place of a parent), or any individual, tenant, or lawful occupant living in the household of that individual.

3.13.2 Notification

The Housing Authority acknowledges that a victim of domestic violence, dating violence, sexual assault, or stalking may have an unfavorable history (e.g., a poor credit history, a record of previous damage to an apartment, a prior criminal record) that would warrant denial under the Housing Authority's policies. Therefore, if the Housing Authority makes a determination to deny admission to an applicant family, the Housing Authority will include in its notice of denial:

- VAWA form 5382 (VAWA Certification form)
- VAWA form 5380 (Notice of Occupancy Rights)
- A statement of the protection against denial provided by VAWA
- A description of Housing Authority confidentiality requirements

A request that an applicant wishing to claim this protection submit to the Housing Authority documentation meeting the specifications described in this chapter with her or his request for an informal review.

3.13.3 Documentation

An applicant claiming that the cause of an unfavorable history is that a member of the applicant family is or has been a victim of domestic violence, dating violence, sexual assault, or stalking can provide documentation (1) demonstrating the connection between the abuse and the unfavorable history and (2) naming the perpetrator of the abuse (only if the name of the perpetrator is safe to provide and is known to the victim). The documentation may consist of any of the following:

- Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, and Alternate Documentation HUD form 5382.
- A police or court record documenting the domestic violence, dating violence, sexual assault, or stalking
- Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, sexual assault, or stalking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim

service provider; an attorney; or a medical or other knowledgeable professional. The person signing the documentation must attest under penalty of perjury to the person's belief that the incidents in question are bona fide incidents of abuse. The victim must also sign the documentation.

3.13.3.1 Perpetrator Documentation

If the perpetrator of the abuse is a member of the applicant family, the applicant must provide additional documentation consisting of one of the following:

- A signed statement (1) requesting that the perpetrator be removed from the application and (2) certifying that the perpetrator will not be permitted to visit or to stay as a guest in the assisted unit
- Documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation or treatment. The documentation must be signed by an employee or agent of a domestic violence service provider or by a medical or other knowledgeable professional from whom the perpetrator has sought or is receiving assistance in addressing the abuse. The signer must attest under penalty of perjury to his or her belief that the rehabilitation was successfully completed or is progressing successfully. The victim and perpetrator must also sign or attest to the documentation.

3.13.3.2 Time Frame for Submitting Documentation

The applicant must submit the required documentation with her or his request for an informal review or must request an extension in writing at that time. If the applicant so requests, the Housing Authority will grant an extension of ten (10) business days, and will postpone scheduling the applicant's informal review until after it has received the documentation or the extension period has elapsed. If after reviewing the documentation provided by the applicant the Housing Authority determines that the family is eligible for assistance, no informal review will be scheduled and the Housing Authority will proceed with admission of the applicant family.

3.13.4 Confidentiality [24 CFR 5.2007(a)(1)(v)]

All information provided to the Housing Authority regarding domestic violence, dating violence, sexual assault, or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence and may neither be entered into any shared database nor provided to any related entity, except to the extent that the disclosure (a) is requested or consented to by the individual in writing, (b) is required for use in an eviction proceeding, or (c) is otherwise required by applicable law. If disclosure is required

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for use in an eviction proceeding or is otherwise required by applicable law, the Housing Authority will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

CHAPTER 4: DEFINITION OF HOUSEHOLD MEMBERS

4. Introduction

This chapter defines the types of members that can be in each applicant or participant household. This chapter also defines what income will be included or excluded for certain members, lengths of absences from the household and the Housing Authority's policies regarding unauthorized members.

4.1 Family and Household Members [24 CFR 982.201(c), HUD-50058 IB p. 13, FR Notice 02/03/12]

The terms *family* and *household* have different meanings in the Housing Services program. Chapter 3 defines what constitutes a family. This Chapter outlines which members are considered family members and which are considered household members. Chapter 6 outlines what types of income are included for family and household members.

4.1.1 Term-Limited Lease Assistance and Streamlined Lease Assistance

The following are considered family members: Head of household, spouse, cohead, other adults, dependents, foster children, foster adults, and full-time students.¹² The following are **not** considered family members, but are considered household members: Guests and live-in aides.

4.1.2 Traditional, Regulatory Assistance for Special Purpose Programs

The following are considered family members: Head of household, spouse, cohead, other adults, dependents, and full-time students. The following are **not** considered family members, but are considered household members: Foster children, foster adults, guests and live-in aides.

4.2 Head of Household [24 CFR 5.504(b)]

The head of household is considered to be the adult designated by the family or the Housing Authority to sign program related documents. However, since rental assistance is provided to the entire family, it is expected that every household member will uphold the Housing Authority's rules and regulations. A minor who is emancipated under state law will be recognized as head of household.

¹² HACSB's MTW Activity 5: Simplified Income Determination includes foster children and adults as family members.

4.3 Spouse of Head of Household or Cohead [HUD-50058 IB, p. 13]

A family may have a spouse or cohead, but not both. Spouse means the marriage partner of the head of household. The marriage partner, who in order to dissolve the relationship, would have to be divorced. This includes the partner in a common-law marriage. The term “spouse” does not apply to friends, roommates or significant others who are not marriage partners. A minor who is emancipated under state law may be designated as a spouse.

Cohead is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one cohead. Minors who are emancipated under state law may be designated as a cohead.

4.4 Other Adult [HUD-50058 IB, p. 13]

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

4.5 Dependent [24 CFR 5.603]

A dependent is a family member who is under eighteen (18) years of age or a person of any age who is a person with a disability or a full-time student, except that the following persons can never be dependents: the head of household, spouse, cohead, and live-in aides.

4.6 Full-Time Student [24 CFR 5.603; HCV GB, p. 5-29]

A full-time student is a person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to be full-time is defined by the educational institution. No assistance shall be provided under Section 8 of the Housing Act of 1937 to any individual that meets the following criteria:

- Is enrolled as a student at an institution of higher education, as defined under Section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002);
- Is under twenty-four (24) years of age;
- Is not a veteran of the United States military;
- Is unmarried;
- Does not have a dependent child; and
- Is not otherwise individually eligible, or has parents who, individually or jointly, are not eligible on the basis of income.

The law does not apply to students who reside with parents who are applying to receive assistance. It is limited to students who are seeking assistance on their own, separately from their parents.

4.7 Foster Children and Foster Adults [24 CFR 5.609, 24 CFR 5.603; HUD-50058 IB, p. 13.]

Foster adults are usually persons with disabilities, unrelated to the tenant family, who are unable to live alone. The term foster child is not specifically defined by HUD regulations.

A foster child is a child that is in the legal guardianship or custody of a state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under some kind of short-term or long-term foster care arrangement with the custodial agency.

A foster child or foster adult may be allowed to reside in the unit if their presence would not result in a violation of HACSB Local Inspection standards.

Children that are temporarily absent from the home as a result of placement in foster care are discussed later in this chapter.

4.7.1 Term-Limited Lease Assistance and Streamlined Lease Assistance¹³

Foster children and foster adults that are living with an applicant or assisted family are considered family members.

4.7.2 Traditional, Regulatory Assistance for Special Purpose Programs

Foster children and foster adults that are living with an applicant or assisted family are not considered family members.

4.8 Guests [24 CFR 5.100]

A guest is a person temporarily staying in the unit, with proof of a permanent residence, with the consent of a member of the household who is authorized to provide such consent. A guest can remain in the assisted unit no more than a total of thirty (30) cumulative calendar days during any twelve (12) month period.

Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside

¹³ HACSB's MTW Activity 5: Simplified Income Determination includes foster children and foster adults in the definition of family members.

of the assisted household more than fifty percent (50%) of the time, are not subject to the time limitations of guests as described above.

4.9 Live-In Aides [24 CFR §982.316 and 24 CFR §5.403]

A family may include a live-in aide if the live-in aide meets the following stipulations:

- Is determined by the Housing Authority to be essential to the care and well-being of an elderly person or a person with the disability;
- Is not obligated for the support of the person(s);
- Would not be living in the unit except to provide care for the person(s); and
- Must submit a signed Criminal Background Consent Form and social security number

A live-in aide is different from a family member in the following:

- An aide's income will not be used to determine eligibility of the family;
- An aide is not subject to citizenship/eligible immigrant requirements; and
- An aide is not considered a remaining member of the family, which means that they are not entitled to retain housing assistance should the family no longer participate in the program

At any time the Housing Authority may refuse to approve a particular person as a live-in aide or may withdraw such approval if:

- The person commits fraud, Grand Theft Housing, bribery, or any other corrupt or criminal act in connection with any federal housing program;
- The person commits drug-related or violent criminal activity; or
- The person currently owes rent or other amounts to the HACSB, to another Housing Authority in connection with rental housing assistance or public housing assistance under the Housing Act of 1937.

A live-in aide may only reside in the unit with the approval of the Housing Authority. HACSB will require written verification from a reliable, knowledgeable 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 family member who is elderly and/or disabled. The live-in aide will be subject to a criminal background check and must meet the same standard as an applicant. The Housing Authority will not increase the family's subsidy to accommodate the family of a live-in aide.

Under limited circumstances, a relative, except for a Spouse or registered Domestic Partner, may be approved to be a live-in aide but they must meet all the stipulations in the live-in aide definition described above. In particular, a relative who previously was living in the unit and wants to become a live-in aide must provide documentation that they would not be living in the unit except to provide the necessary supportive services and is not obligated for the support of the persons. Additionally, the previous household member must have been residing elsewhere for at least twelve (12) months prior to being added to the household as a live-in aide. By definition, a current household member is not eligible to become a live-in aide.

A live-in aide may not become a member of the participant household unless a live-in aide marries or enters into a formal domestic arrangement with the participant. At which time, the live-in aide will be given ten (10) business days to submit an application for occupancy to be added to the household as a spouse or cohead. The live-in aide will no longer be referred to as a live-in aide, but rather as an applicant. During that time, the applicant will be treated as a guest. If the marriage or formal domestic arrangement is not reported to HACSB within ten (10) business days, the family may be terminated. An individual classified by the Housing Authority as a live-in aide or guest when the sole family member passes away or vacates the unit is not entitled to the housing assistance as a remaining family member.

4.10 Absent Family Members

Individuals may be absent from the family, either temporarily or permanently, for a variety of reasons including educational activities, placement in foster care, employment, illness, incarceration, and court order. The family must report any absences anticipated to be longer than thirty (30) calendar days to HACSB within ten (10) business days of the start of the absence. If the entire family is absent from the unit for longer than thirty (30) calendar days, the unit will be considered to be vacated, regardless if the family has moved out of the unit.

Generally, an individual who is absent or expected to be absent from the assisted unit for one-hundred and eighty (180) consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally, an individual who is absent or expected to be absent from the assisted unit for more than one-hundred and eighty (180) consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Income from family members who are temporarily absent will be included as part of annual income and annual adjusted income unless otherwise specified in this chapter. Income from family members who are permanently absent will not be included unless otherwise specified in this chapter and the household's subsidy standard may be changed as a result of the family member's permanent absence.

4.10.1 Absent Students

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to the Housing Authority indicating that the student has established a separate household or the family declares that the student has established a separate household.

4.10.2 Absences Due to Placement in Foster Care [24 CFR 5.403]

Children temporarily absent from the home as a result of placement in foster care are considered members of the family.

4.10.3 Absent Head of Household, Spouse or Cohead

An employed head, spouse, or cohead absent from the unit less than one-hundred and eighty (180) consecutive days due to employment will continue to be considered a family member.

4.10.4 Absent Parents

If no parent remains in the household and the appropriate agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, the Housing Authority will treat that adult as a guest for the first thirty (30) days. If, by the end of that period, court-awarded custody or legal guardianship has been awarded to the caretaker, the assistance will be transferred to the caretaker. If the appropriate agency cannot confirm the guardianship status of the caretaker, the Housing Authority will review the status at ninety (90) day intervals.

If custody or legal guardianship has not been awarded by the court, but the action is in process, the Housing Authority will secure verification from social services staff or the attorney as to the status.

The caretaker will be allowed to remain in the unit, as a guest, until a determination of custody is made.

The Housing Authority will transfer the assistance to the caretaker, in the absence of a court order, if the caretaker has been in the unit for more than thirty (30) days and it is reasonable to expect that custody will be granted.

When the Housing Authority approves a person to reside in the unit as caretaker for the children, the income should be counted pending a final disposition. The Housing Authority will work with the appropriate service agencies and the landlord to provide a smooth transition in these cases. If a member of the household is subject to a court order that restricts him/her from the home for more than six (6) months, the person will be considered permanently absent.

4.10.5 Family Members Permanently Confined for Medical Reasons [HCV GB, p. 5-22]

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted.

4.10.6 Absences Due to Incarceration

If the sole member is incarcerated for more than thirty (30) consecutive days, s/he will be considered permanently absent, and a 30-day notice of termination will be issued to the family and the owner. Any member of the household, other than the sole member, will be considered permanently absent if s/he is incarcerated for thirty (30) consecutive days.

4.10.7 Return of Permanently Absent Family Members

The family must request Housing Authority approval for the return of any adult family members that the HACSB has determined to be permanently absent. The individual is subject to the eligibility and screening requirements discussed in Chapter 3: Eligibility and Admissions Criteria.

4.10.8 Absence of Entire Family [24 CFR 982.312]

These policy guidelines address situations when the family is absent from the unit but has not moved out of the unit. In cases where the family has moved out of the unit, the Housing Authority will terminate assistance in accordance with appropriate termination procedures contained in this Administrative Plan. Families are required to:

- Notify the Housing Authority before they move out of a unit.
- Give the Housing Authority information about any family absence from the unit.
- Notify the Housing Authority if they are going to be absent from the unit for more than thirty (30) consecutive days.

If the entire family is absent from the assisted unit for more than thirty (30) consecutive days, the unit will be considered to be vacated and the assistance will be terminated after a 30-day notice to the family and the owner has been issued. If it is determined that the family is absent from the unit, the Housing Authority will not continue assistance payments. In order to determine if the family is absent from the unit, the Housing Authority may:

- Write letters to the family of the unit
- Verify if utilities are in service
- Contact the Post Office
- Contact the owner/agent

A person with a disability may request an extension of time as a reasonable accommodation, provided that the extension does not go beyond the HUD-allowed one-hundred and eighty (180) consecutive calendar days limit.

If the absence which resulted in termination of assistance was due to a person's disability, and the Housing Authority can verify that the person was unable to notify the Housing Authority in accordance with the family's responsibilities, and if funding is available, the Housing Authority may reinstate the family as a reasonable accommodation if requested by the family.

4.11 Reporting Changes in Household Members

Families are required to report all changes in household composition within ten (10) days of the change. Families may, but are not required to, report changes in criteria that may result in a change from one Housing Services program type to another. These changes in eligibility criteria are described later in this chapter.

4.11.1 Reporting Changes in Family Composition

Reporting changes in household composition is both a HUD and a Housing Authority requirement. These changes include family members who move out, births and court awarded custody. This also includes changes in family members who are enrolled in institutions of higher education and are under the age of 24.

If a family member leaves the household, the family must report this change to the Housing Authority, in writing, within ten (10) days of the change and certify as to whether the member is temporarily absent or permanently absent. The Housing Authority will conduct an interim recertification for changes in alignment with our interim recertification policies.

4.11.2 Reporting Changes in Housing Services Program Type Eligibility Criteria

Family members may, but are not required to, report changes in family status that may result in a change of the program type they participate in. Should the head of household, spouse or cohead of a Term-Limited Lease Assistance or Streamlined Tiered Assistance family become disabled in between recertifications, families may report these changes. The Housing Authority will determine if the family is eligible for participation in a different Housing Services program.¹⁴

¹⁴ The FY 2011 Moving to Work Annual Plan included Activity 20: Term-Limited Lease Assistance for families who became participants after January 1, 2012. The FY 2013 Moving to Work Annual Plan, included Activity 23: Streamlined Lease Assistance Program which created two Streamlined Assistance programs and a transition period program. The Housing Authority also administers Traditional, Regulatory Special Programs. Each of these programs have unique criteria for eligibility.

CHAPTER 5: SUBSIDY STANDARDS

5. Introduction

HUD guidelines require that Housing Authority establish subsidy standards for the determination of family unit size, and that such standards provide for a minimum commitment of subsidy while avoiding overcrowding. The standards used for the unit size selected by the family must be within the minimum unit size requirements of Housing Authority's inspection standards. This chapter explains the subsidy standards which will be used to determine the assistance size for families when they are selected from the waiting list, as well as the Housing Authority's procedures when a family's size changes or a family selects a unit size that is different from the assistance size issued.

5.1 Determination of Subsidy Standard [24 CFR 982.402]

Applicants and participants of the Housing Services program are issued a document that allows them to search for a unit. This assistance document is known as the Family Obligations Agreement for the Term-Limited Lease Assistance program and the Streamlined Lease Assistance programs. The document is known as a Voucher for the Traditional, Regulatory Assistance for Special Purpose program families. Each document indicates what the authorized bedroom size for assistance is, and this is known as the subsidy standard.

The subsidy standard and determination of bedroom size are based upon the number of family members who will reside in the household. All standards in this section relate to the number of bedrooms on the assistance document, not the family's actual living arrangements. The unit size on the assistance document remains the same as long as the family composition meets the guidelines for the same unit size.

As required by federal regulations, the Housing Authority's subsidy standards shall provide for the smallest number of bedrooms needed to house a family without overcrowding. They will be applied consistently for all families of like size and composition, in a manner consistent with fair housing guidelines and inspection standards. All children anticipated to reside in a dwelling unit will be included, as members of the household. This may include children expected to be born to an applicant/participant, children who are in the process of being adopted by an applicant/participant, or children whose custody is being obtained by an applicant/participant.

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For Term-Limited Lease Assistance and Streamlined Lease Assistance, the Housing Authority will assign one bedroom to two people, regardless of gender, age or relationship of family members, within the following guidelines:

GUIDELINES FOR DETERMINING SUBSIDY STANDARD		
Subsidy Standard	Minimum Persons in Household	Maximum Persons in Household
1 Bedroom	1	3
2 Bedrooms	3	5
3 Bedrooms	5	7
4 Bedrooms	7	9
5 Bedrooms	9	11
6 Bedrooms	11	13

- Foster children will be included in the determination of unit size only if they will be in the unit for more than twelve (12) months.
- Live-in aides will generally be provided a separate bedroom. No additional bedrooms are provided for the aide's family.
- Space may be provided for a dependent who is away at school but who lives with the family during school recesses.
- Space will not be provided for a family member, other than a spouse or cohead who will be absent most of the time, such as a member who is away in the military.
- Single person families shall be allocated one bedroom.
- If the family decides to move or is required to move, the subsidy standard will be based on the family's current composition and applicable agency standards.
- Alternative occupancy standards have been established that will permit certain project-based units to be occupied with up to two persons per bedroom. This flexibility will potentially allow a family leasing a project-based unit to be overhoused by occupying a larger unit than would normally be permitted under occupancy standards. Utilization of the alternative standards is on a case-by-case basis and requires Housing Authority Approval. Refer to Chapter 20: Project-Based Assistance Program, 20.12.1. Alternative Occupancy Standards.

For Traditional, Regulatory Assistance Programs and VASH, the Housing Authority will assign one bedroom to the Head of Household, Spouse and/or cohead and an additional bedroom for every two family members. For example, a 2-person household (Head of Household and child) would be eligible for a 2 bedroom.

5.2 Subsidy Standards Waiver [24 CFR 982.402(b)(8)]

The standards discussed above should apply to the vast majority of assisted families. However, in some cases, the Housing Authority may grant waivers to the subsidy standards. Examples of possible exceptions that may be justified include but are not limited to:

- The health of a family member.
- A reasonable accommodation for a person with a disability.

Requests based on health-related reasons must be verified, in writing, by a doctor or other medical professional. The request must specify the reason for the request and how providing a larger bedroom size would improve or accommodate the medical condition. In regard to requests for an additional bedroom, the Housing Authority may consider a living room or other available space that meets inspection standards as a living/sleeping area as long as it does not exceed the maximum occupancy standards described below.

A Housing Authority employee who has not been involved in the initial determination will review the subsidy standard exception request and then make a decision based on the specifics of the individual case. After the decision is made, the applicant or participant will receive written notification from the Housing Authority advising the applicant or participant of the decision regarding the exception.

To request a larger bedroom size than indicated by the subsidy standards for any other reason, the family must submit a written request within ten (10) calendar days of the Housing Authority's determination. The request must explain the need or justification for a larger bedroom size.

5.3 Housing Authority Error

If the Housing Authority makes an error in the subsidy standard designation, the family will be issued an assistance document indicating the appropriate size.

5.4 Household Composition Changes for Applicants

The number of bedrooms assigned to the family under the subsidy standard (subsidy size) is determined prior to the briefing by comparing the family composition to the Housing Authority subsidy standards according to the guidelines in section 5.1. After the family is briefed, additions to the household, except for additions as a result of birth, adoption or court-awarded custody, will be denied if the household addition will result in an increase to the family's subsidy size based on the program's subsidy standards.

5.4.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

Additions to the household, except birth, adoption or court-awarded custody, will be approved based on the occupancy standard of the subsidy size on the current FOA in accordance with the subsidy standard of two people per bedroom. The living room would be considered a sleeping area for one person. For example, a family of four with a 2-bedroom subsidy size may add one additional household member. However, the family would not be upgraded to a 3-bedroom subsidy size.

5.4.2 Traditional, Regulatory Assistance for Special Purpose, Veteran Affairs Supportive Housing, and Emergency Housing Voucher programs

Additions to the household, except birth, adoption or court-awarded custody, will be approved based on the occupancy standard of the original family subsidy size on the current Voucher in accordance with the subsidy standard of one bedroom for the head of household, spouse, and/or cohead and an additional bedroom for every two family members. The living room will be considered a sleeping area for one person. For example, a head of household and two family members with a 2-bedroom voucher could add up to two additional household members. However, the family would not be upgraded to a 3-bedroom subsidy size.

5.5 Household Composition Changes for Participants

All changes that may affect the family's eligible subsidy standards must be reported within 10 business days of the change occurring, including a household member(s) no longer needing a live in aide or approved additional bedroom due to reasonable accommodation.

The family must obtain approval of any additional family members before the new member occupies the unit except for additions by birth, adoption, or court-awarded custody, in which case the family must inform the Housing Authority within ten (10) business days. Probable placement or custody must be verified through a social service/children's service agency or school and is subject to Housing Authority approval.

If changes in the family composition result in a reduction to the family's subsidy size according to the subsidy standards, the appropriate adjustments will be made at the next regularly scheduled recertification.

If the household exceeds the maximum occupancy standards for the unit due to an increase in family size, the Housing Authority will terminate the existing assistance contract with the landlord and allow the family to search for a suitable unit.

5.5.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

Additional family members, excluding birth, adoption or court-awarded custody, will be approved based on the occupancy standard of the original subsidy size in accordance with the subsidy standard of two people per bedroom. The living room would be considered a sleeping area for one person. If a household addition is approved, the family's subsidy size will not be increased at recertification or moves. For example, a participating family of four with a 2-bedroom subsidy size could add one additional household member. However, the family would not be upgraded to a 3-bedroom subsidy size. For additions due to birth, adoption, or court-awarded custody, the family's subsidy size will be increased at interim reexamination.

5.5.2 Traditional, Regulatory Assistance for Special Purpose, Veteran Affairs Supportive Housing, and Emergency Housing Voucher programs

Additional family members, excluding birth, adoption or court-awarded custody, will be approved based on the occupancy standard of the original family subsidy size in accordance with the subsidy standard of one bedroom for the head of household, spouse and/or cohead and an additional bedroom for every two family members. The living room will be considered a sleeping area for one person. If an addition is approved, the family's subsidy size will not be increased at recertification or moves. For example, a head of household with two family members with a 2-bedroom subsidy size could add up to two additional household members. However, the family would not be upgraded to a 3-bedroom unit size. For additions due to birth, adoption, or court-awarded custody, the family's subsidy size will be increased at interim reexamination.

5.6 Flexibility of Unit Size Actually Selected [24 CFR 982.402, 24 CFR 982.517(d)]

The family may select a dwelling unit with a different size than their applicable subsidy standard, dependent upon their program. The impacts of a different unit size selection vary based on the applicant or participant's Housing Services Assistance program type. Each of these differences is outlined in the following sections.

5.6.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

In these programs, the Housing Authority may require a family to select a unit that is the same size as their voucher.¹⁵ Families in this program are permitted to lease an oversized unit.

¹⁵ The FY 2018 Moving to Work Annual Plan, Activity 20: Term-Limited Lease Assistance program for families and Activity 22: Streamlined Lease Assistance program included a unit size limitation. This

- Larger than Subsidy Standard - The Housing Authority may prohibit a family from renting an otherwise acceptable unit because it is too large for the family. In instances where this is permitted, the rent for the unit must be comparable and the number of bedrooms is not more than one greater than the family's subsidy standard. Example: a family with a two-bedroom subsidy standard may select a unit that has no more than three bedrooms.
- Smaller than Subsidy Standard - The Housing Authority may permit a family to rent an otherwise acceptable unit with fewer bedrooms than the subsidy standard, provided that the unit does not exceed maximum unit occupancy requirements and that the number of bedrooms is not more than one smaller than the family's subsidy standard. Example: a family with a two-bedroom subsidy standard may select a unit that has no less than one bedroom.
- Subsidy Limitation – For families who select a unit size larger than the approved size voucher, the Housing Authority may limit the maximum subsidy for over-housed families to the average subsidy rate for families that are not over-housed with the same size voucher. Subsidy will be calculated in accordance with the applicable program as described in Chapter 6. This limitation will not be applicable for families under the fixed subsidy calculation.

5.6.2 Traditional, Regulatory Assistance for Special Purpose Programs

- Larger than Subsidy Standard - The Housing Authority shall not prohibit a family from renting an otherwise acceptable unit because it is too large for the family, provided that the rent for the unit is comparable and affordable. Affordability is only reviewed at initial occupancy in an assisted unit and a unit is considered affordable as long as the total rent to owner plus utilities does not exceed forty percent (40%) of the family's adjusted monthly income.
- Smaller than Subsidy Standard - The Housing Authority shall not prohibit a family from renting an otherwise acceptable unit with fewer bedrooms than the subsidy standard, provided that the unit does not exceed maximum unit occupancy requirements.
- Subsidy Limitation – The Housing Authority will provide subsidy based on the lower of the payment standard amount for the subsidy standard or the actual unit size rented by the family. Subsidy will be calculated in accordance with the applicable program as described in Chapter 6.

limitation was in effect for Request for Tenancy Approvals received between July 1, 2021 and January 11, 2022.

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- Utility Allowance – The utility allowance used to calculate the gross rent is based on the lower of the actual unit size or the voucher bedroom size. Subsidy will be calculated in accordance with the applicable program as described in Chapter 6.

5.7 Maximum Occupancy Standards [24 CFR 982.402]

The Housing Authority has established maximum occupancy standards in alignment with its inspection standards. Families may choose to live in units larger or smaller than the subsidy standard, but at all times the unit must comply with the maximum occupancy standards. These standards allow two persons per bedroom and one person per living/sleeping room or other available space and permit maximum occupancy levels as shown in the table below:

MAXIMUM OCCUPANCY STANDARDS	
Number of Bedrooms	Maximum Number of Persons in Household
0 Bedroom	2
1 Bedroom	3
2 Bedrooms	5
3 Bedrooms	7
4 Bedrooms	9
5 Bedrooms	11

The levels listed above may be exceeded if another room, in addition to bedrooms and the living room, is used for sleeping.

CHAPTER 6: ANNUAL INCOME, ADJUSTED ANNUAL INCOME AND FAMILY RENT SHARE CALCULATION

6. Introduction [24 CFR 982.54(d)]

This chapter describes all policies related to income calculations and the calculation of family rent share for the Housing Services programs.

6.1 General Income Determination Requirements [24 CFR 5.609]

The Housing Authority generally includes all income received by all family members except for income that is specifically excluded. Annual income means all amounts, monetary or not which:

- Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- Are anticipated to be received from a source outside the family during the twelve (12) month period following admission or the regularly scheduled recertification effective date; and
- Are not specifically excluded.

6.1.1 Term-Limited Lease Assistance, Streamlined Lease Assistance, Veterans Affairs Supportive Housing (VASH) and Emergency Housing Voucher Programs

For the purposes of initial eligibility, the Housing Authority also will calculate the amounts from assets to which any member of the family has access. These assets will be used to determine if the family exceeds the income limit threshold but will not be included for purposes of calculating total annual income or family rent share.

The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations and further information on family members is included in Chapter 4.

This section applies to the Veterans Affairs Supportive Housing (VASH) program effective January 1, 2019, or as soon as practicable thereafter.

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Summary of Income Included and Excluded by Person	
Live-in aides	Income from all sources is excluded [24 CFR 5.609(c)(5)].
Foster children and foster adults ¹⁶	Income for the care of a foster child or foster adult, including Kin GAP income, is included.
Head, spouse, or cohead and other adult family members	All sources of income not specifically excluded by the regulations are included.
Children under 18 years of age	Employment income is excluded [24 CFR 5.609(c)(1)]. All other sources of income, except those specifically excluded, are included.
Full-time students 18 years of age or older (not head, spouse, or cohead)	Employment (earned) income is excluded [24 CFR 5.609(c)(11)]. ¹⁷ All other sources of income, except those specifically excluded by the regulations, are included.

6.1.2 Traditional, Regulatory Assistance for Special Purpose Programs

This section does not apply to the Veterans Affairs Supportive Housing (VASH) and Emergency Housing Voucher programs (see 6.1.1).

Annual income also means amounts derived from assets to which any member of the family has access. Assets are included in the annual income calculation for initial eligibility and recertifications, and to determine family rent share. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations and further information on family members is included in Chapter 4.

Summary of Income Included and Excluded by Person	
Live-in aides	Income from all sources is excluded [24 CFR 5.609(c)(5)].
Foster child or foster adult	Income from all sources is excluded [24 CFR 5.609(c)(2)].
Head, spouse, or cohead Other adult family members	All sources of income not specifically excluded by the regulations are included.

¹⁶ HACSB's MTW Activity 5: Simplified Income Determination includes all income for the care of foster children.

¹⁷ HACSB's MTW Activity 5: Simplified Income Determination excludes all earned income from Full-Time Students.

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Summary of Income Included and Excluded by Person	
Children under 18 years of age	Employment income is excluded [24 CFR 5.609(c)(1)]. All other sources of income, except those specifically excluded by the regulations, are included.
Full-time students 18 years of age or older (not head, spouse, or cohead)	Employment income above \$480/year is excluded [24 CFR 5.609(c)(11)]. All other sources of income, except those specifically excluded by the regulations, are included.

6.2 Annual Income

Annual income is the total income a family has after adding all income inclusions and exclusions as described in this section. Adjusted annual income is discussed in 6.4 and recognizes allowances and deductions from annual income for certain Housing Services programs.

The Housing Authority is required to count all income anticipated to be received from a source outside the family during the twelve (12) month period following admission or recertification effective date.

The Housing Authority generally will use current circumstances to determine anticipated income for the coming twelve (12) month period. HUD authorizes the Housing Authority to use other than current circumstances to anticipate income when:

1. An imminent change in circumstances is expected
2. It is not feasible to anticipate a level of income over a twelve (12) month period (e.g., seasonal or cyclic income)
3. The Housing Authority believes that past income is the best available indicator of expected future income

The Housing Authority is required to use HUD's Enterprise Income Verification (EIV) system in its entirety as a third-party source to verify employment and income information, and to reduce administrative subsidy payment errors in accordance with HUD administrative guidance.

The Housing Authority will use pay-stubs to project income once EIV data has been received in such cases where the family does not dispute the EIV employer data and where the Housing Authority does not determine it is necessary to obtain additional third-party data.

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When the Housing Authority cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), the Housing Authority will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income. When annual income cannot be anticipated for a full twelve (12) months, the Housing Authority may:

- Average known sources of income that vary to compute an annual income.
- Annualize current income and conduct an interim reexamination if income changes.

Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to the Housing Authority to show why the historic pattern does not represent the family's anticipated income.

If the Housing Authority verifies a known change in income, such as an upcoming increase or decrease in income, annual income will be calculated by applying each income amount to the appropriate part of the twelve (12) month period.

6.2.1 Annual Income Inclusions [24 CFR 5.609, 24 CFR 5.233(a)(2) and HCV GB, p. 5-17]

There are nine primary types of income included in annual income. Each type of income is described in detail in the Section below.

6.2.1.1 Earned Income [24 CFR 5.609]

Earned income is defined as the full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services. All regular pay, special pay and allowances of a member of the Armed Forces are counted except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire. These earned income sources are included in annual income unless specifically excluded in section 6.3. If there are bonuses or overtime which the employer cannot anticipate for the next twelve (12) months, bonuses and overtime received the previous year will be used. If, by averaging, an estimate can be made for those families whose income fluctuates from month-to-month, this estimate will be used so as to reduce the number of interim adjustments.

6.2.1.2 Business Income [24 CFR 5.609(b)(2)]

Annual income includes “the net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family” [24 CFR 5.609(b)(2)].

Net income is “gross income less business expense” [HCV GB, p. 5-19]. To determine business expenses that may be deducted from gross income, the Housing Authority will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described below.

HUD regulations do not permit the Housing Authority to deduct from gross income expenses for business expansion. *Business expansion* is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations. For example, purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business would be considered a business expansion. Similarly, the purchase of a property by a hair care business to open at a second location would be considered a business expansion.

HUD regulations do not permit the Housing Authority to deduct from gross income the amortization of capital indebtedness. *Capital indebtedness* is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means the Housing Authority will allow as a business expense interest, but not principal, paid on capital indebtedness.

If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.

HUD regulations require the Housing Authority to include in annual income the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a family member for cash or assets invested in the business by the family. Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of an assisted family provided an up-front loan of

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\$2,000 to help a business get started, the Housing Authority will not count as income any withdrawals from the business up to the amount of this loan until the loan has been repaid. Investments do not include the value of labor contributed to the business without compensation.

If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family's share of the income is lower than its share of ownership, the family must document the reasons for the difference.

6.2.1.3 Periodic Payments [24 CFR 5.609(b)(4) and HCV, p. 5-14]

Periodic payments are forms of income received on a regular basis. HUD regulations specify periodic payments that are and are not included in annual income. Periodic payments that are included in annual income are:

1. Periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family.
2. Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum.

Most lump-sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, some lump sums are excluded, and these are discussed in Section 6.3. When a delayed-start payment is received and reported during the period in which the Housing Authority is processing a recertification, the Housing Authority will adjust the family share and Housing Authority subsidy retroactively for the period the payment was intended to cover. The family may pay in full any amount due or request to enter into a repayment agreement with the Housing Authority.

The Housing Authority must make a special calculation of annual income when the Social Security Administration (SSA) overpays an individual, resulting in a withholding or deduction from his or her benefit amount until the overpayment is paid in full. The amount and duration of the withholding will vary depending on the amount of the overpayment and the percent of the benefit rate withheld. Regardless of the amount withheld or the length of the withholding period, the Housing Authority must use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount [Notice PIH 2012-10].

6.2.1.4 Payments in Lieu of Earnings [24 CFR 5.609]

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay, are counted as income if they are received either in the form of periodic payments or in the form of a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment. If they are received in a one-time lump sum (as a settlement, for instance), they are treated as lump-sum receipts.

6.2.1.5 Welfare Assistance [24 CFR 5.603(b) and 24 CFR 5.615]

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments.

6.2.1.5.1 Term-Limited Lease Assistance and Streamlined Lease Assistance

The Housing Authority must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. This rule applies only if a family was receiving Housing Services program assistance at the time the sanction was imposed.

The Housing Authority must include in annual income "imputed" welfare income when a welfare agency imposes a sanction that reduces a family's welfare income because of one of the following:

1. Fraud by a family member in connection with the welfare program; or
2. Failure to participate in an economic self-sufficiency program; or
3. Noncompliance with a work activities requirement.

HACSB will also include in annual income imputed welfare income when the sanction is the result of:

4. A situation where a family member has not complied with other welfare agency requirements.¹⁸

¹⁸ HACSB's MTW Activity 5: Simplified Income Determination allows for all welfare income to be counted, regardless of certain sanctions. This policy applies to Term-Limited Lease Assistance, Streamlined Lease Assistance, VASH and EHV programs.

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The imputed income is the amount the family would have received if the family had not been sanctioned. This requirement does not apply to reductions in welfare benefits where one of the following has occurred:

1. The expiration of a lifetime time limit on receiving benefits;
2. A situation where a family member has complied with welfare agency economic self-sufficiency or work activities requirements but cannot or has not obtained employment, such as in a case where the family member has complied with welfare program requirements, but the durational time limit, such as a cap on the length of time a family can receive benefits, causes the family to lose their welfare benefits.

The Housing Authority will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance with economic self-sufficiency or work activities requirements. The welfare agency, at the request of the Housing Authority, will inform the Housing Authority of:

- The amount and term of specified welfare benefit reduction for the family;
- The reason for the reduction; and
- Subsequent changes in term or amount of reduction.

The Housing Authority has a written memorandum of understanding in place with the local welfare agency which assists the Housing Authority in obtaining the necessary information regarding welfare sanctions.

The Housing Authority and the local welfare agency have mutually agreed to notify each other of any economic self-sufficiency and/or other appropriate programs or services that would benefit program participants.

6.2.1.5.2 Traditional, Regulatory Assistance for Special Purpose Programs

The Housing Authority must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. This rule applies only if a family was receiving Housing Services program assistance at the time the sanction was imposed.

When a welfare agency imposes a sanction that reduces a family's welfare income because the family commits fraud or fails to comply with the agency's economic self-sufficiency program or work activities requirement, the Housing Authority must include in annual income "imputed" welfare income. The Housing Authority must request that the

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welfare agency inform the HACSB when the benefits of a participant family are reduced. The imputed income is the amount the family would have received if the family had not been sanctioned.

This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or (3) because a family member has not complied with other welfare agency requirements.

The amount of the imputed income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero.

6.2.1.6 Regular Contributions and Gifts [24 CFR 5.609(b)(7)].

Regular contributions and gifts received from persons outside the household are counted in annual income. Any contribution or gift received every three (3) months or more frequently will be considered a “regular” contribution or gift, unless the amount is less than \$1,200 per year. This includes rent and utility payments made on behalf of the family and other cash or non-cash contributions provided on a regular basis. It does not include casual contributions or sporadic gifts. (See Chapter 7 for further definition.)

If the family’s expenses exceed its known income, the Housing Authority will question the family about contributions and gifts. If the family indicated that it is able to meet the extra expenses due to gifts or contributions from persons outside the household, the amount provided will be included in the family’s annual income.

6.2.1.7 Child Support and Alimony

Regular alimony and child support payments are counted in annual income. If the amount of child support or alimony received is less than the amount awarded by the court, the Housing Authority will use the amount awarded by the court unless the family can verify that they are not receiving the full amount and verification of the item(s) below are provided. Documentation of child support or alimony collection action filed through a child support enforcement /collection agency, or that an action has been filed through an attorney.

The Housing Authority will accept as verification that the family is receiving an amount less than the award if the Housing Authority receives verification from the agency

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responsible for enforcement or collection. It is the family's responsibility to supply a certified copy of the divorce decree.

Households who receive lump-sum payments of alimony or child support must report the payment within ten (10) business days of notification and the Housing Authority may conduct an interim recertification.

6.2.1.8 Student Financial Assistance [24 CFR 5.609(b)(9) and FR 12/14/12]

Certain student financial assistance is included in annual income. However, most student financial assistance is excluded from annual income. The regulation requiring the inclusion of certain student financial assistance applies only to students who satisfy all of the following conditions:

- They are enrolled in an institution of higher education, as defined under the Higher Education Act (HEA) of 1965.
- They are seeking or receiving Housing Services program assistance on their own—that is, apart from their parents.
- They are under twenty-four (24) years of age **OR** they have no dependent children.

For students who satisfy these three (3) conditions, any financial assistance ***in excess of tuition and any other required fees and charges*** received: (1) under the 1965 HEA, (2) from a private source, or (3) from an institution of higher education, as defined under the 1965 HEA, must be included in annual income.

To determine annual income in accordance with the above requirements, the Housing Authority will use the definitions of *dependent child*, *institution of higher education*, and *parents* in Chapter 4, along with the following definitions [FR 4/10/06, pp. 18148-18150]:

1. *Assistance under the Higher Education Act of 1965* includes Pell Grants, Federal Supplement Educational Opportunity Grants, Academic Achievement Incentive Scholarships, and State Assistance under the Leveraging Educational Assistance Partnership Program, the Robert G. Byrd Honors Scholarship Program, and Federal Work Study programs.
2. *Assistance from private sources* means assistance from nongovernmental sources, including parents, guardians, and other persons not residing with the student in a Housing Services program assisted unit.
3. *Tuition* will have the meaning given this term by the institution of higher education in which the student is enrolled and will include any other fees and charges required by the institution for enrollment [FR 12/14/12, p. 74497].

6.2.1.9 Assets [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)]

6.2.1.9.1 Term-Limited Lease Assistance, Streamlined Lease Assistance, Veterans Affairs Supportive Housing, and Emergency Housing Voucher Programs

For the purposes of initial eligibility, the Housing Authority will calculate the amounts from assets to which any member of the family has access. These assets will be used to determine if the family exceeds the income limit threshold but will not be included for purposes of calculating total annual income or family rent share.

This section applies to the Veterans Affairs Supportive Housing (VASH) program effective January 1, 2019, or as soon as practicable thereafter.

6.2.1.9.2 Traditional, Regulatory Assistance for Special Purpose Programs

This section does not apply to participants of the Veterans Affairs Supportive Housing (VASH) and Emergency Housing Voucher programs (see 6.2.1.9.1).

Assets are included in the annual income calculation for initial eligibility and recertifications. Assets also are used to determine family rent share.

6.2.1.9.3 Assets Overview

Assets will be calculated using the policies in this Section. HUD requires that the Housing Authority include in annual income the “interest, dividends, and other net income of any kind from real or personal property” [24 CFR 5.609(b)(3)]. This section discusses how the income from various types of assets is determined. For most types of assets, the Housing Authority must determine the value of the asset in order to compute income from the asset. Therefore, for each asset type, this section discusses:

- How the value of the asset will be determined
- How income from the asset will be calculated

6.2.1.9.4 General Policies

The Housing Authority generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. As is true for all sources of income, HUD authorizes the Housing Authority to use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected (2) it is not feasible to anticipate a level of income over twelve (12) months or (3) the Housing Authority believes that past income is the best indicator of anticipated income.

6.2.1.9.5 Valuing Assets [HCV GB, p. 5-28]

The calculation of asset income sometimes requires the Housing Authority to make a distinction between an asset's market value and its cash value.

- The market value of an asset is its worth (e.g., the amount a buyer would pay for real estate or the balance in an investment account).
- The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash.

Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions.

6.2.1.9.6 Lump Sum Receipts [RHIIP FAQs]

Payments that are received in a single lump sum, such as inheritances, capital gains, lottery winnings, insurance settlements, and proceeds from the sale of property, are generally considered assets, not income. However, such lump-sum receipts are counted as assets only if they are retained by a family in a form recognizable as an asset (e.g., deposited in a savings or checking account).

6.2.1.9.7 Imputing Assets from Income [24 CFR 5.609(b)(3)]

When net family assets are \$5,000 or less, the Housing Authority will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of \$5,000, the Housing Authority will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by the current PHA-established passbook savings rate.

6.2.1.9.8 Determining Actual Anticipated Income from Assets

It may or may not be necessary for the Housing Authority to use the value of an asset to compute the actual anticipated income from the asset. When the value is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a property for which a family receives rental income, the anticipated income is determined by annualizing the actual monthly rental amount received for the property; it is not based on the property's market value. However, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the account.

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6.2.1.9.9 Withdrawal of Cash or Liquidation of Investments

Any withdrawal of cash or assets from an investment will be included in income except to the extent that the withdrawal reimburses amounts invested by the family. For example, when a family member retires, the amount received by the family from a retirement plan is not counted as income until the family has received payments equal to the amount the family member deposited into the retirement fund.

6.2.1.9.10 Jointly Owned Assets

If an asset is owned by more than one person and any family member has unrestricted access to the asset, the Housing Authority will count the full value of the asset. A family member has unrestricted access to an asset when he or she can legally dispose of the asset without the consent of any of the other owners.

If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, the Housing Authority will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, the Housing Authority will prorate the asset evenly among all owners.

6.2.1.9.11 Assets Disposed of for Less than Fair Market Value [24 CFR 5.603(b) and HCV GB, p.5-27]

HUD regulations require the Housing Authority to count as a current asset any business or family asset that was disposed of for less than fair market value during the two (2) years prior to the effective date of initial eligibility or recertification, except as noted below.

The Housing Authority will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two (2) years exceeds the gross amount received for the assets by more than \$1,000. When the two (2) year period expires, the income assigned to the disposed asset(s) also expires. If the two (2) year period ends between recertifications, the family may request an interim recertification to eliminate consideration of the asset(s).

Assets placed by the family in nonrevocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments. The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms. Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale.

6.2.1.9.12 Types of Assets

6.2.1.9.12.1 Checking and Savings Accounts

For regular checking accounts and savings accounts, *cash value* has the same meaning as *market value*. If a checking account does not bear interest, the anticipated income from the account is zero. In determining the value of a checking and savings account, the Housing Authority will use the average monthly balance on the most recent two months' statements.

In determining the anticipated income from an interest-bearing checking or savings account, the Housing Authority will multiply the value of the account by the current rate of interest paid on the account.

6.2.1.9.12.2 Investment Accounts Such as Stocks, Bonds, Savings Certificates and Money Market Funds

Interest or dividends earned by investment accounts are counted as actual income from assets even when the earnings are reinvested. The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.

In determining the market value of an investment account, the Housing Authority will use the value of the account on the most recent investment report.

How anticipated income from an investment account will be calculated depends on whether the rate of return is known. For assets that are held in an investment account with a known rate of return (e.g., savings certificates), asset income will be calculated based on that known rate (market value multiplied by rate of earnings). When the anticipated rate of return is not known (e.g., stocks), the Housing Authority will calculate asset income based on the earnings for the most recent reporting period.

6.2.1.9.12.3 Equity in Real Property or Other Capital Investments [HCV GB, p. 5-25]

Equity (cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset. In determining the equity, the Housing Authority will determine market value by examining recent sales of at least three properties in the surrounding or similar neighborhood that possess comparable factors that affect market value.

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The Housing Authority will first use the payoff amount for the loan (mortgage) as the unpaid balance to calculate equity. If the payoff amount is not available, the Housing Authority will use the basic loan balance information to deduct from the market value in the equity calculation. Equity in real property and other capital investments is considered in the calculation of asset income **except** for the following types of assets:

- Equity accounts in HUD homeownership programs [24 CFR 5.603(b)]
- The value of a home currently being purchased with assistance under the Housing Services program Homeownership Option for the first ten (10) years after the purchase date of the home [24 CFR 5.603(b), Notice PIH 2012-3]
- Equity in owner-occupied cooperatives and manufactured homes in which the family lives [HCV GB, p. 5-25]
- Equity in real property when a family member's main occupation is real estate [HCV GB, p. 5-25]. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F.
- Interests in Indian Trust lands [24 CFR 5.603(b)]
- Real property and capital assets that are part of an active business or farming operation [HCV GB, p. 5-25]
- The Housing Authority must also deduct from the equity the reasonable costs for converting the asset to cash. Using the formula for calculating equity specified above, the net cash value of real property is the market value of the loan (mortgage) minus the expenses to convert to cash [Notice PIH 2012-3].

A family may have real property as an asset in two (2) ways: (1) owning the property itself and (2) holding a mortgage or deed of trust on the property. In the case of a property owned by a family member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.

In the case of a mortgage or deed of trust held by a family member, the outstanding balance (unpaid principal) is the cash value of the asset. The interest portion only of payments made to the family in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.

In the case of capital investments owned jointly with others not living in a family's unit, a prorated share of the property's cash value will be counted as an asset unless the

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Housing Authority determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.

6.2.1.9.12.4 Trusts [HCV GB, p. 5-25]

If any member of a family has the right to withdraw the funds in a trust, the value of the trust is considered an asset. Any income earned as a result of investment of trust funds is counted as actual asset income, whether the income is paid to the family or deposited in the trust.

In cases where a trust is not revocable by, or under the control of, any member of a family, the value of the trust fund is not considered an asset. However, any income distributed to the family from such a trust is counted as a periodic payment or a lump-sum receipt, as appropriate [24 CFR 5.603(b)].

6.2.1.9.12.5 Retirement Accounts [HCV GB, p.5-26]

In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, the Housing Authority must know whether the money is accessible before retirement.

While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset.

After a family member retires or terminates employment, any amount distributed to the family member is counted as a periodic payment or a lump-sum receipt, as appropriate, except to the extent that it represents funds invested in the account by the family member. The balance in the account is counted as an asset only if it remains accessible to the family member.

IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty.

6.2.1.9.12.6 Personal Property [24 CFR 5.603(b) and HCV GB, p. 5-26]

Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset.

In determining the value of personal property held as an investment, the Housing Authority will use the family's estimate of the value. The Housing Authority may obtain an appraisal to confirm the value of the asset if there is reason to believe that the family's estimated value is off by \$50 or more. The family must cooperate with the appraiser, but cannot be charged any costs related to the appraisal.

Generally, personal property held as an investment generates no income until it is disposed of. If regular income is generated (e.g., income from renting the personal property), the amount that is expected to be earned in the coming year is counted as actual income from the asset.

Necessary items of personal property are not considered assets [24 CFR 5.603(b)]. Necessary personal property consists of only those items not held as an investment, and may include clothing, furniture, household furnishings, jewelry, and vehicles, including those specially equipped for persons with disabilities.

6.2.1.9.12.7 Life Insurance [HCV GB, p.5-26]

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family's assets. The cash value is the surrender value. If such a policy earns dividends or interest that the family could elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

6.2.1.10 Adoption Assistance

Adoption assistance income is included as part of the families' annual adjusted income for the following programs: Term-Limited Lease Assistance, Streamlined Lease Assistance, Veterans Affairs Supportive Housing (VASH), and Emergency Housing Voucher programs.¹⁹

This section applies to the Veterans Affairs Supportive Housing (VASH) program effective January 1, 2019, or as soon as practicable thereafter.

6.2.2 Income Exclusions

Certain types of income are excluded from annual income. This section describes all income exclusions.

6.2.2.1 Excluded Earned Income [24 CFR 5.609 and Notice PIH 2009-19]

- Temporary, nonrecurring or sporadic income, including gifts, is not included in annual income. Sporadic income is income that is not received periodically and cannot be reliably predicted. Sporadic income includes temporary payments from the U.S. Census Bureau for employment lasting no longer than one-hundred and eighty (180) days

¹⁹ HACSB's MTW Activity 5: Simplified Income Determination includes all income from adoption assistance.

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- Employment income earned by children (including foster children) under the age of eighteen (18) years is not included in annual income [24 CFR 5.609(c)(1)].
 - Income earned by a live-in aide, as defined in is not included in annual income.
 - Income from some federal programs is specifically excluded from consideration as income including:
 - Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
 - Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b))
 - Awards under the federal work-study program (20 U.S.C. 1087 (u))
 - Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
 - Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
 - Allowances, earnings, and payments to participants in programs funded under the Workforce Investment Act of 1998 (29 U.S.C. 2931)
 - Amounts received under a resident service stipend are not included in annual income. A resident service stipend is a modest amount (not to exceed \$200 per individual per month) received by a resident for performing a service for the Housing Authority or owner, on a part-time basis, that enhances the quality of life in the development. No resident may receive more than one such stipend during the same period of time [24 CFR 5.600(c)(8)(iv)].
 - Incremental earnings and benefits to any family member resulting from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program [24 CFR 5.609(c)(8)(v)].
 - Amounts received under training programs funded in whole or in part by HUD [24 CFR 5.609(c)(8)(i)] are excluded from annual income.
 - Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)), are excluded from annual income.

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6.2.2.1.1 Term-Limited Lease Assistance, Streamlined Lease Assistance, Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher Programs

Earnings for each full-time student eighteen (18) years old or older (except for the head, spouse, or cohead) are not counted²⁰.

This section applies to the Veterans Affairs Supportive Housing (VASH) program effective January 1, 2019, or as soon as practicable thereafter.

6.2.2.1.2 Traditional, Regulatory Assistance for Special Purpose Households

This section does not apply to participants of the Veterans Affairs Supportive Housing (VASH) and Emergency Housing Voucher programs (see 6.2.2.1.1).

Earnings in excess of \$480 for each full-time student eighteen (18) years old or older (except for the head, spouse, or cohead) are not counted.

6.2.2.2 Excluded Periodic Payments [24 CFR 5.609 and FR Notice 11/24/08]

- Lump-sums received as a result of delays in processing Social Security and SSI payments
- Lump-sums or prospective monthly amounts received as deferred disability benefits from the Department of Veterans Affairs (VA)
- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)].
- Amounts received under the Low-Income Home Energy Assistance Program (42 U.S.C. 1626(c)) [24 CFR 5.609(c)(17)].
- Amounts received under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q) [24 CFR 5.609(c)(17)].
- Earned Income Tax Credit (EITC) refund payments (26 U.S.C. 32(j)) [24 CFR 5.609(c)(17)]. *Note:* EITC may be paid periodically if the family elects to receive the amount due as part of payroll payments from an employer.

²⁰ HACSB's MTW Activity 5: Simplified Income Determination excludes all earned income from Full-Time Students.

6.2.2.3 Traditional, Regulatory Assistance for Special Purpose Programs [24 CFR 5.609(c)(2) and Notice PIH 2012-1]

In addition to the above-described periodic payment exclusions, the following are also excluded for Traditional, Regulatory Assistance for Special Purpose program applicants and participants.

- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the assisted family, who are unable to live alone) Kinship guardianship assistance payments (Kin-GAP) and other similar guardianship payments are treated the same as foster care payments and are likewise excluded from annual income

6.2.2.4 Excluded Student Financial Assistance [24 CFR 5.609(c)(6)]

Any student financial assistance not subject to inclusion under 24 CFR 5.609(b)(9) is fully excluded from annual income under 24 CFR 5.609(c)(6), whether it is paid directly to the student or to the educational institution the student is attending. This includes any financial assistance received by:

- Students residing with parents who are seeking or receiving Housing Services program assistance
- Students who are enrolled in an educational institution that does **not** meet the 1965 HEA definition of *institution of higher education*
- Students who are over twenty-three (23) **AND** have at least one dependent child
- Students who are receiving financial assistance through a governmental program not authorized under the 1965 HEA.

6.2.2.5 Additional Exclusions from Annual Income [24 CFR 5.609]

Other exclusions that have not been discussed earlier in this chapter include the following:

- Reimbursement of medical expenses
- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS)
- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era

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- Adoption assistance payments in excess of \$480 per adopted child is excluded for Traditional Regulatory Assistance Families.
 - Refunds or rebates on property taxes paid on the dwelling unit
 - Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home
 - Amounts specifically excluded by any other federal statute including:
 - The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b))
 - Benefits under Section 1780 of the School Lunch Act and Child Nutrition Act of 1966, including WIC
 - Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
 - Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))
 - Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)
 - Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))
 - Payments received under programs funded in whole or in part under the Workforce Investment Act of 1998 (29 U.S.C. 2931)
 - Deferred disability benefits from the Department of Veterans Affairs, whether received as a lump sum or in monthly prospective amounts
 - Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)
 - Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b))
 - A lump sum or periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled Elouise Cobell et al. v. Ken Salazar et al
 - The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408)

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- Benefits under the Indian Veterans Housing Opportunity Act of 2010 (only applies to Native American housing programs)
 - Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
 - Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in Re Agent-product liability litigation, M.D.L. No. 381 (E.D.N.Y.)
 - Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)
 - The value of any childcare provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)
 - Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j))
 - Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433)
 - Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
 - Amounts of scholarships funded under Title IV of the Higher Education Act of 1965j, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). The exception found in § 237 of Public Law 109–249 applies and requires that the amount of financial assistance in excess of tuition and mandatory fees shall be considered income in accordance with the provisions codified at 24 CFR 5.609(b)(9), except for those persons with disabilities as defined by 42 U.S.C. 1437a(b)(3)(E) (Pub. L. 109–249)
 - Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602)
 - An individual's ABLE account as required under the Achieving a Better Life Experience Act of 2014 (specifically, the account balance, contributions to the account, and distributions from the account)

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- Any allowance paid under the provisions of 38 U.S.C. 1833(c) to children of Vietnam veterans born with spina bifida (38 U.S.C. 1802-05) children of women Vietnam veterans born with certain birth defects (38 U.S.C. 1821), and children of certain Korean service veterans born with spina bifida (38 U.S.C. 1821)
- Any amounts in an “individual development account” as provided by the Assets for Independence Act, as amended in 2002 (Pub. L. 107-110, 42 U.S.C. 604(h)(4))
- Major disaster and emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93-288, as amended) and comparable disaster assistance provided by the States, local government, and disaster assistance organizations (42 U.S.C. 5155(d))

6.2.2.6 Earned Income Disallowance [24 CFR 5.617]

6.2.2.7 Term-Limited Lease Assistance and Streamlined Lease Assistance

There is no earned income disallowance for families participating in the Term-Limited Lease Assistance and Streamlined Lease Assistance programs.²¹

6.2.2.8 Traditional, Regulatory Assistance for Special Purpose Programs

This section applies to Veterans Affairs Supportive Housing (VASH) and Emergency Housing Voucher programs.

The earned income disallowance (EID) encourages people with disabilities to enter the work force by not including the full value of increases in earned income for a period of time.

This disallowance applies only to individuals in families already participating in the Traditional, Regulatory Assistance for Special Purpose Program (not at initial examination). To qualify, the family must experience an increase in annual income that is the result of one (1) of the following events:

1. Employment of a family member who is a person with disabilities and who was previously unemployed for one (1) or more years prior to employment. *Previously unemployed* includes a person who annually has earned not more than would be received for 10 hours of work per week for 50 weeks at the established minimum

²¹ HACSB's MTW Activity 5: Simplified Income Determination eliminates the Earned Income Disallowance for MTW programs.

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wage. The applicable minimum wage is the greater of federal, state or local minimum wage.

2. Increased earnings by a family member who is a person with disabilities and whose earnings increase during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work to such families [24 CFR 5.603(b)].
3. New employment or increased earnings by a family member who is a person with disabilities and who has received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within the past six (6) months. If the benefits are received in the form of monthly maintenance, there is no minimum amount. If the benefits or services are received in a form other than monthly maintenance, such as one-time payments, wage subsidies, or transportation assistance, the total amount received over the six (6) month period must be at least \$500.

Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with his or her "prior income." The Housing Authority defines prior income, or prequalifying income, as the family member's last certified income prior to qualifying for the EID. The family member's prior, or prequalifying, income remains constant throughout the period that he or she is receiving the EID.

During the initial twelve (12) month exclusion period, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded. The twelve (12) months are consecutive, regardless of breaks in employment. The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.

During the second twelve (12) month exclusion period, the exclusion is reduced to at least half (50 percent) of any increase in income attributable to employment or increased earnings. The twelve (12) months are consecutive.

The EID has a two (2) year (24 month) lifetime maximum. The two (2) year eligibility period begins at the same time that the initial exclusion period begins and ends twenty-four (24) months later.

6.3 Adjusted Annual Income

6.3.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

There are no adjustments to household income for the Term-Limited Lease Assistance and Streamlined Lease Assistance programs. All subsidy and family rent shares are determined using annual income.²²

6.3.2 Traditional, Regulatory Assistance for Special Purpose Programs

There are five (5) allowable adjustments to annual income for families in the Traditional, Regulatory Assistance for Special Purpose Programs. Each of these is described in this section.

6.3.2.1 Dependent Deduction [24 CFR 5.611(a)(1)]

A deduction of \$480 is taken for each dependent [24 CFR 5.611(a)(1)]. Dependent is defined in Chapter 4.

6.3.2.2 Elderly or Disabled Family Deduction [24 CFR 5.611(a)(1)]

A single deduction of \$400 is taken for any elderly or disabled family [24 CFR 5.611(a)(2)]. An *elderly family* for the purposes of this deduction is a family whose head, spouse, cohead, or sole member is sixty-two (62) years of age or older, and a *disabled family* is a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403].

6.3.2.3 Child Care Expenses Deduction [24 CFR 5.611(a)(1), 5.603(b) and HCV GB, p.5-29]

Childcare expenses for children under thirteen (13) years of age may be deducted from annual income if they enable an adult to work, attend school full time, or actively seek employment. In the case of a child attending private school, only after-hours care can be counted as childcare expenses. Allowing deductions for childcare expenses is based on the following guidelines:

- Childcare to work: The maximum child care 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.

²² The FY 2011 and FY 2013 Moving to Work Annual Plans created Activity 20: Term-Limited Lease Assistance and Activity 23: Streamlined Lease Assistance programs, respectively. Neither of these programs have allowable adjustments to annual income.

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- Childcare for school: The number of hours claimed for childcare may not exceed the number of hours the family member is attending school, including reasonable travel time to and from school.
- Childcare to search for work: Childcare expenses cannot exceed the current amount of income received.
- Amount of Expense: The Housing Authority will determine reasonable costs for childcare expenses.

6.3.2.4 Medical Expenses Deduction [24 CFR 5.611(a)(3)(i) and VG, p.28]

Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed three percent of annual income.

The medical expense deduction is permitted only for families in which the head, spouse, or cohead is at least sixty-two (62) or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted HUD regulations define *medical expenses* at 24 CFR 5.603(b) to mean “medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance.” The most current IRS Publication 502, *Medical and Dental Expenses*, will be used to determine the costs that qualify as medical expenses.

The Housing Authority will allow as medical expense the actual out-of-pocket amounts which are owed and anticipated to be paid by the family during the re-examination period. Expenses from the previous year may be analyzed to determine the amount to anticipate when other verification is not available.

Nonprescription medicines will be counted toward medical expenses for families who qualify if the family furnished legible receipts. Acupressure, acupuncture and related herbal medicines, and chiropractic services will be considered allowable medical expenses. Nonprescription medicines must be doctor-recommended in order to be considered a medical expense.

6.3.2.5 Disability Assistance Expenses Deduction [24 CFR 5.603(b) and 5.611(a)(3)(ii)]

Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they: (1) are necessary to enable a family member eighteen (18) years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed three percent of

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annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.

For families who qualify for both medical and disability expenses deduction, when expenses anticipated by a family could be defined as either medical or disability assistance expenses, the Housing Authority will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6.4 Calculation of Housing Authority Subsidy and Family Rent Share

Each Housing Services program determines the Housing Authority subsidy and family rent share differently. Family rent share describes the amount of rent for which a family is responsible. This previously was known as “Total Tenant Payment.” This section describes the calculation for each program.

6.4.1 Term-Limited Lease Assistance Program

For families initially leasing under this program prior to November 1, 2017, or as soon as practicable thereafter, the Housing Authority subsidy will be the smaller of the contract rent or fifty percent (50%) of the applicable payment standard, whichever is lower, and the Housing Authority will provide that amount to the owner. The participant is responsible for the balance of the rent. No families will be enrolled into this fixed-subsidy component after November 1, 2017 (or as soon as practicable thereafter).

For families initially leasing under this program with a briefing date on or after November 1, 2017, or as soon as practicable thereafter, including applicants pulled from the former Upland Housing Authority waiting list on or after July 1, 2017, the Housing Authority subsidy and family rent portion shall be calculated using the same methodology established via the Streamlined Fixed Lease Assistance for Career-Focused Families Program.

6.4.2 Streamlined Fixed Lease Assistance for Elderly/Disabled Families Program

For families initially briefed in this program on or before December 31, 2018 or admitted under the Moving On Strategy²³, HACSB will calculate family rent share by selecting the largest of twenty-four percent (24%) of monthly annual income, the baseline rent, or the minimum rent. For families initially briefed in this program on or after January 1, 2019, (or as soon as practicable thereafter) HACSB will calculate family rent share by selecting the

²³ The FY 2023 Moving to Work Annual Plan included Activity 29: Moving On Strategy establishing the family's rent share as the greater of 24% of their gross income, the minimum rent or baseline rent.

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largest of thirty percent (30%) of monthly annual income, the baseline rent, or the minimum rent. The minimum rent is \$125 for the Streamlined Fixed Lease Assistance program. If the family is leasing a unit that is larger than their approved subsidy standard size and the family chooses to remain in the unit at program implementation or has chosen to rent a unit that is larger than their approved subsidy standard size while on the program, the family will pay the difference between the amount the Housing Authority will pay under the Streamlined Fixed Lease Assistance Program on behalf of the family and the contract rent. This also applies to the former Upland Housing Authority (UHA) elderly/disabled families as a result of the voluntary transfer on July 1, 2017, with a recertification date of January 1, 2018, or later; future Plan references to Streamlined Fixed Lease Assistance families will also apply to these former UHA families.

6.4.3 Streamlined Tiered Lease Assistance for Career-Focused Families Program

For existing SLA participants and families initially leasing under this program, the Housing Authority has established a tiered rent schedule in the Streamlined Tiered Lease Assistance Program for Career Focused Families Program. The family rent share will be calculated based on which of the following is greater:

1. Larger of the applicable rent tier percentage multiplied by monthly annual income, or
2. The highest family rent share previously calculated for the family (the baseline rent); or
3. The minimum rent. (The minimum rent is \$125 for the Streamlined Tiered Lease Assistance program).

The rent tier starts at thirty percent (30%) of monthly annual income and may increase three percent (3%) at every regularly scheduled biennial recertification to a maximum rent tier of thirty-six percent (36%) of monthly annual income at the Housing Authority's discretion. A family's rent share may never drop below the highest family rent share amount. Examples of rent tiers are included in the chart below:

THE BELL FAMILY (EXAMPLE)				
	First Biennial Recertification (30%)	Second Biennial Recertification (33%)	Third Biennial Recertification (36%)	Fourth Biennial Recertification (36%)
Bell Family Monthly Annual Income	\$300	\$300	\$1200	\$700
Bell Family Rent Share	\$125	\$125	\$432	\$432

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Effective February 1, 2018, the Housing Authority will apply the new family rent calculation of thirty percent (30%) of the gross income, the minimum rent, or the Streamlined Lease Assistance baseline rent, whichever is greater. The Housing Authority anticipates that it would use the family's most recently reported income information to process the reexamination, which will serve to minimize the financial impact to families when the new rent calculation is applied. Additionally, the Housing Authority will provide an automatic six-month hardship exemption for all families affected by this change; therefore, the new rent tier will be applied effective August 1, 2018. In the future, the Housing Authority may implement the additional rent tiers of thirty-three percent (33%) and thirty-six percent (36%) only if it is necessary to ensure financial viability of the program without terminating assistance or serving fewer families.

6.4.4 Streamlined Tiered Lease Assistance for Former Upland Housing Authority Participants

The rent share for families who transitioned from the Upland Housing Authority (UHA) on July 1, 2017 will be calculated based on which of the following is greater:

1. Larger of the applicable rent tier percentage multiplied by monthly annual income, or
2. The highest family rent share previously calculated for the family (the baseline rent); or
3. The minimum rent. (The minimum rent is \$125 for the former Upland Housing Authority participants).

Participants will follow the rent tiers beginning at twenty-one percent (21%) of the monthly annual income and increasing three percent (3%) at every regularly scheduled biennial recertification to a maximum rent tier of thirty percent (30%). UHA families will transition to this activity at their first recertification occurring on or after January 1, 2018. This will also apply at admission to any family who is transitioned from the UHA waiting list to an HACSB waiting list as a result of the July 1, 2017 voluntary transfer.

SMITH FAMILY (EXAMPLE)				
	First Biennial Recertification (21%)	Second Biennial Recertification (24%)	Third Biennial Recertification (27%)	Fourth Biennial Recertification (30%)
Smith Family Monthly Annual Income	\$833	\$1000	\$1000	\$500
Smith Family Rent Share	\$175	\$240	\$270	\$270

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6.4.5 Rental Assistance Demonstration (RAD) Project-Based Voucher (PBV)

This section applies to RAD PBV legacy families (families residing in a RAD-converted PBV unit at the time of conversion) only. The rent share for these families will be calculated based on which of the following is greater:

1. The applicable rent percentage multiplied by monthly annual income; or
2. The highest family rent share previously calculated for the family (the baseline rent); or
3. The minimum rent. (The minimum rent is \$125 for the Rental Assistance Demonstration Project-Based Voucher program).

Non-elderly and non-disabled participants will follow the rent tiers beginning at twenty-one percent (21%) of the monthly annual income and increasing three percent (3%) at every regularly scheduled biennial recertification to a maximum rent tier of thirty percent (30%). (Please see the Smith Family Example, below.)

For elderly and disabled participants, HACSB will calculate family rent share by selecting the largest of twenty-four percent (24%) of monthly annual income, the baseline rent, or the minimum rent.

THE SMITH FAMILY (EXAMPLE)				
	First Biennial Recertification (21%)	Second Biennial Recertification (24%)	Third Biennial Recertification (27%)	Fourth Biennial Recertification (30%)
Smith Family Monthly Annual Income	\$833	\$1000	\$1000	\$500
Smith Family Rent Share	\$175	\$240	\$270	\$270

6.4.6 Streamlined Fixed Lease Assistance for Career-Focused Families Program

The Housing Authority will calculate family rent share by selecting the greatest of thirty percent (30%) of monthly annual income, the baseline rent, or the minimum rent.²⁴ If the family is leasing a unit that is larger than their approved subsidy standard size and the family chooses to remain in the unit at program implementation or has chosen to rent a unit that is larger than their approved subsidy standard size while on the program, the family will pay the difference between the amount the Housing Authority will pay under

²⁴ The FY 2016 MTW Plan modified Activity 23: Streamlined Lease Assistance to include the Fixed Lease Assistance for Career-Focused Families program.

the Streamlined Fixed Lease Assistance Program on behalf of the family and the contract rent.

6.4.7 Hardship Exemption Criteria for Streamlined Lease Assistance Programs

HACSB recognizes that under some circumstances, families may experience a hardship that makes it challenging to pay the applicable rent under the Streamlined Lease Assistance Program. Hardship exemption criteria have been developed for all families that see a significant increase in their portion as a direct result of the SLA calculation at initial implementation of the activity or experience certain expenses or losses of income while participating in the program. In order for families to be eligible for a hardship exemption, they must make their request for a hardship exemption in writing and be in compliance with all program rules and regulations. The request for hardship exemption must come no later than 60 days after the most recent change in circumstances. Permanent hardship exemption requests must be received within 60 days or by next recertification whichever is later. Families also must provide all supporting documents regarding their case and all requests for hardship exemptions will be reviewed by the Hardship Review Committee. After the committee has evaluated the family's request, they will determine if the family qualifies for a temporary or permanent hardship exemption. The following sections describe the types of hardship exemptions that may be granted. All non-elderly/non-disabled households approved for a temporary hardship exemption will be required to participate in the Family Empowerment Services case management activities.

6.4.7.1 Permanent Hardship Exemptions

A permanent hardship exemption may be approved for the following reasons:

- the family experiences a death of a household member with income;
- any income-earning member of the assisted family no longer remains in the unit;
- an elderly or disabled household member experiences a permanent and complete loss of income;
- Unforeseen and involuntary permanent loss of income for a family member under the age of 18.

If a permanent hardship exemption has been approved, HACSB will reset the family's previous highest rent share (the "baseline rent") by recalculating the family's income and applying the applicable rent percentage. For example, for families participating in the Streamlined Fixed Lease Assistance for Elderly/Disabled Families program, the new monthly income will be multiplied by twenty-four percent (24%) or thirty percent (30%)

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depending upon the family's admissions date to determine the new monthly rent share. For families participating in the Streamlined Tiered Lease Assistance for Career-Focused Families program, the new monthly income will be multiplied by the most recent tiered rent percentage established at recertification to determine the new monthly rent share.

6.4.7.2 Temporary Hardship Exemptions

HACSB also recognizes that certain hardships may exist on a temporary basis. The temporary relief that HACSB will offer families depends on the type of hardship being experienced by the family. Families initially leasing under the Streamlined Lease Assistance program may qualify for a temporary hardship exemption upon verification the family has no household income. To be considered for a hardship exemption, a written request must be submitted to the Housing Authority. No more than one temporary hardship exemption request may be received within a 12-month period. The table below describes each type of temporary hardship exemption that may be approved by HACSB.

Temporary Hardship Reason	Temporary Hardship Exemption Relief
Unforeseen involuntary loss of employment; or unforeseen complete loss of income due to major illness as determined by a medical professional. Period of income loss must be anticipated to exceed 30 consecutive days following the date of receipt of the written request.	Family's income will be recalculated and for up to 6 months the family's rent will be based upon most recent percentage established at recertification or the minimum rent, whichever is higher. HACSB will provide a 30-day notice that the rent will revert to the previous rent amount at the end of the approved term. The family's income will not be re-reviewed until the next recertification. The exemption period can be extended up to six additional months if the length of the illness is longer than the initial term.
Significant medical expenses over \$2,500 for single medical event for Streamlined Fixed families only. Medical expenses are defined as eligible medical and dental expenses under IRS Publication 502.	Family's income will be recalculated at a 5% reduction to the fixed percentage and for 6 months the family's rent will be based upon that percentage or the minimum rent, whichever is higher.
Unforeseen involuntary permanent loss of income for an adult family member who is attending high school.	Family's income will be recalculated and for 6 months the family's rent will be based upon most recent percentage established at recertification or the minimum rent, whichever is higher. HACSB will provide a 60-day notice that the rent will revert to the previous rent amount at the end of the 6 months. The family's income will not be re-reviewed until the next recertification.

If the temporary hardship is due to loss of income, the income of the family member, who experienced the income loss, will be removed from the family income, and the rent amount will be based on the remaining family income. Because the family is not required to report interim income changes, the source of income to be removed under the hardship exemption may differ from the reported income change. At the end of the exemption period, the income that had been removed will be added back to the family income and will not be recalculated. If a recertification occurs during the hardship exemption period, the hardship exemption for the affected family member will remain until the end of the approved hardship period. However, the income of other family members will be updated at recertification.

For example, the last reported income may have been self-employment of \$1,000 per month. However, since the last recertification the family member ended self-employment and started receiving a regular wage of \$2,000 per month. This interim change was not required to be reported by the family. Now, the family is reporting an unforeseen, involuntary loss of employment. The hardship exemption would remove the \$1,000 per month self-employment from the family income, and after six months the \$1,000 would be added back to the family income.

6.4.7.3 Pre-Implementation and Program Transfer Hardship Exemptions

Prior to implementation of the Streamlined Lease Assistance (SLA) programs and transfers to SLA from other programs, HACSB will conduct a detailed data analysis. As part of that data analysis, certain households may be likely to experience a disproportionate impact as the result of the implementation or program transfer. A temporary hardship exemption would allow the family to maintain their previous total family rent share for up to six (6) months. HACSB would send a sixty (60) day notice that the family would be subject to the new streamlined calculation at the end of six (6) months. For those families that are currently renting a unit that is larger than their approved subsidy standard HACSB will offer these families either the opportunity to move or the opportunity to have a temporary hardship exemption.

6.4.8 Traditional, Regulatory Assistance for Special Purpose Programs

The family rent share for a household is determined by using the largest of the following: ten percent (10%) of Monthly Annual Income, thirty percent (30%) of Monthly Annual Adjusted Income or the applicable minimum rent. Family rent share also considers whether the family has rented a unit whose contract rent is above the payment standard. Any amount over the payment standard must be paid for by the family and cannot be subsidized by the Housing Authority.

6.5 Minimum Rent [24 CFR 5.630 and 5.630]

6.5.1 Streamlined Lease Assistance Programs

The Minimum Rent for the Streamlined Lease Assistance program is \$125.00.²⁵ A policy has been established for a temporary waiver from the minimum rent for families who demonstrate a hardship in paying the required minimum amount. Families may request a temporary waiver to the minimum rent by completing the Minimum Rent Waiver Request Form and providing documentation that supports the hardship for the family.

A temporary waiver of minimum rent may be granted as follows:

- Decrease in Income – The total household income has decreased due to a ‘No Fault’ loss of employment. Supporting documentation may include the notice of loss of employment, legal documentation indicating that family member with income has vacated the unit or other such documentation requested by HACSB.
- Death in the Immediate Family – The total household income has decreased due to the death of an immediate family member. Supporting documentation must include verification of the actual loss of income and verification of the relationship to the deceased family member. Immediate family members include current spouse, cohead, child, legal guardian, sibling, grandparent, grandchild, or mother-, father-, sister-, brother-, son-, or daughter-in-law, or registered domestic partner.

The waiver, if approved, shall be provided on a month-to-month basis not to exceed a total period of three months. A waiver will be provided only once for each incident that occurs in the household.

Upon approval of the waiver, the total tenant payment shall be calculated at 30% of monthly adjusted income and shall be effective on the first of the month following the month in which the family submitted the waiver request form with all supporting documentation.

A temporary waiver of the minimum rent will also be applied automatically to vulnerable individuals and families who are initially moving into a homeless serving program, such as Permanent Supportive Housing or the Emergency Housing Voucher program until the

²⁵ The FY 2009 Moving to Work Annual Plan included Activity 10: Minimum Rent which established a minimum rent of \$125 for all Housing Services programs except Traditional, Regulatory Assistance for Special Purpose Programs.

regularly scheduled recertification.²⁶ A family granted the automatic waiver under a homeless serving program will not be required to repay the minimum rent.

6.5.2 Traditional, Regulatory Assistance for Special Purpose Programs

The minimum rent is \$50 for Traditional, Regulatory Assistance for Special Purpose Programs. If a family is unable to pay the minimum rent because of financial hardship, the Housing Authority must grant an exemption from the minimum rent. To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay the minimum rent.

The financial hardship exemption applies only to families required to pay the minimum rent. If a family's rent share is higher than the minimum rent, the family is not eligible for a hardship exemption. If the Housing Authority determines that a hardship exists, the family share is the highest of the remaining components of the family's calculated rent share.

Financial hardship includes the following situations:

1. The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.
 - a. A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.
 - i. For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following: (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.
2. The family would be evicted because it is unable to pay the minimum rent.
 - a. For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent to the owner or tenant-paid utilities.

²⁶ The FY 2022 Moving to Work Annual Plan modified Activity 10: Minimum Rent to allow HACSB to reduce or postpone the minimum rent for individuals in programs serving extremely vulnerable populations.

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3. Family income has decreased because of changed family circumstances, including the loss of employment.
4. A death has occurred in the family.
 - a. In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

When a family requests a financial hardship exemption, the Housing Authority must suspend the minimum rent requirement beginning the first of the month following the family's request.

The Housing Authority then determines whether the financial hardship exists and whether the hardship is temporary or long-term. The Housing Authority defines temporary hardship as a hardship expected to last ninety (90) days or less. Long-term hardship is defined as a hardship expected to last more than ninety (90) days.

When the minimum rent is suspended, the family share reverts to the highest of the remaining components of the calculated rent share. If the Housing Authority determines there is no financial hardship, the Housing Authority will reinstate the minimum rent and require the family to repay the amounts suspended within thirty (30) days.

If the Housing Authority determines that a qualifying financial hardship is temporary, the Housing Authority must suspend the minimum rent for the ninety (90) day period beginning the first of the month following the date of the family's request for a hardship exemption.

At the end of the ninety (90) day suspension period, the family must resume payment of the minimum rent and must repay the Housing Authority the amounts suspended. HUD requires the Housing Authority to offer a reasonable repayment agreement, on terms and conditions established by the Housing Authority. The Housing Authority also may determine that circumstances have changed, and the hardship is now a long-term hardship.

If the Housing Authority determines that the financial hardship is long-term, the Housing Authority must exempt the family from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first of the month following the family's request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the family is not required to repay the minimum rent. The hardship period ends when any of the following circumstances apply:

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- At an interim or regularly scheduled recertification, the family's calculated rent share is greater than the minimum rent.
- For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost. For example, if a hardship is approved because a family no longer receives a \$60/month child support payment, the hardship will continue to exist until the family receives at least \$60/month in income from another source or once again begins to receive the child support.
- For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred.

6.6 Utility Allowance and Utility Reimbursement Payments [24 CFR 982.154 and 982.517]

6.6.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

The utility allowance has been built into the calculation for family rent share for the Term-Limited Lease Assistance and Streamlined Lease Assistance Programs. There is no additional utility allowance or any utility reimbursement payments²⁷.

6.6.2 Traditional, Regulatory Assistance for Special Purpose Programs

The same utility allowance schedule is used for both programs. The utility allowance is intended to cover the cost of utilities not included in the rent and is subtracted from the family rent share to establish the family's rent to the owner. 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 family's actual energy consumption.

The Housing Authority's utility allowance schedule and the utility allowance for an individual family must include the utilities and services that are necessary in the locality to provide housing that complies with inspection standards. The Housing Authority may not provide any allowance for non-essential utility costs, such as costs of cable or satellite television.

²⁷ The FY 2011 and FY 2013 Moving to Work Annual Plans included Activity 20: Term-Limited Lease Assistance and Activity 23: Streamlined Lease Assistance programs, respectively. Both programs have the utility allowances already factored in to the calculation.

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The Housing Authority must classify utilities in the utility allowance schedule according to the follow general categories: space heating, air conditioning, cooking, water heating water, sewer, trash collection, other electric, refrigerator (for tenant-supplied refrigerator only when not supplied by owner), range (cost of tenant-supplied range), and other specified services.

An allowance for tenant-paid air conditioning will be provided in those cases where the majority of housing units in the market have central air conditioning or are wired for tenant-installed air conditioners [24 CFR §982.517].

The Housing Authority 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 generally be applied at the participant family's first regularly scheduled recertification which occurs after the housing authority has revised the schedule.

The approved utility allowance schedule is provided to applicant and participant families at the time of the briefing. The utility allowance is based on the lower of the actual unit size or the approved bedroom size.

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

Where the family rent to owner calculation results in a utility reimbursement payment due the family [24 CFR §982.514(b)], the Housing Authority will provide a utility reimbursement payment for the family each month. The check will be made out directly to the participant.

6.7 Proration of Assistance for “Mixed” Families [24 CFR 5.520]

6.7.1 Applicability

Proration of assistance must be offered to any “mixed” applicant or participant family. A “mixed” family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible members.

“Mixed” families that were participants on June 19, 1995 and that do not qualify for continued assistance must be offered prorated assistance. Mixed family applicants are

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entitled to prorated assistance. Families that become mixed after June 19, 1995 by addition of an ineligible member are entitled to prorated assistance.

6.7.2 Prorated Assistance Calculation

Prorated assistance is calculated by determining the amount of assistance payable if all family members were eligible and multiplying by the percent of the family members who actually are eligible. The family rent share will be the Contract Rent minus the prorated assistance.

CHAPTER 7: VERIFICATION POLICIES

7. Introduction [24 CFR Part 5 Subparts B, D, E & F, 982.158 & 5.617]

The Housing Authority verifies all initial and continued eligibility factors. This chapter outlines the Housing Authority's policies for verification which are designed to ensure only eligible applicants are admitted, participants remain eligible for continued assistance and that program integrity is maintained.

7.1 Release of Information and Verification Expiration Dates [24 CFR 982.516, 982.551 and 5.230]

Applicants and program participants must provide true and complete information to the Housing Authority whenever information is requested. The Housing Authority will obtain proper authorization from the family before requesting information from independent sources.

Family refusal to supply any information and to sign consent forms for Release of Information is a violation of family obligations and will result in denial of admission or termination of assistance.

7.1.1 Term-Limited Lease Assistance, Streamlined Lease Assistance, Veterans Affairs Supportive Housing (VASH) and Emergency Housing Voucher Programs

All adult family members will be required to sign the HACSB-MTW 9886 "Authorization for Release of Information/Privacy Act Notice" that replaces HUD form-9886. In addition to the Authorization for Release of Information/Privacy Act Notice, the Housing Authority requires family members to sign other specific authorization for release of information forms. Each member requested to consent to the release of specific information will be provided with a copy of the appropriate forms for their review and signature.

For applicants, verifications may not be more than one-hundred and twenty (120) days old at the time of orientation.²⁸ For participants, they are valid for one-hundred and eighty (180) days from date of receipt.²⁹

²⁸ HACSB's MTW Activity 5: Simplified Income Determination allows verifications to be not more than 120 days old at the time of the briefing.

²⁹ HACSB's MTW Activity 5: Simplified Income Determination allows for the increase of the number of days verifications are valid.

7.1.2 Traditional, Regulatory Assistance for Special Purpose Programs [Notice PIH 2010-19]

All adult family members will be required to sign the HUD-9886 “Authorization for Release of Information/Privacy Act Notice.” In addition to the Authorization for Release of Information/Privacy Act Notice, the Housing Authority requires family members to sign other specific authorization for release of information forms. Each member requested to consent to the release of specific information will be provided with a copy of the appropriate forms for their review and signature.

For applicants, verifications may not be more than sixty (60) days old prior to voucher issuance. For families, they cannot be more than sixty (60) days old prior to the Housing Authority request date.

7.2 Verification Policies for Initial Eligibility [Notices PIH 2010-19 and 2013-04]

7.2.1 General Verification Policies

Families selected from the waiting list will be required to complete a full application for admission along with any supporting documentation requested by the Housing Authority. Verification of factors to determine preferences and eligibility for admission to the program, except for criminal background requirements, will generally be limited to review of the documents requested by HACSB and provided by the applicant family. This is considered the highest form of third-party verification. However, if the applicant is unable to provide verification the Housing Authority will verify income sources through other verification methods such as third-party verification, oral verification or self-certification. The Housing Authority may also move to these other verification methods at its discretion. Per PIH Notice 2013-04, HACSB will accept an applicant or participant’s self-certification of fully excluded income sources (such as food stamps) and the related income amounts on the initial application and recertification packets. HACSB is not required to (1) Verify the income in accordance with the HUD-prescribed verification hierarchy; (2) Document in the tenant file why third party verification was not available as required by 24 CFR 960.259(c)(i) and 24 CFR 982.516(a)(2); and (3) Report the income in Section 7 of the form HUD-50058.

All applicants 18 years of age and older will be subject to third party screening and verification of factors impacting criminal history described in Chapter 2 of this Administrative Plan.

The Housing Authority will obtain an EIV report for all applicants within one-hundred and twenty (120) days of admission. If there is a discrepancy, the Housing Authority will work

with the family to resolve the discrepancy in alignment with the policies described in this Administrative Plan.

Any new household members added will also be subject to initial eligibility verification requirements.

7.2.2 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

Applicants for the Term-Limited Lease Assistance and Streamlined Lease Assistance programs³⁰ must provide verification on the following eligibility criteria:

- Preferences
- Assets³¹
- Annual Income
- Citizenship or eligible immigration status
- Social security numbers
- Legal identity
- Documentation of age
- Disability status
- Family relationships
- Student status

7.2.3 Traditional, Regulatory Assistance for Special Purpose Programs

Applicants for Traditional, Regulatory Assistance must provide verification on the following:

- Preferences
- Assets
- Annual Income
- Citizenship or eligible immigration status
- Social security numbers
- Legal identity
- Documentation of age

³⁰ The FY 2013 Moving to Work Annual Plan included Activity 22: Streamlined Lease Assistance program which eliminated allowances and deductions. The FY 2011 Moving to Work Annual Plan included Activity 20: Term-Limited Lease Assistance program which also eliminated allowances and deductions.

³¹ HACSB's MTW Activity 5: Simplified Income Determination eliminates assets for the purposes of calculating the family's rent portion. However, asset income is verified at initial eligibility and used to determine income eligibility.

- Disability status
- Family relationships
- Student status
- Allowances
- Deductions
- If applicable, eligibility for special program type

7.3 Verification Policies for Continued Assistance

The Housing Authority will require households to provide documentation for the factors described in this section at recertification and interim recertification as applicable.

7.3.1 General Verification Policies for Continued Assistance for MTW Programs

For families participating in the HACSB MTW program, Veterans Affairs Supportive Housing (VASH) and Emergency Housing Voucher programs, HACSB will use the following verification hierarchy. this section applies to the Veterans Affairs Supportive Housing (VASH) program effective January 1, 2019, or as soon as practicable thereafter.

For income sources that are available for verification in HUD's Enterprise Income Verification (EIV) system or other available Up-Front Income Verification (UIV) systems, HACSB will compare the documents provided by the household with the information in the EIV/UIV systems. Currently, income sources that are available in EIV include income from wages, unemployment benefits, Social Security, and Supplemental Security Income. Income sources that may be available through other UIV systems include Temporary Assistance to Needy Families and income from wages through the Work Number.

If there is a discrepancy of \$200 or more per month between the documents provided by the household and the EIV/UIV system, HACSB will require third-party written verification of the income. If the Housing Authority is unable to obtain third-party written verification it will then attempt to receive third-party oral verification. If those attempts are unsuccessful, HACSB will rely on the documents provided by the household to calculate income.

If there is a discrepancy of less than \$200 per month between the documents provided by the household and the EIV/UIV system, HACSB will calculate income based on the most recent verification of the source and the associated amount of income from that source.

If data that is generally available in the UIV/EIV systems is not available due to recent employment or other unknown reasons, HACSB will rely on documents provided by the assisted family.

For all income sources that are not generally available in EIV/UIV, HACSB will rely on documents provided by the household. However, the Housing Authority reserves the right to conduct written or oral third-party verification on all income sources. Families must provide documentation to support all sources of income except for fully excluded income sources. If a household does not provide supporting documentation, it is a violation of family obligations and the participant may lose their housing assistance. If the Housing Authority, at its discretion chooses to further verify an income source, it will attempt to first obtain third-party written verification. If that attempt to receive verification is unsuccessful, HACSB will request third-party oral verification. If those attempts are unsuccessful, HACSB will rely on the documents provided by the household to calculate income or family self-certification where applicable.³²

Per PIH Notice 2013-04, HACSB will accept an applicant or participant's self-certification of fully excluded income sources (such as food stamps) and the related income amounts on the initial application and recertification packets. HACSB is not required to (1) Verify the income in accordance with the HUD-prescribed verification hierarchy; (2) Document in the tenant file why third-party verification was not available as required by 24 CFR 960.259(c)(i) and 24 CFR 982.516(a)(2); and (3) Report the income in Section 7 of the form HUD-50058.

In addition to the income verification policies described above, each family member aged 18 and older will be asked if there has been any update in criminal activity. If there has been any change in criminal activity, the Housing Authority will obtain verification.

7.3.2 General Verification Policies for Continued Assistance for Traditional, Regulatory Assistance for Special Purpose Programs

For families participating in traditional, regulatory assistance for special purpose programs, the Housing Authority will use the current HUD verification hierarchy.

This section does not apply to participants of the Veterans Affairs Supportive Housing (VASH) and Emergency Housing Voucher programs (see 7.3.1).

³² HACSB's MTW Activity 5: Simplified Income Determination created a modified verification hierarchy for HACSB's MTW programs.

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Level	Verification Method/Technique	Applies To
6	HUD Enterprise Income Verification (EIV) System	All sources of income verifiable through EIV, including wages, unemployment benefits, Social Security, and Supplemental Security Income
5	Other Upfront Income Verification (UIV) System	All sources of income not verifiable through the EIV system
4	Written Third-Party Verification: an original or authentic document generated by a third-party source dated either within the 60-day period preceding the reexamination or request date	All sources of income not verifiable through the EIV/UIV systems; tenant disputed EIV information
3	Written Third-Party Verification Form: A standardized form is provided to a third-party source by mail, fax, or email. The form is completed by the third party.	All sources of income not verifiable through a higher level of verification, when higher levels of verification are rejected by HACSB
2	Oral Third-Party Verification	All sources of income not verifiable through a higher level of verification
1	Tenant Declaration	All sources of income not verifiable through a higher level of verification

Per PIH Notice 2013-04, HACSB will accept an applicant or participant's self-certification of fully excluded income sources (such as food stamps) and the related income amounts on the initial application and recertification packets. HACSB is not required to (1) Verify the income in accordance with the HUD-prescribed verification hierarchy; (2) Document in the tenant file why third-party verification was not available as required by 24 CFR 960.259(c)(i) and 24 CFR 982.516(a)(2); and (3) Report the income in Section 7 of the form HUD-50058.

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In addition to the income verification policies described above, each family member aged 18 and older will be asked if there has been any update in criminal activity. If there has been any change in criminal activity, the Housing Authority will obtain verification.

7.3.3 Term-Limited Lease Assistance and Streamlined Lease Assistance

The Housing Authority will verify the following factors at recertification³³:

- Annual Income
- Student status

7.3.4 Traditional, Regulatory Assistance for Special Purpose Programs

The Housing Authority will verify the following at recertification:

- Assets³⁴
- Annual Income
- Student status
- Allowances
- Deductions

7.4 General Verification Procedures

This section outlines how the Housing Authority will verify each of the above-described criteria. All verification factors are described in this section, but the Housing Authority will only verify factors that are required for each program type.

7.4.1 Verification of Legal Identity

The Housing Authority requires each household member to provide one of the following forms of verification of legal identity:

Verification of Legal Identity	
Adults	Children
Certificate of birth, naturalization papers, Current, valid driver's license or Department of Motor Vehicles identification card, VA identification card, U.S. military discharge (DD 214), U.S. passport	Certificate of birth Adoption papers Custody agreement Health and Human Services ID School records

³³ HACSB's MTW Activity 20: Term-Limited Lease Assistance and Activity 22: Streamlined Lease Assistance eliminated deductions and allowances from the income and rent calculation.

³⁴ For Emergency Housing Voucher and Veteran Affairs Supportive Housing programs, assets are excluded from the rent calculation and will not be verified at recertification.

If none of these documents can be provided and at the Housing Authority's discretion, a third party who knows the person may attest to the person's identity. Legal identity will be verified on an as needed basis.

7.4.2 Social Security Numbers [24 CFR 5.216 and Notice PIH 2012-10]

The family must provide documentation of a valid social security number (SSN) for each member of the household, with the exception of individuals who do not contend eligible immigration status. The only other exception is for existing program participants who were at least sixty-two (62) years of age as of January 31, 2010 and had not previously disclosed an SSN.

The Housing Authority accepts the following documentation as acceptable evidence of the social security number:

- An original SSN card issued by the Social Security Administration (SSA)
- An original SSA-issued document, which contains the name and SSN of the individual
- An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual. A DD-214 or 10-10EZ form is accepted in place of an SSN card for a HUD-VASH veteran.

When the participant requests to add a new household member who is at least six (6) years of age, or who is under the age of six (6) and has an SSN, the participant must provide the complete and accurate SSN assigned to each new member at the time of reexamination or recertification, in addition to the documentation required to verify it. The Housing Authority cannot add the new household member until such documentation is provided.

When a participant requests to add a new household member who is under the age of six (6) and has not been assigned an SSN, the participant must provide the SSN assigned to each new child and the required documentation within ninety (90) calendar days of the child being added to the household. A ninety (90) day extension will be granted if the Housing Authority determines that the participant's failure to comply was due to unforeseen circumstances and was outside of the participant's control. During the period the Housing Authority is awaiting documentation of the SSN, the child will be counted as part of the assisted household.

7.4.2.1 Emergency Housing Voucher Program

During the initial eligibility determination for the Emergency Housing Voucher program, the Housing Authority will accept self-certification of social security number if documentation is unavailable. However, documentation of the social security number must be received within 180 days of admission. Further extensions may be provided if the partnering organization confirms that good faith efforts have been made to obtain the necessary documentation. For household additions after admission, section 7.4.2 applies.

7.4.3 Documentation of Age

A birth certificate or other official record of birth is the preferred form of age verification for all family members under the age of eighteen (18). For family members over eighteen (18) the preferred form of age verification is a government-issued identification. For elderly family members an original document that provides evidence of the receipt of social security retirement benefits is acceptable. If an official record of birth or evidence of social security retirement benefits cannot be provided, the Housing Authority will require the family to submit other documents that support the reported age of the family member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

7.4.4 Family Relationships

Applicants and program participants are required to identify the relationship(s) of each household member to the head of household. Definitions of the primary household relationships are provided in the Eligibility chapter. Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Certification by the head of household normally is sufficient verification of family relationships.

7.4.5 Verification of Student Status

The Housing Authority requires families to provide information about the student status of all students who are eighteen (18) years of age or older. This information will be verified only if:

- The family reports full-time student status for an adult other than the head, spouse, or cohead.
- The family reports childcare expenses to enable a family member to further his or her education.
- The family includes a student enrolled in an institution of higher education.

7.4.6 Documentation of Disability [24 CFR 100.202(c) and VG, p. 23]

The Housing Authority must verify documentation of disability for certain program criteria. The Housing Authority is not permitted to inquire about the nature or extent of a person's disability and may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the Housing Authority receives a verification document that provides such information, the Housing Authority will not place this information in the tenant file. Under no circumstances will the Housing Authority request a participant's medical record(s).

Verification of the receipt of disability benefits from the Social Security Administration (SSA) is sufficient verification of disability for the purpose of qualifying for waiting list preferences (if applicable) or certain income disallowances and deductions. However, for family members not receiving SSA benefits, receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.403. For family members claiming disability who do not receive disability benefits from the SSA, a knowledgeable professional must provide third-party verification that the family member meets the HUD definition of disability.

7.4.7 Citizenship or Eligible Immigration Status [24 CFR 5.508]

The family must provide a certification that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen and submit the documents discussed below for each family member.

HUD requires a declaration for each family member who claims to be a U.S. citizen or national. The declaration must be signed personally by any family member eighteen (18) or older and by a guardian for minors. The Housing Authority may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

All family members claiming eligible immigration status must declare their status in the same manner as U.S. citizens and nationals. The documentation required for eligible noncitizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, age, and the date on which the family began receiving HUD-funded assistance.

7.4.7.1 Emergency Housing Voucher Program

During the initial eligibility determination for the Emergency Housing Voucher program, the Housing Authority will accept self-certification of eligible immigration status if

documentation is unavailable. However, documentation of eligible immigration status must be received within 180 days of admission. Further extensions may be provided if the partnering organization confirms that good faith efforts have been made to obtain the necessary documentation. For household additions after admission, section 7.4.7 applies.

7.4.8 Verification of Preference Status

The Housing Authority prefers that Veteran's status is verified by the DD214. However, the Housing Authority may accept a military ID or verification from the VA.

7.5 Additional Income Verification Procedures

Chapter 6 of this Administrative Plan describes in detail the types of income that are included and excluded. Any income reported by the family must be verified. This part provides Housing Authority additional detail on how to verify income sources.

7.5.1 Employment Income

Families with earned income generally will be required to provide two consecutive months of pay stubs. The Housing Authority may require additional months of pay stubs for sporadic or seasonal employment income. Unless tip income is included in a family member's W-2 by the employer, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received for the prior year and tips anticipated to be received in the coming year.

7.5.2 Business and Self-Employment Income

Business owners and self-employed persons will be required to provide:

- An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted, and the business owner or self-employed person must certify to its accuracy.
- All schedules completed for filing federal and local taxes in the preceding year.
- If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

The Housing Authority will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future recertifications. At any recertification the Housing

Authority may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

7.5.3 Periodic Payments and Payments in Lieu of Earnings

The Housing Authority will review verification of periodic payments and payments in lieu of earnings. The Housing Authority may request documentation dating back to the start of the periodic payment or the payment in lieu of earnings.

To verify the SS/SSI benefits of applicants, the Housing Authority will request a current SSA benefit verification letter from each family member that receives social security benefits. To verify the SS/SSI benefits of participants, the Housing Authority will obtain information about social security/SSI benefits through the HUD EIV System and confirm with the participant(s) that the current listed benefit amount is correct. If the participant disputes the EIV-reported benefit amount, or if benefit information is not available in HUD systems, the Housing Authority will request a current SSA benefit verification letter from each family member that receives social security benefits.

If the family is unable to provide the document(s), the Housing Authority will inform the applicant or participant how to request a benefit verification letter from SSA's Web site at www.socialsecurity.gov or ask the family to request one by calling SSA at 1-800-772-1213. Once the applicant or participant has received the benefit verification letter, they will be required to provide it to the Housing Authority.

7.5.3.1 Traditional, Regulatory Assistance for Special Purpose Programs

The Housing Authority will conduct a streamlined reexamination of income for elderly families and disabled families when 100 percent of the family's income consists of fixed income by applying any published cost of living adjustment to the previously verified income amount per PIH Notice 2013-26.

7.5.4 Alimony or Child Support

The way the Housing Authority will seek verification for alimony and child support differs depending on whether the family declares that it receives regular payments. If the family declares that it receives regular payments, verification will be sought in the following order.

- Copy of the receipts and/or payment stubs for the sixty (60) days prior to the request
- Third-party verification form from the state or local child support enforcement agency

- Third-party verification form from the person paying the support
- Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

If the family declares that it *receives irregular or no payments*, in addition to the verification process listed above, the family must provide evidence that it has taken all reasonable efforts to collect amounts due. This may include:

- A statement from any agency responsible for enforcing payment that shows the family has requested enforcement and is cooperating with all enforcement efforts
- If the family has made independent efforts at collection, a written statement from the attorney or other collection entity that has assisted the family in these efforts

7.5.5 Assets and Income from Assets [HCV GB, p. 5-28]

7.5.5.1 Term-Limited Lease Assistance, Streamlined Lease Assistance, Veterans Affairs Supportive Housing (VASH), and Emergency Housing Voucher Programs³⁵

This section applies to the Veterans Affairs Supportive Housing (VASH) program effective January 1, 2019, or as soon as practicable thereafter.

For the purposes of initial eligibility, the Housing Authority will verify the amounts from assets to which any member of the family has access. These assets will be used to determine if the family exceeds the income limit threshold but will not be included for purposes of calculating total annual income or family rent share. Asset income generally will be verified by two consecutive months' statements.

7.5.5.2 Traditional, Regulatory Assistance for Special Purpose Programs

This section does not apply to participants of the Veterans Affairs Supportive Housing (VASH) and Emergency Housing Voucher programs (see 7.5.5.1).

Assets are included in the annual income calculation for initial eligibility and recertifications and are used to determine family rent share. Net asset income in excess of \$5000 generally will be verified by two consecutive months' statements. Per Notice

³⁵ HACSB's MTW Activity 5: Simplified Income Determination eliminates assets for the purposes of calculating the family's rent portion. However, asset income is verified at initial eligibility and used to determine income eligibility.

PIH 2013-26 the Housing Authority will accept a family's self-certification for assets of less than \$5,000.

7.5.5.3 Assets Disposed of for Less than Fair Market Value

The Housing Authority is also required to verify assets disposed of for less than fair market value. The Housing Authority will require the family to certify whether any assets have been disposed of for less than fair market value in the preceding two (2) years. The Housing Authority needs to verify only those certifications that warrant documentation and as a result will verify the value of assets disposed of only if:

- The Housing Authority does not already have a reasonable estimation of its value from previously collected information, or
- The amount reported by the family in the certification appears obviously in error.

7.5.6 Net Income from Rental Property

Families with income from rental property must provide:

- A current executed lease for the property that shows the rental amount or certification from the current tenant
- A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income). If schedule E was not prepared, the Housing Authority will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

7.5.7 Student Financial Assistance [24 CFR 5.609 and FR 4/10/06]

Any financial assistance, in excess of amounts received for tuition and any other required fees and charges, that a person attending an institution of higher education receives under the Higher Education Act of 1965, from private sources, or from an institution of higher education must be considered income unless the student is over the age of twenty-three (23) with dependent children or is residing with parents who are seeking or receiving Housing Services program assistance.

For students over the age of twenty-three (23) with dependent children or students residing with parents who are seeking or receiving Housing Services program assistance, the full amount of student financial assistance is excluded from annual income. The full

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amount of student financial assistance is also excluded for students attending schools that do not qualify as institutions of higher education. Excluded amounts are verified only if, without verification, the Housing Authority would not be able to determine whether or to what extent the income is to be excluded.

For a student subject to having a portion of his/her student financial assistance included in annual income in accordance with 24 CFR 5.609(b)(9), the Housing Authority will request written third-party verification of both the source and the amount. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student. In addition, the Housing Authority will request written verification of the student's tuition and any other required fees and charges.

If the Housing Authority is unable to obtain third-party written verification of the requested information, the Housing Authority will pursue other forms of verification following the verification hierarchy described in this Chapter.

7.5.8 Parental Income of Students Subject to Eligibility Restrictions [24 CFR 5.612 and FR 4/10/06, p. 18146]

If a student enrolled at an institution of higher education is under the age of twenty-four (24), is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving Housing Services program assistance as of November 30, 2005, the income of the student's parents must be considered when determining income eligibility, unless the student is determined independent from his or her parents. This provision does not apply to students residing with parents who are seeking or receiving Housing Services program assistance. It is limited to students who are seeking or receiving assistance on their own, separately from their parents.

If the Housing Authority is required to determine the income eligibility of a student's parents, the Housing Authority will request an income declaration and certification of income from the appropriate parent(s). The Housing Authority will send the request directly to the parents, who will be required to certify to their income under penalty of perjury. The parents will be required to submit the information directly to the Housing Authority.

The Housing Authority reserves the right to request and review supporting documentation at any time if it questions the declaration or certification. Supporting documentation may include, but is not limited to, Internal Revenue Service (IRS) tax returns, consecutive and

original pay stubs, bank statements, pension benefit statements, benefit award letters, and other official and authentic documents from a federal, state, or local agency.

7.6 Verifying Certain Program Eligibility Criteria

Each of the Housing Services programs has unique eligibility criteria for participation. This section highlights how the Housing Authority will verify key program qualifying criteria.

7.6.1 Term-Limited Lease Assistance Program

The Housing Authority will verify that the head, spouse, or cohead is not fifty-seven (57) years of age or older or a person with disabilities. Only applicants admitted after January 1, 2012 are eligible for Term-Limited Lease Assistance.

7.6.2 Streamlined Fixed Lease Assistance Program

The Housing Authority will verify that the head, spouse, or cohead is fifty-seven (57) years of age or older or a person with disabilities. Only applicants admitted after November 1, 2014, incoming portability families for whom the Housing Authority bills the initial PHA, project-based applicants and existing qualifying participants are eligible for Streamlined Fixed Lease Assistance.

7.6.3 Streamlined Tiered Lease Assistance Program

The Housing Authority will verify that the head, spouse, or cohead is not fifty-seven (57) years of age or older or a person with disabilities. Only incoming portability families for whom the Housing Authority bills the initial PHA, project-based applicants and existing tenant-based or project-based participants that are not already on the Term-Limited Lease Assistance program as of their February 1, 2015 effective recertification date are eligible for Streamlined Tiered Lease Assistance.

7.6.4 Traditional, Regulatory Assistance for Special Purpose Programs

Each traditional, regulatory special purpose program has unique eligibility criteria which are outlined in Chapter 3. The eligibility criteria will be generally verified in accordance with the policies outlined in this Chapter. In addition to those policies, the Housing Authority will verify the referral for the family's participation in the program.

7.7 Disability Deduction

7.7.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

There is no disability deduction for the Term-Limited Lease Assistance and Streamlined Lease Assistance programs.

7.7.2 Traditional, Regulatory Assistance for Special Purpose Programs

The dependent deduction requires only that the Housing Authority verify that the family members identified as dependents meet the statutory definitions. The Housing Authority must verify that:

- Any person under the age of eighteen (18) for whom the dependent deduction is claimed is not the head, spouse, or cohead of the family and is not a foster child
- Any person aged eighteen (18) or older for whom the dependent deduction is claimed is not a foster adult or live-in aide, and is a person with a disability or a full time student

7.8 Elderly Household Deduction

7.8.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

There is no elderly household deduction for the Term-Limited Lease Assistance and Streamlined Lease Assistance programs.

7.8.2 Traditional, Regulatory Assistance for Special Purpose Programs

The Housing Authority verify that the head, spouse, or cohead is sixty-two (62) years of age or older or a person with disabilities

7.9 Medical Expense Allowance

7.9.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

There is no medical expense allowance for the Term-Limited Lease Assistance and Streamlined Lease Assistance programs.

7.9.2 Traditional, Regulatory Assistance for Special Purpose Programs

Medical expenses will be verified through:

- Written third-party documents provided by the family, such as pharmacy printouts or receipts.
- The Housing Authority will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The Housing Authority will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming twelve (12) months.
- Written third-party verification forms, if the family is unable to provide acceptable documentation.

- If third-party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming twelve (12) months.

In addition, the Housing Authority must verify that:

- The household is eligible for the deduction.
 - The medical expense deduction is permitted only for households in which the head, spouse, or cohead is at least sixty-two (62), or a person with disabilities.
- The costs to be deducted are qualified medical expenses.
 - Chapter 6 includes the Housing Authority's policy on what counts as a medical expense.
- The expenses are not paid for or reimbursed by any other source.
 - The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source.
- Costs incurred in past years are counted only once.
 - When anticipated costs are related to on-going payment of medical bills incurred in past years, the Housing Authority will verify:
 - The anticipated repayment schedule
 - The amounts paid in the past, and
 - Whether the amounts to be repaid have been deducted from the family's annual income in past years

7.10 Disability Assistance Expense Allowance

7.10.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

There is no disability assistance allowance for the Term-Limited Lease Assistance and Streamlined Lease Assistance programs.

7.10.2 Traditional, Regulatory Assistance for Special Purpose Programs

The Housing Authority must verify the following for attendant care and auxiliary apparatus expenses:

- The PHA will accept written third-party documents provided by the family.
- If family-provided documents are not available, the Housing Authority will provide a third-party verification form directly to the care provider requesting the needed information.

- If third-party verification is not possible, written family certification as to costs anticipated to be incurred for the upcoming twelve (12) months.

In addition, the Housing Authority must verify that:

- The family member for whom the expense is incurred is a person with disabilities
- The expense permits a family member, or members, to work
 - The Housing Authority will request third-party verification from a rehabilitation agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work. This verification can be obtained through tenant provided documents or directly from the third-party.
 - If third-party verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the family member receiving the assistance), to work.
- The expense is not reimbursed from another source
 - The family will be required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed to the family from any source.

7.11 Child Care Expenses Allowance

7.11.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

There is no childcare allowance for the Term-Limited Lease Assistance and Streamlined Lease Assistance programs.

7.11.2 Traditional, Regulatory Assistance for Special Purpose Programs

The amount of the deduction will be verified following the standard verification procedures described in this Chapter. In addition, the Housing Authority will verify that:

- The child is eligible for care.
 - The Housing Authority will verify that the child being cared for (including foster children) is under the age of thirteen (13)
- The costs claimed are not reimbursed.
 - The family will be required to certify that the childcare expenses are not paid by or reimbursed to the family from any source.

- The costs are for an allowable type of childcare.
 - The Housing Authority will verify that the type of childcare selected by the family is allowable, as described in Chapter 6.
 - The Housing Authority will verify that the fees paid to the childcare provider cover only child care costs and are paid only for the care of an eligible child.
 - The Housing Authority will verify that the childcare provider is not an assisted family member.
- The costs are reasonable.
 - The actual costs the family incurs will be compared with the Housing Authority's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable. The Housing Authority will use the State of California's Reimbursement Ceilings for Subsidized Child Care as the standard of reasonableness. If the actual cost of childcare exceeds the standard, the child care allowance will be capped at the standard rate.
- The costs enable a family member to pursue an eligible activity.
 - The Housing Authority will verify that the family member(s) that the family has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities.
 - Seeking Work - Whenever possible the Housing Authority will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases the Housing Authority will request family-provided verification from the agency of the member's job seeking efforts to date and require the family to submit to the Housing Authority any reports provided to the other agency. In the event third-party verification is not available, the Housing Authority will provide the family with a form on which the family member must record job search efforts.
 - Furthering Education - The Housing Authority will request third-party documentation to verify that the person permitted to further his or her education by the childcare is enrolled and provide information about the timing of classes for which the person is registered. The documentation may be provided by the family.
 - Gainful Employment - The Housing Authority will seek third-party verification of the work schedule of the person who is permitted to work by the childcare. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family

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members may be verified. The documentation may be provided by the family.

CHAPTER 8: FAMILY OBLIGATIONS AGREEMENT AND VOUCHER ISSUANCE

8. Introduction

This chapter covers the Housing Authority's process for applicants to search for a unit, including the contents of the briefing that is conducted for families.

8.1 Issuance of Assistance Documents

Applicants and participants of the Housing Services program are issued a document that allows them to search for a unit. This assistance document is known as the Family Obligations Agreement for the Term-Limited Lease Assistance program and the Streamlined Lease Assistance programs. The document is known as a Voucher for the Traditional, Regulatory Assistance for Special Purpose programs.

When funding is available, the Housing Authority will issue assistance documents to applicants who have been determined to be eligible for the Housing Services program. In addition, move documents may be issued to households that are either required to move or approved to move in accordance with the Housing Authority's Program Moves policies.

8.2 Briefings [24 CFR 982.301]

All households must attend an oral briefing in order to be issued a Family Obligations Agreement or Voucher, whichever is applicable, for initial lease-up or for a program move. An oral briefing may be conducted in-person, on the telephone or via video conference. If a briefing is conducted over the telephone or video conference, written materials will be mailed or emailed to the family and the family may be instructed to watch an informational video prior to the oral portion of the briefing.

8.2.1 Applicant Briefings

When an applicant family, including portability and special program admissions, is initially issued a Family Obligation Agreement or a Voucher, depending on the program the family is eligible for, the Housing Authority conducts a mandatory briefing session, as required by HUD. The head of household must attend the briefing session. These briefings may be conducted in groups or as individual meetings. All briefings will be conducted in English, however, for Limited English Proficient (LEP) applicants, the Housing Authority will provide translation services in accordance with the Agency's LEP plan.

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The Housing Authority will not issue an assistance document to a family unless the Head of Household has attended a briefing and signed either the Family Obligation Agreement or Voucher, whichever is applicable. Applicants who provide prior notice of inability to attend a briefing will automatically be scheduled for the next briefing. Applicants who fail to attend scheduled briefings, without prior notification and approval of the Housing Authority, may be denied admission based on failure to supply information needed for certification.

The Housing Authority will conduct individual briefings for disabled families at their home, upon request by the family, if required as a reasonable accommodation. Should a household attend a group briefing and require additional individual assistance they will be referred to the appropriate staff person.

The Voucher and Family Obligations Agreement expiration date will be sixty (60) days after issuance plus any automatic extension. An extension may be granted solely at the discretion of the Housing Authority in accordance with the policies in 8.6.2.

After a Family Obligations Agreement or Voucher has been issued to an applicant, household additions will be approved according to the policies outlined in Chapter 5.

8.2.2 Participant Move Briefings

Participants will be required to attend a move briefing when moving with continued assistance.

At the move briefing, the family will be issued either a Family Obligations Agreement or Voucher to move depending on their program type. The expiration date will be sixty (60) days after issuance plus any automatic extension. An extension may be granted solely at the discretion of the Housing Authority in accordance with the policies in 8.6.2.

After a Family Obligations Agreement or Voucher has been issued to the participant, household additions will be approved according to the policies outlined in Chapter 5.

If the participant misses the move briefing the family will be automatically rescheduled for the next move briefing. If the family misses the second move briefing and is under a mandatory move, the Housing Authority will proceed with termination. For families who are making elective or permissible moves, the Housing Authority may proceed with termination notification.

8.3 Information Provided at Briefing Session

The Housing Authority's objectives are to ensure that families selected to participate are successful in obtaining an acceptable housing unit and that they have sufficient knowledge to derive maximum benefit from the program and to comply with program requirements.

The purpose of the briefing session is to provide information on the Housing Authority's process for families who intend to lease a unit. This will enable families to utilize the program to their advantage and prepare them to discuss the program benefits and rules with potential owners and property managers.

8.3.1 Topics Covered in Briefing Session

The person conducting the briefing will describe how the Housing Services Program works including information on the following subjects:

- Family and owner responsibilities;
- Where the family can lease a unit, including renting a unit inside or outside the Housing Authority's jurisdiction;
- For families eligible under portability, an explanation of portability. The Housing Authority cannot discourage eligible families from moving under portability;
- For families living in high-poverty census tracts, an explanation of the advantages of moving to areas outside of high-poverty concentrations; and
- When Housing Authority-owned units are available for lease, the Housing Authority will inform the family during the oral briefing that the family has the right to select any eligible unit available for lease and is not obligated to choose a Housing Authority-owned unit.

If the family includes a person with disabilities, the Housing Authority will ensure compliance with 24 CFR 8.6 to ensure effective communication such as by providing appropriate auxiliary aids where necessary to afford an individual with disabilities an equal opportunity to participate in, and enjoy the benefits of, a program or activity.

8.3.2 Briefing Packet Contents [24 CFR 982.301(b), HCV GB p. 8-7 and Notice PIH 2010-19]

The Housing Authority provides families with a briefing packet that contains more detailed information about the program. The packet includes forms and information required by HUD, as well as additional resources. The person conducting the briefing session will explain the following documents provided in the briefing packet.

The briefing packet will contain information on the following:

- The terms of the Voucher or Family Obligations Agreement
- Requesting a Reasonable Accommodation
- Program Moves
- The Housing Services Program Overview
- Responsibilities as a Program Participant
- Owner Responsibilities
- Using Your Assistance
- How to Rent a Unit
- Where You May Not Lease a Unit
- What We Can Tell an Owner About You
- Portability
- Area Housing Authorities
- The Advantages of Relocation
- Calculating Your Assistance
- Hardship Requests for an Exception to the Minimum Rent, if applicable
- Fair Housing and Equal Opportunity
- What to do If You Are a Victim of Discrimination
- Violence Against Women Act
- Losing Your Assistance
- Informal Hearings
- Record of Contacts Made to Rent a Unit
- Request for Tenancy Approval
- Tenancy Addendum
- Property Owner/Landlord Application/Authorization
- Request for Taxpayer ID for Owner/Landlord
- Payment Standards
- Portability Processing Timeline
- Assistance Processing Timeline
- Protect Your Family From Lead in Your Home Pamphlet
- A Good Place to Live Pamphlet
- Housing Quality Standards Guidelines
- Addresses of Housing Services Program Offices
- Map of Low-Poverty and Low-Minority Concentration Areas

- Sample HAP or LAP Contract
- Crime-Free Addendum
- Fraud Pamphlet
- Acknowledgement of Receipt of Documents
- Additional Program Specific Documentation

8.4 Encouraging Participation in Areas Without Low Income or Minority Concentration [24 CFR 982.301(a)(3)]

At the briefing, families are encouraged to search for housing in non-impacted areas. After the briefing, the Housing Authority will assist families who want to search for housing in non-impacted areas who wish to do so. The assistance provided to such families includes:

- Counseling with the family.
- Direct contact with owners.
- Providing information about services in various non-impacted areas.
- Meeting with neighborhood groups to promote understanding.
- Formal or informal discussions with owner groups.
- Formal or informal discussions with social service agencies.
- Meeting with rental referral companies or agencies.
- Meeting with fair housing groups or agencies.

Owners in all neighborhoods within the Housing Authority's jurisdiction are encouraged to post their property listings in various ways (internet listings, newspapers, rental pamphlets, etc.) to ensure greater mobility and housing choice to very low-income households. The Housing Authority will provide information about housing listings. If the family includes a person with disabilities, the family may request a current listing of accessible units known to be available.

8.5 Security Deposit Requirements [24 CFR 982.313]

Security deposits charged by owners may not exceed those charged to unassisted families (or the maximum prescribed by State or local law).

8.6 Family Obligations Agreement or Voucher Conditions [24 CFR 982.301(b)(1)]

During the briefing session, each family is issued a Family Obligations Agreement or Voucher, which represents a contractual agreement between the Housing Authority and the family, specifying the rights and responsibilities of each party. It does not constitute admission to the program, which occurs when the lease and contract become effective.

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In the event the Housing Authority does not have sufficient budget authority to support issued Family Obligations Agreements and/or Vouchers, the Housing Authority may recall the family. If the family is recalled, the Housing Authority will return the family to the waiting list to await new eligibility when funds become available.

The Family Obligations Agreement and Voucher are valid for a period of sixty (60) calendar days from the date of issuance plus any automatic extension. The family must submit a Request For Tenancy Approval (RFTA) within the initial term or approved extension. When a Request for Tenancy Approval is received, the term of the voucher will be suspended while the Housing Authority processes the request.

8.6.1 Veteran Affairs Supportive Housing (VASH) and Emergency Housing Voucher Programs

The initial search term for a HUD-VASH and an EHV will be 120 days. Any extensions beyond the initial term must meet the requirements of Section 8.6.2.

8.6.2 Extensions [24 CFR 982.303(b)]

The Housing Authority may grant extensions to Family Obligations Agreements and Vouchers. An extension may be granted automatically when the Family Obligations Agreement or Voucher is issued or a family may request an extension. All requests for extensions must be received, in writing, prior to the expiration date.

Extensions may be granted in thirty (30), or sixty (60) day increments, up to a maximum search term of one-hundred and twenty (120) calendar days (initial sixty (60) days plus a maximum sixty (60) day extension). If the Housing Authority has program funding/vouchers available and the leasing success rate is under 50% as measured over the most recent six-month period, an additional sixty day extension may be provided if necessary for the family to locate a suitable unit. The Housing Authority may also make an exception of up to one-hundred and eighty (180) days for extenuating circumstances, such as a long-term illness or other family emergency, or up to a maximum term of two-hundred and seventy (270) calendar days for hospitalization or as a reasonable accommodation. Such matters will be considered on an individual basis and must be supported by verifiable third-party documentation.

8.6.3 Expirations [24 CFR 982.303(a)]

If the Family Obligations Agreement or Voucher search term has expired and has not been suspended or extended by the Housing Authority or expires after an extension, the family will be denied assistance. The family will not be entitled to a review or hearing. If the family is currently assisted and remains eligible for participation, they may remain as

a participant in their unit if there is an assisted lease/contract in effect and the unit remains eligible.

8.7 Determination for Split Participant Households [24 CFR §982.315]

When a family assisted under the Housing Services program becomes divided into two (2) otherwise eligible families due to divorce, legal separation, or the division of the family, and the new families cannot agree as to which new family unit should continue to receive the assistance, and there is no determination by a court, the Housing Authority will review which family unit retains the assistance in the following priority order:

1. The domestic violence victim if separation is due to actual or threatened incidents of domestic violence, dating violence, sexual assault, or stalking.
2. Which family members remain in the unit (only if no domestic violence).
3. Which of the two new family units has custody of the youngest child.
4. Which family member was the head of household when the Family Obligations Agreement or Voucher was initially issued (listed on the initial application).

Documentation of these factors will be the responsibility of the requesting parties. If neither family unit meets any of the above criteria, assistance will be terminated. In the case of a HUD-VASH family break-up, the assistance must stay with the HUD-VASH veteran. However, if it is a case of domestic violence and the veteran is the perpetrator, the victim will continue to be assisted and the veteran will be terminated.

8.8 Residual Assistance for Remaining Members

The head of household may designate a new head of household or relinquish the assistance to remaining household members with HACSB approval, except when the family has been determined to be over-income. In the event the head of household no longer resides in the assisted unit, the remaining adult household member must have been previously approved by the Housing Authority to be living in the unit and to receive continued housing assistance. If the remaining eligible adult household member is disabled or fifty-seven (57) years or older, the family member will be eligible to receive a Voucher until November 1, 2014. After November 1, 2014, the remaining eligible family member who is disabled or fifty-seven (57) years or older will be eligible to receive a Family Obligations Agreement to participate in the Streamlined Fixed Lease Assistance Program. If the remaining family member is not disabled or fifty-seven (57) years of age or older, the remaining adult household member will be processed for eligibility and participation in the Housing Authority's Term-Limited Lease Assistance program and sign

a Family Obligations Agreement. The time limit would begin following the processing of the family composition change.

A live-in aide, by definition, is not a member of the family and will not be considered a remaining member of the family. Foster Children and Foster Adults are not considered a remaining family member. In order for a minor child to continue to receive assistance as a remaining family member:

- The court has to have awarded emancipated minor status to the minor; or
- The Housing Authority has to have verified that social services and/or the Juvenile Court has arranged for another adult to be brought into the assisted unit to care for the child/children for an indefinite period.

8.9 Family Voluntarily Relinquishes Housing Services Program Assistance

The family may voluntarily relinquish their assistance at any time. In such cases, the Housing Authority will provide the owner of the property with a thirty (30) calendar day notice indicating that rental assistance will terminate based on the family's request. The family will become fully responsible for the contract rent after thirty (30) calendar days.

Generally, the Housing Authority will not reinstate a family once a request for voluntary termination has been received. However, as a reasonable accommodation, the Housing Authority will review requests for reinstatements received within six (6) months and make a determination on a case-by-case basis. However, households will have their income eligibility re-determined in accordance with HUD guidelines.

If a family voluntarily relinquishes their assistance in lieu of facing termination, the Housing Authority will continue to seek to recover any monies that may be due to the Housing Authority as a result of misrepresentation or other breach of program in accordance with Chapter 18 of this Administrative Plan.

8.10 Housing Search Assistance³⁶

8.10.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

Effective October 1, 2022 or as soon as practicable thereafter, the Housing Authority will offer housing navigation and supportive services to applicants upon receiving a Family Obligations Agreement for tenant-based assistance. Housing navigation will include

³⁶ The 2022 MTW Annual Plan, Amendment 1, Activity 28: Leasing Success Strategies added housing navigation services and financial assistance.

assistance with unit identification, landlord-tenant connection and negotiation, coordination and case management with referral partners, financial assistance, and transportation services. Financial assistance may include payment for application fees, security deposits, utility arrears, appliances, utility deposits, and other move related costs. Under certain circumstances, existing participants may be offered housing navigation and financial support for extenuating circumstances, such as situations covered under the Violence Against Women Act (VAWA) or when an assisted family experiences homelessness after vacating their previous unit. Participation in housing navigation services is voluntary. However, the family will not be eligible for financial assistance unless they are enrolled in housing navigation services. Households will not be required to repay the Housing Authority for the financial assistance provided. The offer of housing navigation services and/or financial assistance is subject to funding availability and voucher utilization goals.

8.10.2 Emergency Housing Voucher Services and Support

Under the Emergency Housing Voucher (EHV) program, the Housing Authority receives a one-time service fee of \$3,500 for each EHV allocated to the Housing Authority. Eligible uses of the service fee include housing search assistance and financial assistance for costs associated with leasing a unit. Assistance with leasing costs includes application fees, transportation, holding fees, security deposit assistance, utility deposit assistance/utility arrears, landlord incentives (signing bonus and damage mitigation), moving assistance, essential household items, and renter's insurance if required by the lease. HUD requires that housing authorities provide housing search assistance to EHV families for the initial (first-time) lease-up. HACSB will use Emergency Solutions Grant (ESG) and other funding sources for housing search assistance and financial assistance whenever possible. HACSB will use the service fee for housing navigation services, application fees, landlord signing bonuses, damage mitigation, appliances, and security/utility deposits. The security deposit assistance will be provided in the form of a one-time grant, which is refundable to the tenant upon move-out and cannot exceed two months' rent. Utility deposits will also be provided as grants. If funding permits, the services fee may also be used for any of the other eligible financial assistance described in this section.

8.10.3 Mainstream Voucher Program

Subject to funding availability, the Housing Authority may offer security deposit assistance to Mainstream Voucher Program applicants upon receiving a Voucher. Households will not be required to repay the security deposit assistance provided.

8.11 Tenant Education

The Housing Authority may offer a tenant education program³⁷ that is optional for voucher holders. The program may cover such topics as how to apply for units, understanding the lease agreement and house rules, importance of complying with the lease, preventing and solving problems with neighbors, maintaining the unit, and landlord-tenant relations. Participants who successfully complete the course will receive a certificate of completion to present to prospective landlords when applying for units.

³⁷ The FY 2022 MTW Annual Plan, Activity 28: Landlord Incentives added a tenant education program. A subsequent amendment to the FY 2022 MTW Annual Plan repropoed the activity as Leasing Success Strategies.

CHAPTER 9: REQUEST FOR TENANCY APPROVAL AND CONTRACT EXECUTION

9. Introduction [24 CFR 982.305(a) and 982.306]

The Housing Authority's program operations are designed to utilize available resources in a manner that is efficient and provides eligible families timely assistance based on the number of units that have been budgeted. The Housing Authority's objectives include maximizing HUD funds by providing assistance to as many eligible families and for as many eligible units as the budget will allow.

After families are issued a Family Obligations Agreement or a Voucher, they may search for a unit anywhere within the jurisdiction of the Housing Authority, or outside of the Housing Authority's jurisdiction if they qualify for portability. The family must find an eligible unit under the program rules, with an owner/landlord who is willing to enter into a contract with the Housing Authority. This chapter defines the types of eligible housing, the Housing Authority's policies which pertain to initial inspections, lease requirements, owner disapproval, and the processing of the Request for Tenancy Approval (RFTA).

In order for the Housing Authority to assist a family in a particular dwelling unit, or execute a contract with the owner of a dwelling unit, the Housing Authority must determine that all the following program requirements are met:

- The unit itself must qualify as an eligible unit
- The unit must be inspected by the Housing Authority and meet the Housing Authority inspection standards
- The lease offered by the owner must be approvable and must include the required Tenancy Addendum
- The rent to be charged by the owner for the unit must be reasonable in accordance with Chapter 11 of the Administrative Plan.
- The owner must be an eligible owner, approvable by the Housing Authority, with no conflicts of interest

If all program requirements are met, the Housing Authority can enter into a contract with the owner. The Housing Authority will enter into a Lease Assistance Payment (LAP) Contract for families participating in the Term-Limited Lease Assistance and Streamlined Lease Assistance programs. The Housing Authority will enter into a Housing Assistance

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Payment (HAP) contract for families participating in the Traditional, Regulatory Assistance for Special Purpose Programs. The Housing Authority generally refers to the LAP and HAP collectively as simply “the contract” or “contract between the Housing Authority and the owner” throughout this Administrative Plan.

The Housing Authority will not enter into a zero HAP contract if the tenant is responsible to pay all of the rent at the time of admission or at the time a currently assisted participant is moving into a new unit. In the case that the housing assistance payments would be \$0, the RFTA will be denied.

9.1 Request for Tenancy Approval [Form HUD 52517, HCV GB p.8-15]

The Request for Tenancy Approval (RFTA) must be submitted by the family in the form and manner required by the Housing Authority during the search term of the Family Obligations Agreement or Voucher. The RFTA must be signed by both the owner and the head of household.

The family may not submit, and the Housing Authority will not process, more than one (1) RFTA at a time. The Housing Authority will review the RFTA documents to determine whether or not they are approvable. The RFTA will be approved if:

- The unit is an eligible type of housing;
- The unit passes an inspection in accordance with Inspection Standards;
- The rent is reasonable;
- The owner is approvable, and there are no conflicts of interest; and
- The housing assistance payment is not zero.

9.2 Disapproval of RFTA

If the Housing Authority determines that the RFTA cannot be approved for any reason, the landlord and the family will be notified by phone and/or in writing. The Housing Authority will instruct the owner and family of the steps that are necessary to approve the RFTA.

When, for any reason, an RFTA is not approved, if there is time remaining on the Family Obligations Agreement or Voucher for the family to continue searching the Housing Authority will furnish another RFTA form to the family so that the family can continue to search for eligible housing.

9.3 Eligible Types of Housing [24 CFR 982.352]

There are a number of criteria that a dwelling unit must meet in order to be eligible for assistance under the Housing Services Program. Generally, a family may choose any available rental dwelling unit on the market in the Housing Authority's jurisdiction. This includes the dwelling unit they are currently occupying. The Housing Authority may approve any of the following types of housing:

- Single-family dwellings, including condos and townhouses;
- Manufactured homes and space for rent (the Housing Authority may also provide assistance for a family that owns the manufactured home and leases only the space). The rent calculation for space rent is included in Chapter 11.5;
- Multifamily dwellings (apartment buildings);
- Accessory Dwelling Units (ADUs) with finalized permits;
- Shared housing (a single housing unit occupied by an assisted family and another resident or residents); and
- Housing Authority owned units which are not subsidized by the Housing Authority (subject to HUD-prescribed requirements).

A family may own a rental unit but cannot reside in it while being assisted. The Housing Authority may not permit a family to lease a unit which is receiving project-based assistance or any duplicative rental subsidies.

9.4 Ineligible Types of Housing [24 CFR 982.352(a)]

The Housing Authority will not approve:

- A unit occupied by the owner or by any person with an interest in the unit, except for a:
 - manufactured home that is owned by the family but leases only the space. Under this circumstance, the Housing Authority will approve the unit; or
 - shared housing arrangement as long as the owner is not a member of the participant's household or related by blood or marriage to the participant;
- Nursing homes, board and care homes, or facilities providing continual psychiatric, medical or nursing services;
- College or other school dormitories;

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- Units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions³⁸;
- Structures, such as hotels/motels or garages, that have been converted to residential housing without finalized permits for all conversion work;
- Converted garages or other structures not intended to be living areas; or
- Any other types of housing prohibited by HUD.

With the exception of VASH program participants or participants with an approved reasonable accommodation, HACSB will not approve the following special housing types: single room occupancy (SRO), congregate housing, group home, and cooperative housing.

9.5 Restrictions on Renting to a Relative [24 CFR 982.306]

Assisted families will not be allowed to rent a unit from an owner (including a principal or other interest party) who is a spouse, parent, child, grandparent, grandchild, sister or brother, aunt, uncle, niece or nephew and/or cousin, of any member of the family or step-family, including in-law relationships, unless the Housing Authority has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities. A determination of whether the owner is a relative to the assisted family will be at the sole discretion of the Housing Authority.³⁹

The Housing Authority will review all such requests on a case-by-case basis. The family will be required to provide documentation of disability and how the particular unit, owned by the relative, could benefit the disabled person. Owners must provide the current physical address of their residence (not post office box). If families lease properties owned by relatives, the owner's current address will be compared to the subsidized unit address. Owners must provide a Taxpayer Identification Number or Social Security number and may also be required to provide a copy of their driver's license or other photo identification. In addition, the Housing Authority may request a copy of the owner's current utility bills and bank statements. Failure to provide adequate documentation,

³⁸ HUD regulations allow HUD-VASH families to live on the grounds of a VA facility in units developed to house homeless families.

³⁹ Under the Moving to Work Demonstration the Housing Authority has replaced HUD's Housing Assistance Payments (HAP) Contract with the HACSB HAP Contract and Lease Assistance Payment (LAP) Contract. These contracts also specify the Housing Authority's definition of relatives.

within ten (10) business days from the date of the request will be grounds for denial of such request.

In all cases, the owner of the assisted unit may not reside in the unit with the assisted household at any time during the term of the contract between the Housing Authority and the owner. In addition, the owner may not store trailers such as RV, motor homes, pull trailers or any such vehicle that allows occupancy on the assisted property. In addition, the owner may not utilize any other form of building or structure on the assisted property with the intent to occupy on a short or long term basis. Including any structures that does not have its own assigned city address.

9.6 Lease Review [24 CFR 982.305, 982.308 and 982.309]

The family and the owner must execute and enter into a written dwelling lease for the assisted unit. This written lease is a contract between the family and the owner; the Housing Authority is not a party to this contract. The Lease must include, word-for-word, the prescribed tenancy addendum, which the Housing Authority will provide to the owner.

The tenant must have legal capacity to enter a lease under State and local law. 'Legal capacity' means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner. The Housing Authority will review the lease for compliance with federal regulations. At minimum, the lease must contain all of the required information as listed below:

- The names of the owner and the tenant;
- The unit rented (address, apartment number, and any other information needed to identify the contract unit);
- The term of the lease (initial term and any provisions for renewal);
- The amount of the monthly rent to owner;
- A specification of what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied by the family; and
- The owner's lease must include the Lead Warning Statement and disclosure information required by 24 CFR 35.92(b).

The lease must include a statement that drug-related criminal activity engaged in by the tenant, any household member, or any guest on or near the premises, or any person under the tenant's control on the premises is grounds to terminate tenancy. The lease must also provide that the owner may evict the family when the owner determines that any household member is illegally using a drug or a pattern of illegal use of drugs by any

household member who interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents. The lease must provide that the following types of criminal activity by a “covered person” are grounds to terminate tenancy:

- Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including property management and staff residing on the premises)
- Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises
- Any violent criminal activity on or near the premises by a tenant, household member, or guest
- Any violent criminal activity on the premises by any other person under the tenant’s control

The lease must provide that the owner may terminate tenancy if a tenant is:

- Fleeing to avoid prosecution or custody or confinement after conviction for a crime, or attempt to commit crime, that is a felony under the laws of the place from which the individual flees
- Violating a condition of probation or parole imposed under Federal or State law

For this purpose, the family is considered to be in possession of the unit when the family has a key to the unit and the unit is fully available for the family’s exclusive use.

9.6.1 Term-Limited Lease Assistance, Streamlined Lease Assistance, and Traditional, Regulatory Assistance for Special Purpose Programs

The initial term of the assisted dwelling lease generally must be for at least one (1) year and match the term of the contract executed between the Housing Authority and the owner. A lease with a shorter term for certain housing types, like shared housing, may be permitted. Some tenant-based Special Purpose Programs, such as HUD-VASH, may allow for a shorter lease term as applicable.

9.6.3 Local Disaster Short-Term Rental Assistance Program

The initial term of the assisted dwelling lease generally may be for less than one (1) year and match the term of the contract executed between the Housing Authority and the owner.

9.6.4 Family Unification Program

The initial term of the assisted dwelling lease generally may be for less than one (1) year and match the term of the contract executed between the Housing Authority and the owner.

9.6.5 Emergency Housing Voucher Program

The initial lease term will be for one (1) year unless the landlord's standard practice is to offer a shorter lease term.

9.7 Prohibition Against Side Payments [24 CFR 982.451(b)(4) and 982.501(c)]

Owners may not demand or accept any rent payment from the family in excess of the rent to the owner minus the Housing Authority's payments to the owner. The owner may not charge the tenant extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.

Side payments for additional rent, or for items, appliances or services customarily provided to unassisted families as part of the dwelling lease for those families, are prohibited. Dwelling units that have additional items, appliances or other services may be considered amenities offered by the owner and may be taken into consideration when determining the reasonableness of the rent for the property.

9.8 Initial Inspections [24 CFR 982.305 and 24 CFR 982.401]

All units are required to pass initial inspection prior to contract execution between the Housing Authority and the owner. Information on inspection standards is included in Chapter 10.

9.9 Rent Limitations [24 CFR 982.507]

9.9.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

At all times during the tenancy, the gross rent to owner may not be more than the most current reasonable rent as determined by the Housing Authority in accordance with Chapter 11 of the Administrative Plan.

If the proposed initial rent is not reasonable, the Housing Authority will attempt to negotiate with the owner to reduce the rent. If the rent can be approved after negotiations with the owner, the Housing Authority will continue processing the RFTA and lease.

If the owner does not agree on the proposed adjusted rent to owner after the Housing Authority has tried and failed to negotiate a revised rent, the Housing Authority will inform the family and owner that the lease is disapproved.

9.9.2 Traditional, Regulatory Assistance for Special Purpose Programs

At all times during the tenancy, the gross rent to owner may not be more than the most current reasonable rent as determined by the Housing Authority in accordance with Chapter 11 of the Administrative Plan.

When a family is initially leasing a unit, the dwelling unit rent must be at a level where the family's share of rent (including tenant purchased utilities) does not exceed forty percent (40%) of the family's monthly adjusted income. The Housing Authority will also make a determination as to the reasonableness of the proposed rent in accordance with Chapter 11 of the Administrative Plan.

If the proposed initial rent is not reasonable or is not affordable because the family share would be more than forty percent (40%) of the family's monthly adjusted income, the Housing Authority will attempt to negotiate with the owner to reduce the rent or include some or all of the utilities in the rent to the owner.

If the rent can be approved after negotiations with the owner, the Housing Authority will continue processing the RFTA and lease. If the revised rent involves a change in the provision of utilities, the executed lease agreement will be amended to reflect the change.

If the owner does not agree on the proposed adjusted rent to owner after the Housing Authority has tried and failed to negotiate a revised rent, the Housing Authority will inform the family and owner that the lease is disapproved.

9.10 Information to Owners [24 CFR 982.307, 982.54(d)(7), and 5.2007(3)(ii)]

In accordance with HUD requirements, the Housing Authority will furnish prospective owners with the family's current address as shown in the Housing Authority's records and, if known to the Housing Authority, the name and address of the landlord at the family's current and prior address if such request is made in writing. The Housing Authority will make an exception to this requirement if the family's whereabouts must be protected due to domestic abuse or witness protection. The Housing Authority will also inform the owner or manager of their responsibility to comply with VAWA by providing HUD form 5380 Notice of Occupancy Rights under the Violence Against Women Act.

The Housing Authority has no liability or responsibility to the owner or other persons for the family's behavior or suitability for tenancy. The Housing Authority will inform owners that it is the responsibility of the landlord to determine the suitability of prospective tenants. Owners will be encouraged to screen applicants for rent payment history, payment of utility bills, eviction history, respecting the rights of other residents, damage

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.

A statement of the Housing Authority's policy on release of information to prospective landlords will be included in the briefing packet which is provided to the family. In addition to the information listed above, the Housing Authority provides owner workshops. At the workshops, current and prospective owners are given an overview of the program and information about any significant program changes. There is also ample time for a question-and-answer session.

9.11 Owner Disapproval [24 CFR 982.306]

The Housing Authority does not formally approve an owner to participate in the Housing Services program. However, there are a number of criteria where the Housing Authority may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. No owner has a right to participate in the Housing Services program. For more information on Owner Disapproval, please see Chapter 16 of this Administrative Plan.

9.12 Change in Family Rent Share Prior to Contract Effective Date

When the family reports changes in factors that may affect the total family share prior to the effective date of the contract between the Housing Authority and the owner, the information will be verified by the Housing Authority and if applicable the total family share will be adjusted accordingly. If the family does not report any change, the Housing Authority need not obtain new verifications before signing the contract, even if verifications are more than one hundred and eighty (180) days old.⁴⁰

9.13 Contract Execution Process [24 CFR 982.305(c)]

Provided that the unit passes inspection the Housing Authority will prepare the contract for execution. The family and the owner will execute the lease agreement, and the owner and the Housing Authority will execute the contract. Copies of these documents will be furnished to the parties who signed the respective documents.

The Housing Authority makes every effort to execute the contract before the commencement of the lease term. The contract may not be executed more than sixty (60)

⁴⁰ HACSB's MTW Activity 5: Simplified Income Determination allows for the increase of the number of days verifications are valid.

calendar days after commencement of the lease term and no payments will be made until the contract is executed by both parties. Owners must provide:

- The current address of their residence (not a Post Office box). If families lease properties owned by relatives, the owner's current address will be compared to the subsidized unit's address;
- A Taxpayer Identification Number (TIN) or Social Security number;
- Proof of ownership of the property, such as a grant deed or tax bill, and a copy of the management agreement if the property is managed by a management agent; and
- A home telephone number and business number if applicable.

9.14 Determining the Contract Effective Date

The effective date and the amount of the rental payment will be communicated in writing to the owner and family. If the owner and the family have entered into a lease and provide a copy of the lease with RFTA, the effective date of the contract will be the later of the following dates:

- The date the unit passed inspection (for families residing in the unit prior to the inspection date); or
- The date that the Housing Authority authorizes as indicated on the contract.

If the owner and family have not executed a lease prior to the contract negotiation process, then the contract will become effective once the lease has been properly executed by both parties.

9.15 Proration of First Month's Rent

When the effective date of a new contract begins on a day other than the first of the month, the Housing Authority will determine a prorated contract rent amount. Prorated amounts will be calculated based on the actual number of days in the month.

9.16 Proof of Ownership

The Housing Authority will use property profile information obtained from the County Assessor's Office to confirm ownership of the assisted unit. If third party information cannot confirm ownership of the unit, the Housing Authority may also request a recorded grant deed or closing escrow statement as proof of ownership. Owners may also be required to provide a copy of a business rental license if the assisted unit is in a city where one is required.

Any requested information must be provided prior to execution of the contract. Failure to provide the requested information within a reasonable period of the time, generally not more than thirty (30) calendar days, will result in a cancellation of RFTA.

9.17 Establishing Eligibility to Execute Contract Documents

In cases involving multiple owners, the Housing Authority will accept the signature of a designee on all contracts and relative paperwork if all the legal owners have jointly agreed on the person/persons who may act on their behalf.

To establish signature and/or payment authority, the Housing Authority requires that all persons who have interest in the property sign or provide a letter of authorization, giving one or more parties the right to sign contracts, other program documents and/or receive payments on a behalf of the owners. In cases involving a partnership or corporation, the Housing Authority may request the partnership agreement or incorporation documents to determine who is designated to act on the group's behalf.

The Housing Authority will not execute a contract until all proper authorization, from all appropriate parties, has been provided. Failure to provide information needed to establish authority to execute the contract within reasonable time, generally fourteen (14) calendar days, may result in a cancellation of the RFTA. Once the Housing Authority has established proper authorization, the letter of authorization will remain in effect until superseded by another authorization or the contract is terminated. All changes or modifications to the instructions provided in the current letter of authorization must be provided in writing.

9.18 Payment to Owner

Once the contract is executed, the Housing Authority begins processing payments to owner. Because the Housing Authority's preferred method of payment to owner is direct deposit, new owners are required to enroll in the Housing Authority's direct deposit program. Payments are made by the first business day of the month. HACSB business days are clearly identified on the Housing Authority's website calendar. Owners must notify the Housing Authority of any missing payments as soon as possible. The Housing Authority will accept a report of missing payment both via a telephone call and/or in writing.

9.19 Duplicative Assistance [24 CFR 982.352(c)]

A family may not receive the benefit of tenant-based assistance while receiving the benefit of any of the following forms of other housing subsidy, for the same unit or for a different unit:

- Public or Indian housing assistance;
- Other HCV assistance (including other tenant-based assistance);
- Assistance under former Section 23 of the United States Housing Act of 1937 (before amendment by the Housing and Community Development Act of 1974);
- Section 101 rent supplements;
- Section 236 rental assistance payments;
- Tenant-based assistance under the HOME Program;
- Rental assistance payments under Section 521 of the Housing Act of 1949 (a program of the Rural Development Administration);
- Any local or State rent subsidy;
- Section 202 supportive housing for the elderly;
- Section 811 supportive housing for persons with disabilities; (11) Section 202 projects for non-elderly persons with disabilities (Section 162 assistance); or
- Any other duplicative federal, State, or local housing subsidy, as determined by HUD. For this purpose, 'housing subsidy' does not include the housing component of a welfare payment, a social security payment received by the family, or a rent reduction because of a tax credit.

9.20 Changes in Lease or Rent [24 CFR 982.308]

If the tenant and the owner agree to any changes in the lease, such changes must be in writing, and the owner must immediately give the Housing Authority a copy of such changes. The lease, including any changes, must remain in accordance with the requirements of this chapter.

Generally, Housing Authority approval of tenancy and execution of a new contract are not required for changes in the lease. However, under certain circumstances, Housing Services Program assistance in the unit shall not be continued unless the Housing Authority has approved a new tenancy in accordance with program requirements and has executed a new contract with the owner. These circumstances include:

- Changes in lease requirements governing tenant or owner responsibilities for utilities or appliances;
- Changes in lease provisions governing the term of the lease; and
- The family moves to a new unit, even if the unit is in the same building or complex.

Where the owner is changing the amount of rent, the owner must notify the Housing Authority of any changes in the amount of the rent to owner at least sixty (60) days before

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any such changes go into effect. The Housing Authority will agree to such an increase only if the amount of the rent to owner is considered reasonable in accordance with Chapter 11 of the Administrative Plan. If the requested rent is not found to be reasonable, the owner must either reduce the requested rent increase, or give the family notice in accordance with the terms of the lease. No rent increase is permitted during the initial term of the lease as detailed in the lease and contract.

Where the owner is requesting a rent increase, the Housing Authority will determine whether the requested increase is reasonable. The owner will be notified of the determination in writing. Rent increases will go into effect on the first of the month following the sixty (60) day period after the owner notifies the Housing Authority of the rent change or on the date specified by the owner, whichever is later.

CHAPTER 10: INSPECTIONS STANDARDS

10. Introduction

Every unit assisted under the Housing Services program must meet the Housing Authority's inspection standards prior to initial occupancy of the unit and throughout the term of the contract between the owner and the Housing Authority. HACSB requires all units to meet Housing Quality Standards (HQS), which are the HUD minimum quality standards for units that receive assistance under the Housing Services program. In addition, the Housing Authority also requires all units to meet additional criteria in alignment with HUD requirements, California law, local codes and other Housing Authority policies. The Housing Authority inspection standards apply to units both in the tenant-based and project-based programs.

This Chapter describes the inspection types and responsibilities of the owner and family and the consequences of non-compliance with the Housing Authority's inspection standards for both families and owners participating in the tenant-based program. Inspection types and responsibilities for the project-based program are described in Chapter 20.

10.1 Types of Inspections [24 CFR 982.405]

There are six types of inspections the Housing Authority will perform:

1. Pre-inspection (VASH and EHV program): For the VASH and EHV Program, the Housing Authority may pre-inspect available units that VASH or EHV families may be interested in leasing in order to maintain a pool of eligible units.
2. Initial/Move-in: The Housing Authority conducts initial inspections upon receipt of a Request for Tenancy Approval (RFTA). The unit must pass the inspection before the effective date of the Contract.
3. Annual: Families who participate in any of the Housing Authority's Traditional, Regulatory Assistance (excluding homeownership families) for Special Purpose programs, except as noted below, will have an annual inspection conducted on their unit.

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4. Biennial⁴¹: For families who participate in the authorities Moving to Work programs, VASH, EHV and Mainstream, units will be inspected biennially. For these units, an inspection must be conducted within twenty-four (24 months) of the last inspection.
5. Special/Complaint: At request of the owner, the family, an agency, or a third-party a unit will be inspected to ensure compliance with the Housing Authority's Inspection Standards.
6. Quality Control: The Housing Authority will conduct inspections on a random sample of units to ensure consistency and accuracy. Quality Control inspections may also include inspections to determine if additional bedrooms approved for Reasonable Accommodations are being utilized as intended.
7. Move-Out: Upon request, the Housing Authority will conduct an inspection after the participant has moved out of the unit for any program offering reimbursement for tenant-caused damage beyond wear and tear.

All utilities must be in service prior to the effective date of the contract between the owner and the Housing Authority. If the utilities are not in service at the time of inspection, the Inspector will schedule a reinspection or accept documentation from the utility companies. The tenant or owner (whoever is responsible for the utilities according to the RFTA) must have them turned on before the effective date of the lease and all verification must be received prior to the start of the lease.

If the tenant is responsible for supplying the stove and/or the refrigerator, the Housing Authority will allow the stove and refrigerator to be placed in the unit after the inspection as long as unit has passed all other inspection criteria. The Housing Authority will accept the tenant's self-certification that the items have been placed in the unit and may conduct a follow-up inspection to verify the self-certification.

10.1.1 Pre-inspection

HACSB may pre-inspect available units that VASH or EHV families may be interested in leasing in order to maintain a pool of eligible units. All pre-inspected units will be inspected in accordance with Housing Quality Standards. The pre-inspection will remain valid for 45 days following the inspection pass date to the date of receipt of the RFTA as long as there has been no intervening tenancy.

⁴¹ The FY 2010 Moving To Work Annual Plan included a Local Inspection Standards activity which allows the Housing Authority to conduct biennial inspections on certain qualifying units. In addition the June 25, 2014, Federal Register Notice / Vol. 79, No. 122, allows PHA's to transition all recurring inspections to a biennial schedule.

10.1.2 Initial Inspection [24 CFR 982.401(a)]

The Housing Authority will conduct an initial inspection in the unit identified by the family and owner in the Request for Tenancy Approval.

The Housing Authority will determine whether the unit satisfies the inspection standards and notify the family and owner of the determination within a reasonable time frame.

The initial inspection will be conducted to:

- Determine if the unit and property meet all HUD required HQS criteria and all HACSB established inspections criteria that are defined in this plan.
- Document the current condition of the unit as to assist in future evaluations whether the condition of the unit exceeds normal wear and tear.
- Document information to be used for determination of rent-reasonableness.

If the unit fails the initial inspection, the Housing Authority will conduct a re-inspection if requested by the owner and upon verification repairs have been completed. The lease must begin within 45 days of the date that the unit passed inspection or from the date of receipt of the RFTA (for pre-inspected units).

10.1.3 Annual and Biennial Inspections [24 CFR 982.405 (a)]

The Housing Authority conducts an inspection of each unit under Contract biennially for Moving to Work, VASH, EHV, and Mainstream program units and annually for all other units in the Housing Services program. Deficiencies which cause a unit to fail must be corrected by the landlord unless it is a fail for which the participant is responsible.

The family must allow the Housing Authority to inspect the unit at reasonable times with reasonable notice. The Housing Authority considers reasonable hours to conduct an inspection between routine hours Monday through Friday.

The Housing Authority will notify the family and landlord in writing at least ten (10) days prior to the inspection. If the family is unable to be present, they must reschedule the appointment so that the inspection is completed within thirty (30) days.

If the family does not contact the Housing Authority to reschedule the inspection, or if the family misses two (2) inspection appointments, the Housing Authority will consider the family to have violated a family obligation and their assistance may be terminated in accordance with the termination procedures in Chapter 16 of this Administrative Plan.

10.1.4 Reinspection

If a unit fails annual or biennial inspection, the Housing Authority will schedule a reinspection of the unit and notify the family and owner of the reinspection date and time by mail. In some cases, the Housing Authority will accept a self-certification of repairs along with documentation and photographs in lieu of conducting a reinspection. Self-certifications will not be accepted for emergency items. If the family is not at home for the reinspection appointment, a card will be left at the unit and another appointment may be scheduled upon approval by a supervisor. 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 family.

The family is also notified that it is a family obligation to allow the Housing Authority to inspect the unit. The family will be advised that tenant-caused deficiencies may result in termination of assistance in accordance with Chapter 16.

10.1.5 Special/Complaint Inspections [HCV GB, p 10-30]

If at any time the family or owner notifies the Housing Authority that the unit does not meet inspection standards, the Housing Authority will conduct an inspection.

The Housing Authority may also conduct a special inspection based on information from third-parties such as neighbors or public officials.

In such case, the Housing Authority will conduct a full unit inspection and the responsible party will be required to make the necessary repairs. A passed special inspection does not qualify the unit for biennial inspections.

10.1.6 Quality Control Inspections [24 CFR 982.405(b); HCV GB, p. 10-32]

Quality Control inspections will be performed on a sampling of units throughout the year to ensure that units maintain compliance with inspection standards and also to ensure that each Inspector is conducting accurate and complete inspections, and that there is consistency among Inspectors in application of the inspection standards. The Housing Authority may also conduct quality control inspections to ensure that families who were approved for an additional bedroom under a reasonable accommodation are using the additional bedroom as intended.

As part of ensuring quality housing under the biennial inspections process, for all program units undergoing biennial inspections, the Housing Authority will conduct quality assurance inspections on a random sample of units. The Housing Authority will inspect no less than 3% of the units in the 'off year' to ensure compliance.

10.1.7 Move-out Inspection

If the owner is eligible to file a claim for reimbursement for tenant-caused damage beyond normal wear and tear, the Housing Authority must first conduct a move-out inspection to confirm the condition of the unit. The owner or the owner's agent must be present for the move-out inspection.

10.2 Unit Deficiencies and Consequences

Deficiencies identified during inspection must be corrected within the time frames identified in this section.

10.2.1 Emergency Repairs [24 CFR 982.404(a)]

Emergency items that are identified through an inspection or verified by another public agency which endanger the family's health or safety must be corrected by the owner within twenty-four (24) hours of notification.

The following items are considered of an emergency nature and must be corrected by within twenty-four (24) hours of notice by the Housing Authority:

- A. Lack of security for the unit
- B. Ceiling in imminent danger of falling
- C. Major plumbing leaks or flooding
- D. Natural gas leak or fumes
- E. Electrical problem which could result in shock or fire
- F. No heat when weather conditions dictate a need for health and safety reasons
- G. Utilities not in service
- H. No running hot water
- I. Broken glass where someone could be injured
- J. Obstacle which prevents tenant's entrance or exit
- K. Lack of functioning toilet
- L. Inoperable smoke detectors
- M. Any condition cited as life-threatening by other agencies with jurisdiction

In those cases where there is leaking gas or potential of fire or other threat to public safety, and the responsible party cannot be notified or it is impossible to make the repair, proper authorities will be notified by the Housing Authority.

If the emergency repair item(s) are not corrected in the time period required by the Housing Authority, and the owner is responsible, the housing assistance payment will be abated and the contract will be terminated.

If the emergency repair item(s) are not corrected in the time period required by the Housing Authority and the tenant is responsible and in violation of their family obligations, the Housing Authority will take appropriate steps to enforce the family obligations.

10.2.2 Non-Emergency Items

For non-emergency items, repairs must be made within thirty (30) days of the original inspection date unless an extension is granted by the Housing Authority. When it has been determined that a unit on the program fails to meet inspection standards, and the owner is responsible for completing the necessary repair(s) in the time period specified by the Housing Authority, the assistance payment to the owner will be abated. The Housing Authority will not pay any housing assistance for the time period the unit is in a failed status.

The Housing Authority may also notify landlords of recommendations for repair of items that would improve the unit but do not fail inspection standards and do not impact the health and/or safety of the participant's household.

10.2.3 Extension for Repairs

The owner may request an extension for repairs beyond the thirty (30) day reinspection deadline. The request must be submitted in writing and include an estimated date for the completion of the repairs. The Housing Authority will grant extensions under the following circumstances:

- Failure of the tenant to make unit available for repairs (copies of notices to the tenant must be submitted with the owner's request);
- Illness/hospitalization of the owner during the inspection period;
- Extensive repairs requiring building permits;
- The materials or parts necessary to make repairs need to be ordered; or
- Other circumstances as approved by the Housing Manager or Assistant Director.

Additionally, the unit will not be abated if the family fails to make the unit available for re-inspection or for the repairs.

10.2.4 Abatement and Termination [24 CFR 985.3(f)]

A notice of abatement and termination of contract will be sent to the owner after the unit is found in noncompliance with inspection standards at the correction date or approved extension. The abatement will be effective from the first day of the month after the date of the failed re-inspection. The contract termination date will be ninety (90) days after the effective date of the abatement.

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At any time during the abatement, the family may give notice to terminate the lease and request a voucher to move. However, if repairs are not completed within the first sixty (60) days of the abatement, a final contract termination notice will be sent. At that time, the family will be required to attend a move briefing if the family has not already done so.

The owner may still make repairs on the unit during the abatement period. However, the owner must notify the Housing Authority that repairs have been completed. After receiving notification of completed repairs, the Housing Authority will conduct a reinspection within fourteen (14) days. The family and owner will be notified of the reinspection date in writing. Payment will resume on a unit the day it passes inspection.

No retroactive payments will be made to the owner for the period of time the housing assistance was abated and the unit did not comply with inspection standards.

If repairs are completed before the effective termination date, the termination may be rescinded by the Housing Authority if the participant chooses to remain in the unit. Only one (1) reinspection will be conducted after the termination notice is issued.

10.3 Determination of Responsibility [24 CFR 982.404]

Certain inspection standard deficiencies are considered the responsibility of the family:

- A. Tenant-paid utilities not in service
- B. Failure to provide or maintain family-supplied appliances
- C. Damage to the unit or premises caused by a household member or guest beyond normal wear and tear. "Normal wear and tear" is defined as items which could not be charged against the tenant's security deposit under state law or court practice.

The owner is responsible for all other inspection standard violations. Under California law, the owner must make repairs to the unit, regardless of whether the damage was tenant caused. The owner may charge the tenant for the repair, but cannot opt not to make repairs when it is determined it was tenant caused. The only exception is when utilities are not on or tenant supplied appliances are inoperable or missing, and the tenant is responsible, per the lease and contract, to pay for the utilities and/or provide appliances.

The owner is responsible for vermin infestation even if caused by the family's living habits. However, if such infestation is serious and repeated, it may be considered a lease violation and the owner may evict for serious or repeated violation of the lease. The Housing Authority may terminate the family's assistance on that basis.

If a non-emergency violation of inspection standards is determined to be the responsibility of the family, the Housing Authority will require the family make any repair(s) or corrections within thirty (30) days. If the repair(s) or correction(s) are not made in this time period, the Housing Authority will terminate assistance to the family. The owner's rent will not be abated for items which are the family's responsibility.

If the tenant is responsible and corrections are not made, the contract will terminate when assistance is terminated.

10.4 Additional Local Requirements [24 CFR 982.401 (a)(4)]

The Housing Authority adheres to all HUD required standards under Housing Quality Standards (HQS). The Housing Authority has also adopted additional quality standards in alignment with HUD regulations, California law, local codes and Housing Authority policy. These policies are not likely to adversely affect the health or safety of participant families or severely restrict housing choice. These additions are clarifications of HUD's acceptability criteria or performance standards.

All Housing Authority inspection standards can be reviewed through the Housing Authority website at: www.hacsb.com. Specifically, HACSB has clarified the following criteria for all units in the Housing Services program:

- Thermal Environment [HCV GB p.10-7]
 - Primary heat source must be capable of generally maintaining an even temperature of sixty-five (65) degrees in all rooms in the unit living and sleeping area.
 - A working air conditioning or cooling system capable of cooling one central area of the unit is required where any monthly average temperature exceeds ninety-five (95) degrees.
- Water Heaters
 - Water heater tanks must have two (2) earthquake straps in place, one (1) in the top third of the tank and one (1) in the bottom third of the tank.
 - Water heaters must have a discharge line as a safeguard against buildup of steam in case the water heater malfunctions.
- Exterior and Interior Surfaces
 - Any exterior or interior surfaces with peeling or chipping paint must be scraped and painted with two (2) coats of unleaded paint or other suitable material.

- Visible mold/mildew must be eliminated. Rotted wood trim, roof or flooring must be replaced.
- Windows
 - All window sashes must be in good condition, solid and intact, and fit properly in the window frame. Damaged or deteriorated sashes must be replaced.
 - Window screens must be in good condition. (Applies only if screens are present or are required per HQS.)
 - Window must provide a weather tight seal against any air or water infiltration and have a permanent working window lock
- Doors
 - Exterior entries to unit must have doors that are secure, lockable and designed and equipped for exterior use. They must be solid and not with a hollow core.
 - All interior doors must have no holes, have all trim intact, and be openable without the use of a key. The striker plate must be securely in place.
 - Door knobs must be in proper working order.
 - No double keyed deadbolts are allowed in the interior of a unit.
 - Bedroom/bathroom doors may have acceptable locks.
- Bedrooms
 - The minimum acceptable bedroom size will be seventy (70) square feet or seven (7) feet by ten (10) feet.
 - Rooms identified as bedrooms must have a permanent closet, a window and a door for privacy.
- Floors
 - All wood floors must be sanded to a smooth surface and sealed. Any loose or warped boards must be re-secured and made level. If they cannot be leveled, they must be replaced.
 - All floors must be in a finished state (no plywood or other surface not designed to be exposed).
- Sinks & Toilets
 - All sinks and commode water lines must have shut off valves, unless faucets are wall mounted.
 - All worn or cracked toilet seats and tank lids must be replaced and toilet tank lid must fit properly.
- Exteriors

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- The Housing Authority may enforce local codes, ordinances and/or recognizable community standards in requiring that appropriate landscaping be installed and maintained in all areas visible from the street and including common areas under the landlord's control. Large holes and exposed brackets on the ground must be remedied.
 - Graffiti must be removed or painted over anywhere on property.
 - Fencing must be secure and free from loose or broken/hazardous materials.
- Security
 - If window security bars or security screens are present on bedroom window, they must be equipped with a quick release system. The owner is responsible for ensuring that the family is instructed on the use of the quick release system.
- Fire Safety
 - The garage-to-house connecting door must self-close, latch properly when it closes, and be sealed to prevent airflow around all four edges.
 - Excessive accumulation of material or belongings in unit must not hinder movement through the unit in an emergency.
 - A common wall between a garage and the interior area of the unit must provide a firebreak by having the garage side of the wall finished with five-eighths inch (5/8") drywall. All joints, corners, holes or cracks must be properly sealed with joint tape and taping compound.
- Health and Sanitation
 - Excessive accumulation of material or belongings in the unit must be cleared out to avoid or eliminate unsanitary conditions.
- Motor Vehicles
 - Vehicles that are inoperable or that present a physical hazard must be removed from the premises or stored in a garage or other storage building.
- General Health and Safety
 - The Housing Authority may fail a unit for any health or safety hazard not specifically mentioned in Housing Quality Standards.
- Modifications
 - Modifications or adaptations to a unit due to a disability must meet all applicable HQS and building codes.
- Carbon Monoxide Detectors
 - At the time of the HQS inspection, any unit having a fossil fuel burning heater or appliance, fireplace, or an attached garage must have a carbon

monoxide detection device installed. Placement of the device should be as follows;

- There must be one centrally located outside of each separate sleeping area in the immediate vicinity of the bedrooms, and each detector shall be located on the wall ceiling. Any other location is only acceptable if specified in the installation instructions that accompany the unit. If there are distinctly separate sleeping areas in the unit, there must be a detector for each sleeping area.
- There must be at least one Carbon Monoxide detector on each level of the unit.
- Carbon Monoxide detectors cannot be installed directly above, or next to a fuel burning appliance.
- If the device is a combination carbon monoxide device and smoke detector, then the combined device must emit an alarm or voice warning in a manner that clearly differentiates between a carbon monoxide alarm warning and a smoke detector warning.
- Electrical
 - Operable Ground-Fault Circuit Interrupter (GFCI) devices shall be required in all units. GFCI outlets shall be installed in bathrooms and kitchens to prevent electrical shock.
- Smoke Detectors
 - At the time of HQS inspection, units must meet California Health and Safety Code requirements. Landlords must conform with local and/or state requirements by installing smoke detectors within each bedroom, other sleeping areas, and immediate vicinity outside of bedrooms (hallways).

10.5 Shared Housing

The entire unit, including the portion of the unit available for use by the assisted family under its lease, must meet HACSB's inspection standards. In addition, the family must have access to a living room, a bathroom, food preparation and refuse disposal facilities. These facilities may be shared or private (for the exclusive use of the assisted family). The entire unit must provide adequate space and security for all assisted and unassisted residents. The private, non-shared space for each assisted family must contain at least one bedroom for each two persons in the family. A 0-bedroom or 1-bedroom unit may not be used for shared housing.

10.6 Lead Based Paint

The Housing Authority policy on lead based paint aims to cover the regulations as described in The Lead-Based Paint Poisoning Prevention Act as amended (24 U.S.C. 4821-4846) and the Residential Lead-Based Paint Hazard Reduction Act of 1992 and implementing regulations at 24 CFR Part 35 Subparts A, B, M and R which apply to the Housing Services program. These requirements apply to dwelling units built prior to 1978 that are occupied or can be occupied by families with children under six (6) years of age, excluding zero bedroom dwellings.

During initial, annual and biennial inspections of pre-1978 units that are occupied by families with children under six (6) years of age the inspector must conduct a visual assessment for deteriorated paint surfaces and the owner must stabilize deteriorated surfaces. Applicable areas include painted surfaces within the dwelling unit, exterior painted surfaces associated with the dwelling unit and common areas of the building through which residents must pass to gain access to the unit and areas frequented by resident children under six (6) years of age, including play areas and child care facilities.

If the visual inspection identifies deteriorated paint surfaces, the Housing Authority must notify and require the owner to perform stabilization of the surfaces within thirty (30) days of notification in occupied units and before commencement of an assisted tenancy. Any deteriorated paint surfaces identified will result in a failed inspection.

When weather conditions prevent stabilization of deteriorated paint surfaces on exterior surfaces within the thirty (30) day period, stabilization may be delayed for a reasonable time. The owner must have a clearance examination conducted by a person who has EPA or state-approved training and are licensed to perform clearance examinations.

If lead hazards are identified at the property, the Housing Authority must conduct risk assessment for the rest of the property within thirty (30) calendar days from receiving the environmental investigation report when there are fewer than twenty (20) units on the property, and within sixty (60) days if there are more than twenty (20). If the risk assessment for the rest of property identifies further lead hazards, the property owner has thirty (30) calendar days to complete the lead hazard reduction, or ninety (90) days if there are more than twenty (20) units identified with lead-based paint hazards where the control work would disturb more than the de minimis threshold.

Failure to comply with lead hazard reduction and/ or paint stabilization requirements, regardless of the amount of deteriorated surface results in disapproval of the tenancy, abatement of the payment to owner, and/or termination of the contract.

10.6.1 Housing Authority Responsibilities

In regard to Lead Based Paint regulatory requirements, the Housing Authority is the responsible party for the following:

- Provide participant families with a copy of Protect Your Family From Lead in Your Home or other EPA approved documents;
- Conducting a visual assessment for deteriorated paint (i.e. peeling, chipping, flaking) surfaces at initial and annual inspections;
- Informing owners that a clearance examination must be conducted where required; and
- Reporting cases to HUD and providing supporting documentation of completed requirements within the specified timeframes.

10.6.2 Owner Responsibilities

In regard to Lead Based Paint regulatory requirements, the property owner is the responsible party for the following:

- Disclosing known lead-based paint hazards to all potential residents prior to execution of a lease;
- When necessary, performing paint stabilization to correct deteriorated paint;
 - a. Each time such an activity is performed, notify tenants about the conduct of lead hazard reduction activities and clearance (if required);
- Conducting lead hazard reduction activities when required by the Housing Authority;
- Performing all work in accordance with HUD prescribed safe work practices and conducting clearance activities when required;
 - a. When clearance activities are required, providing a copy of certification of the clearance to the Housing Authority
- Performing ongoing maintenance
 - a. As part of ongoing maintenance the owner must provide written notice to each assisted family asking occupants to report deteriorated paint. The notice must include the name, address and phone number of the person responsible for accepting the occupant's complaint.

10.7 Special Requirements for Children with EIBLL [24 CFR 31.1225]

If the Housing Authority is notified by a public health department or other medical health care provider, or verifies information from a source other than a public health department or medical health care provider, that a child of less than six (6) years of age, living in a

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Housing Services Program-assisted unit has been identified as having an environmental intervention blood lead level (EIBLL), the Housing Authority must complete a risk assessment of the dwelling unit. In cases where the public health department has already completed an evaluation of the unit this information must be provided to the owner.

Within thirty (30) days after receiving the risk assessment report from the Housing Authority or the evaluation from the public health department the owner is required to complete the reduction of identified lead-based paint hazards in accordance with the lead-based paint regulations [24 CFR 31.1325 and 35.1330]. If the owner does not complete the “hazard reduction” as required the dwelling unit is in violation of inspection standards and the Housing Authority will take action in accordance with the contract, abate the unit and allow the family to move.

On an annual basis, the Housing Authority must also collect data from the local health department on program participants under age six (6) who have identified environmental intervention blood lead levels (EIBLL).

CHAPTER 11: OWNER RENTS, RENT REASONABLENESS AND PAYMENT STANDARDS

11. Introduction

This chapter explains the Housing Authority's policies for determination of rent reasonableness, payments to owners, adjustments to the payment standards, and rent adjustments.

11.1 Housing Authority Payment to Owner in the Housing Services Program

At all times during the tenancy, the Housing Authority rent to owner may not be more than the most current reasonable rent or the applicable payment standard. During the initial term of the lease, the owner may not raise the rent to owner

11.2 Making Payments to Owners [24 CFR §982.451(c)]

The Housing Authority will make payments to owners through direct deposit to an electronic bank account. Payments must be made by direct deposit unless a hardship exemption is approved. Payments may not be picked up by owner at the Housing Authority.

11.2.1 Excess Payments

The total of rent paid by the tenant plus the Housing Authority payment to the owner may not be more than the rent to owner. The owner must immediately return any excess payment to the Housing Authority.

Owners who do not return excess payments will be subject to penalties as outlined in Chapter 18 of this administrative plan.

11.2.2 Late Payments to Owners [24 CFR 982.451(a)(5)]

The Housing Authority is responsible for making payments promptly when due to the owner in accordance with the terms of the contract. After the first two (2) calendar months of the contract term, the contract provides for penalties if the Housing Authority fails to make the payment on time.

Penalties for late Housing Authority payments can only be imposed if:

- The penalties are in accordance with generally accepted local rental market practices and law governing penalties for late payment by tenants;

- It is the owner's normal business practice to charge late payment penalties for both assisted and unassisted families; and
- The owner charges the assisted family for late payment of the family's share of the rent.

The Housing Authority is not required to pay a late payment penalty if HUD determines that the payment is late for reasons beyond the Housing Authority's control. In addition, late penalties are not required if the Housing Authority intentionally delays or denies payment as a remedy for owner breach of the contract.

11.3 Rent Reasonableness

Rent reasonableness determinations are made when units are placed under contract for the first time and when an owner requests a rent increase. The Housing Authority uses a variety of factors to determine whether the rent requested by the owner is reasonable. The Housing Authority follows the Department of Housing and Urban Development guidelines that the three most important factors in reviewing comparable rents are location of the unit, number of bedrooms, and the type of unit. The relevant Payment Standard by Submarket is also considered a major factor in determining the rent. General factors for consideration are:

- Relevant Payment Standard by Submarket
- Location and age
- Unit size including the number of rooms The type of unit including construction type (e.g., single family, duplex, garden, low-rise, high-rise)
- The quality of the units including the quality of the original construction, maintenance and improvements made
- Amenities, services, and utilities included in the rent

If the proposed initial rent is not reasonable, the Housing Authority will attempt to negotiate with the owner to reduce the rent. If the rent can be approved after negotiations with the owner, the Housing Authority will continue processing the RFTA and lease.

11.3.1 Term-Limited Lease Assistance, and Streamlined Lease Assistance Programs

The Housing Authority will not approve a lease above the payment standard for the unit size.

11.3.2 Traditional, Regulatory Assistance for Special Purpose Programs, including VASH and EHV

The Housing Authority may approve a lease above the payment standard for the unit size.

11.3.3 Appealing a Rent Reasonableness Determination

If the owner of the property disagrees with the rent reasonable determination, the owner may appeal the decision in writing by submitting an appeal that includes a list of comparable rental units that the owner has identified. The Housing Authority will not approve a contract rent above the applicable payment standard. Before using a list of rental units submitted by the owner, the Housing Authority shall confirm that the units are indeed comparable using the criteria outlined above. If the units are not comparable, the Housing Authority will not use these units in the rent comparability survey and the owner will be notified of the decision.

11.3.4 Rent Reasonableness After Initial Lease-Up

The owner may request a rent adjustment in accordance with the owner's lease and the contract with the Housing Authority. For rent increase requests after initial lease-up, the Housing Authority may request owners to provide information about the rents charged for other units on the premises, if the premises include more than four (4) units. In evaluating the proposed rents in comparison to other units on the premises the Housing Authority will consider any rent setting policies by the owner for existing tenants, in addition to unit size and length of tenancy in the other units.

The Housing Authority will determine whether the requested increase is reasonable and will notify the owner in writing of the determination. The Housing Authority will not approve a contract rent above the applicable payment standard, except for traditional regulatory assistance programs for special purpose programs, including VASH and EHV.

The Housing Authority will also make a redetermination of rent reasonableness at any other time if directed to do so by HUD, or in accordance with the payment standards, or 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 (either increase or decrease) or redetermined by the Housing Authority.

11.3.5 Rent Reasonableness in Shared Housing

The rent paid to the owner for the assisted family may not exceed the pro-rata portion of the reasonable rent for the shared unit. For the reasonable rent determination, HACSB will consider whether the bathroom and/or kitchen is private or shared. When these

facilities are private versus shared, HACSB may provide additional consideration when determining the reasonable rent.

11.4 Payment Acceptance and Certification

Owners will be advised that by accepting each monthly payment from the Housing Authority s/he will be certifying that the rent to owner is not more than rent charged by owner for comparable unassisted units in the premises. If requested, the owner must provide to the Housing Authority information on rents charged by the owner for other units in the premises or elsewhere. The Housing Authority will only request information on the owner's units elsewhere if the Housing Authority has cause to demonstrate that the owner has a tendency to charge higher rents to program participants or if needed for rent reasonableness comparables.

11.5 Payment Standards for the Housing Services Program [24 CFR 982.4]

The payment standard is used to calculate the housing assistance payment for a family. *Payment standard* is defined as "the maximum monthly assistance payment for a family assisted in the program (before deducting the total tenant payment by the family)."

The payment standard for a family is the lower of (1) the payment standard for the family unit size, which is defined as the appropriate number of bedrooms for the family under the Housing Authority's subsidy standards or (2) the payment standard for the size of the dwelling unit rented by the family. The payment standard for space rent is equal to the family unit size under the subsidy standards.

11.5.1 Term-Limited Lease Assistance, Streamlined Lease Assistance, and Veterans Affairs Supportive Housing (VASH) Programs

This section applies to new admissions and changes of unit under the Veterans Affairs Supportive Housing (VASH) program effective January 1, 2021, or as soon as practicable thereafter.

The Housing Authority has established a comprehensive payment standard schedule that is based on rental submarkets in the County of San Bernardino.⁴²

At least annually, the Housing Authority will review the local payment standards. The agency may subsequently increase or decrease the payment standards. Payment standard increases will generally be applied at the participant's first recertification which

⁴² The FY 2009 Moving to Work Annual Plan including Activity 12: Local Payment Standards which authorized the creation of local payment standards for the County of San Bernardino.

occurs after the Housing Authority adjustment. However, an increase to the Local Payment Standards will not be automatically applied at recertification if the participant has leased a unit that is larger than their approved voucher subsidy size (“over-housed” participants). Increases to the Local Payment Standards will apply to over-housed participants only if a rent increase is requested by the landlord and approved in accordance with HACSB’s rent reasonableness policies. For operational or fiscal purposes, the Housing Authority may apply the redetermined payment standards prior to the next recertification.

Before increasing the payment standard, the Housing Authority may review the budget to determine the impact projected subsidy increases would have on funding available for the program and the number of families served. For this purpose, the Housing Authority will compare the number of families who could be served under a higher payment standard with the number assisted under current payment standards.

If the payment standard is reduced, the payment standard will remain unchanged for families that are under HAP contract when the payment standard reduction occurred.

An exception payment standard may be approved if necessary, as a reasonable accommodation for a family that includes a person with disabilities per Notice PIH 2013-26. The Housing Authority may approve an exception payment standard up to 120 percent of Fair Market Rent (FMR). HUD approval is required for an exception payment standard above 120 percent of FMR.

11.5.2 Traditional, Regulatory Assistance for Special Purpose Programs

This section does not apply to participants of the Veterans Affairs Supportive Housing (VASH) program admitted or changing units effective January 1, 2021 (see 11.5.1).

For participants in Traditional, Regulatory Assistance for Special Purpose Programs the payment standard schedule is based on HUD’s Fair Market Rents. The payment standard schedule is updated annually. Increases in the payment standard will be applied at the participant’s next annual recertification. Decreases in the payment standard will be applied at the participant’s second annual recertification after the effective date of the decrease.

For special purpose program families, the Housing Authority may approve a payment standard of up to 120 percent of FMR if required as a reasonable accommodation for a family that includes a person with disabilities per Notice PIH 2013-26. For the HOPWA

program, HUD approval is not required for reasonable accommodation payment standard requests above 120 percent of FMR.

11.5.3 Shared Housing

The payment standard for a family in shared housing is the lower of the applicable program's payment standard for the family unit size or the pro-rata share of the program's payment standard for the shared housing unit size. The pro-rata share is calculated by dividing the number of bedrooms available for occupancy by the assisted family in the private, non-shared space by the total number of bedrooms in the unit.

Example: Household contains 3 people and is issued a 2-bedroom FOA/voucher. The shared housing unit is a 3-bedroom and the family will be occupying 2 bedrooms:

- 2 Bedrooms for assisted family ÷ 3 Bedrooms in the unit .667 pro-rata share
- 2 BR payment standard: \$1,200
- 3 BR payment standard: \$1,695
- $\$1,695 \times .667$ (pro-rata share) = \$1,131
- \$1,131 is lower than the \$1,200 payment standard for the 2 BR family unit size
- \$1,131 is the payment standard used to calculate the HAP

11.5.4 Emergency Housing Voucher Program

For the Emergency Housing Voucher program, a separate payment standard schedule is used. The schedule groups the nine (9) local submarkets into three (3) regions. If any of the local submarket payment standards within the region exceed 120% of FMR, the highest local submarket payment standard will be used for the entire region. All other payment standards will be set between 90 – 120% of FMR.

11.6 Rent to Owner Increases

As stated in the Tenancy Addendum, the owner must notify the Housing Authority at least sixty (60) days before the proposed effective date of any intended rent increase. The tenant must be notified in writing, and a copy of the written notice to the tenant must be submitted to the Housing Authority.

As authorized by the contract between the Housing Authority and the owner, the Housing Authority will not approve a rent increase if the contract is in abatement for owner-related inspection deficiencies. In accordance with the Tenancy Addendum and the contract, the Housing Authority will disapprove requests made during the initial term of a lease.

The Housing Authority will use the payment standards criteria as defined in 11.3 and rent reasonableness to determine the approval of a request for a rent increase. If necessary

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to ensure financial viability of the of the program, the Housing Authority may limit the value of approvable rent increases, in its voucher programs, to an amount less than the average value of previously approved rent increases. For example, if the average value of rent increases in the previous fiscal year was 10% of the previous contract rent, the Housing Authority will cap the rent increase at a value less than 10% of the previous contract rent. If the new rent is not approved, the Housing Authority will advise both the owner and the family if a partial rent increase/decrease is identified and approved, the Housing Authority will notify the owner, and process the partial adjustment.

An owner who disagrees with the determination may exercise any of the following options:

- Appeal the rent comparability determination;
- Adjust his/her request for a rent increase; and/or
- Serve the family with a proper Notice to Quit in compliance with local and state laws.

The Housing Authority may review a sample of the units to determine how often owners are increasing rents and the average percent of increase by bedroom size.

11.6.1 Term-Limited Lease Assistance Program

An increase in rent will not result in an increase in the flat subsidy amount paid to the owner by the Housing Authority. The family will be responsible for the difference between the contract rent and the Housing Authority subsidy payment to the owner.

CHAPTER 12: RECERTIFICATIONS

12. Introduction [24 CFR 982.516]

This chapter defines the Housing Authority's policy for conducting annual, biennial, and interim recertifications for participants in the Housing Services programs. It also explains the interim reporting requirements for families, and the standards for timely reporting.

12.1 Recertifications

Families participating in the Housing Services programs must participate in regular recertifications of income and family composition.

12.1.1 Term-Limited Lease Assistance

All participants in the Term-Limited Lease Assistance will be recertified on a biennial basis in accordance with the policies outlined in this Chapter. Interim reporting requirements are described in Section 12.8

In addition to the biennial recertification requirements, families participating in the Term-Limited Lease Assistance program must meet at least annually with the Community Family Empowerment Services (FES) staff. The head of household will sign an Individual Training and Services Plan during their annual review. The head of household will be required to provide annual updates to FES staff.

Every year, participants will be required to sign an acknowledgement letter that details the remaining number of years they may continue to receive rental assistance. Approximately six (6) months prior to the end of the assistance, families and landlords will receive an additional notification. At the expiration of the Lease Assistance Payment (LAP) contract, if the participant desires to continue occupancy, the owner and the participant must make separate leasing arrangements.

12.1.2 Streamlined Lease Assistance, Veterans Affairs Supportive Housing (VASH) and Emergency Housing Voucher (EHV) Programs⁴³

Effective January 1, 2019, or as soon as practicable thereafter, elderly-only fixed-income families in the Streamlined Lease Assistance and VASH programs will be recertified on a

⁴³ HACSB's MTW Activity 4: Biennial and Triennial Recertifications extended biennial or triennial recertifications to all families participating in Housing Services programs except for those in the Traditional, Regulatory Assistance for Special Purpose programs.

triennial basis in accordance with the policies outlined in this chapter⁴⁴. An elderly-only fixed-income family is one that has no members under the age of 57 and has at least 90% of its income from fixed sources.

All other participants in the Streamlined Lease Assistance, VASH, and EHV programs will be recertified on a biennial basis in accordance with the policies outlined in this Chapter.

Interim reporting requirements are described in Section 12.8.

12.1.3 Traditional, Regulatory Assistance for Special Purpose Programs Except Veterans Affairs Supportive Housing (VASH) and Emergency Housing Voucher (EHV)

This section does not apply to participants of the Veterans Affairs Supportive Housing (VASH) program (see 12.1.2).

All participants in the Traditional, Regulatory Assistance for Special Purpose Programs will be recertified on an annual basis in accordance with the policies outlined in this Chapter. Interim reporting requirements are described in Section 12.8.

12.2 Scheduling Recertifications

The Housing Authority will notify participants by mail and/or email of their upcoming recertification generally between ninety (90) days to one-hundred and twenty (120) days in advance of their anniversary date. Participants will be provided with a Recertification Packet that they must complete and return within the required time frame either by mail, in person, drop box or Resident Portal. If the Recertification Packets are not returned or are not completed appropriately, the family may be scheduled for a telephone or in-person interview. All adult household members will be required to attend the recertification interview. If the head of household is unable to attend the interview, the appointment will be rescheduled.

If requested as an accommodation by a person with a disability, the Housing Authority will provide the notices in an accessible format. The Housing Authority will also mail the notice to a third party, if requested as reasonable accommodation for a person with disabilities. These accommodations will be granted upon verification that they meet the need presented by the disability.

⁴⁴ HACSB's MTW Activity 4: Biennial and Triennial Recertifications allows elderly-only fixed-income families to be recertified every three years.

In addition, persons with disabilities who are unable to come to the Housing Authority's office will be granted an accommodation by conducting the interview at the person's home, or by mail, email, or phone upon verification that the accommodation requested meets the need presented by the disability.

12.3 Interview Requirements

Families who are required to participate in a recertification interview will follow the guidelines outlined in the section below.

12.3.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs⁴⁵

In the interview notification letter to the family, the Housing Authority will include instructions for the family to bring the following:

- Disclosure Questionnaire
- Documentation of income for all family members
- "Authorization for the Release of Information/Privacy Act Notice"
- Declaration of 214 Status when necessary
- Zero Tolerance Policy
- Crime Free Form
- And any other required documents

12.3.2 Traditional, Regulatory Assistance for Special Purpose Programs

In the interview notification letter to the family, the Housing Authority will include instructions for the family to bring the following:

- Disclosure Questionnaire
- Documentation of income for all family members
- Documentation of any deductions/allowances
- "Authorization for the Release of Information/Privacy Act Notice"
- Declaration of 214 Status when necessary
- Zero Tolerance Policy
- Crime Free Form
- And any other required documents

⁴⁵ The FY 2012 and FY 2013 MTW Plans created the Term-Limited Lease Assistance and Streamlined Assistance programs, respectively. These programs do not provide allowances or deductions to participants.

12.4 Failure to Respond to Notice to Recertify

The written interview notification must state which family members are required to attend the interview. The family may call to request another appointment date up to two (2) days prior to the interview.

If the family does not appear for the recertification interview and has not rescheduled or made prior arrangements with the Housing Authority, the Housing Authority will reschedule a second appointment.

If the family fails to appear for the second appointment, and has not rescheduled or made prior arrangements, the Housing Authority will send family notice of termination and provide instructions on how to request an informal hearing.

If an informal hearing is not requested, but the family later contacts the Housing Authority for reinstatement, reinstatement may be considered if:

- The Housing Authority verifies an extenuating circumstance, such as a long-term illness or other family emergency, or
- The applicant failed to respond because of a family member's disability.

The request for reinstatement for one of the above circumstances along with supporting documentation must be received within six months of the termination date.

12.5 Information Collection and Verification

The Housing Authority has established appropriate recertification procedures necessary to ensure that the income data provided by families is complete and accurate. The Housing Authority will require the family to complete the Disclosure Questionnaire form.

The Housing Authority will follow the verification procedures and guidelines described in the Verifications Chapter of this Administrative Plan for all recertifications.

12.6 Participant Portion of Rent Increases

If a participant's portion of rent increases, a thirty (30) day notice is mailed to the family prior to the scheduled effective date of the recertification. If less than thirty (30) days are remaining before the scheduled effective date of the recertification, the participant's rent increase will be effective on the first of the month following the thirty (30) day notice.

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

12.7 Participant Portion of Rent Decreases

If a participant's portion of the rent decreases, it will be effective on the recertification due date. If the family causes a delay so that the processing of the recertification is not complete by the anniversary date, the rent change will be effective on the first day of the month following completion of the recertification processing by the Housing Authority.

12.8 Reporting Interim Changes

Participants are required to report certain changes between recertifications. Families must report all criminal cases within ten (10) business days. Families must report all changes that may affect the family's eligible subsidy standards within 10 business days of the change occurring, including a household member(s) no longer needing a live in aide or approved additional bedroom due to reasonable accommodation. Other changes that must be reported vary based on the program type of the participant.

12.8.1 Changes in Family Composition

For all Housing Services Programs, participants must report all changes in household composition and income within ten (10) business days of the change, including changes due to birth, adoption, marriage or court-awarded custody. All additions to the household must meet the eligibility criteria described in Eligibility Factors for Admission Chapter of this Administrative Plan and program occupancy standards in Chapter 5.

If any new family member is approved to be added, the income of the new family member will be added to the household. The Housing Authority will conduct an interim recertification to determine such additional income and will make the appropriate adjustments in the housing payment. For household size reductions, changes to the subsidy standard will occur at the next regularly scheduled recertification. Generally, household size increases will not result in changes to the subsidy standard unless the household addition was the result of a birth, adoption or court-awarded custody. If the increase in subsidy standard is due to birth, adoption or court-awarded custody, HACSB will update the family's voucher size to reflect the change in family composition at interim reexamination.

An interim recertification does not affect the next date of the regularly scheduled recertification.

12.8.2 Changes in Income⁴⁶

Families must report all changes in income in accordance with the policies outlined in this section.

12.8.2.1 Term-Limited Lease Assistance and Streamlined Tiered Lease Assistance programs

The Housing Authority will not process any interim recertifications due to changes in income for participants in the Term-Limited Lease Assistance or Streamlined Tiered Lease Assistance programs. However, families may request a hardship exemption under certain circumstances as described in Chapter 6.

12.8.2.2 Streamlined Fixed Lease Assistance Program

The Housing Authority will not process any interim recertifications due to changes in income for participants in the Streamlined Fixed Lease Assistance programs. However, families may request a hardship exemption under certain circumstances as described in Chapter 6.

12.8.2.3 Traditional, Regulatory Assistance for Special Purpose Programs

The family must report any changes in income. However, if there is an increase in income of less than \$300 per month the Housing Authority will not process the interim recertification, unless there is a change in the income source, although the documentation will be notated in the participant's file. Any decreases in income will be processed.

If changes are not reported within the required time period, or if the family fails to provide documentation or signatures, it will be considered a violation of family obligations and assistance may be terminated.

The Housing Authority will schedule an interim recertification for each zero-income family every ninety (90) days.

12.8.3 Housing Authority Reviews

The Housing Authority, at its discretion, can schedule reviews in between regularly scheduled reviews to determine if an interim recertification is required. If the Housing Authority makes a calculation error at admission to the program or at recertification, an interim recertification will be conducted, if necessary, to correct the error, but the family will not be charged retroactively. Families will be given decreases, when applicable,

⁴⁶ Each Housing Services Program has different interim recertification criteria based on the Housing Authority's policy and MTW authorization.

retroactive to when the decrease for the change would have been effective if calculated correctly.

12.8.4 Timely Reported Changes

When changes are reported timely, the Housing Authority will notify the family and the owner of any change in the payment, which will be effective according to the following guidelines:

- Increases in the participant portion of the rent are effective on the first of the month following at least thirty (30) day notice to the participant.
- Decreases in the participant rent are effective the first of the month following that the month in which the change is processed. However, no rent reductions will be processed until all the facts have been verified.

12.8.5 Untimely Reported Changes

If the family does not report the change within the required time frames, the family will have caused an unreasonable delay in the interim recertification processing and the following guidelines will apply:

- Increase in participant portion rent will be effective retroactive to the date it would have been effective had it been reported on a timely basis. The family will be responsible for any overpaid assistance and may be required to sign a repayment agreement or make a lump-sum payment.
- Decrease in participant portion of rent will be effective on the first of the month following the month that the change was processed.

12.9 Changes that Result in Program Redetermination⁴⁷

If at a regularly scheduled recertification or interim recertification changes to the family result in qualification for a different Housing Authority program, the change will be effective at their regularly scheduled recertification date.

12.9.1 Term-Limited Lease Assistance Program

If the head of household, spouse or cohead becomes disabled after being issued a Family Obligations Agreement for participation in the Term-Limited Lease Assistance program, the family will be transferred to the Streamlined Fixed Lease Assistance program.

⁴⁷ The FY 2012 and FY 2013 MTW Plans created two distinct programs: Term-Limited Lease Assistance and Streamlined Lease Assistance, respectively. These programs each have particular qualifications for participation as documented in this Chapter.

12.9.2 Streamlined Fixed Lease Assistance Program

If the head of household, spouse or cohead is no longer elderly or disabled after being issued a Family Obligations Agreement for participation in the Streamlined Fixed Lease Assistance program, the family will be transferred to the Streamlined Tiered Lease Assistance program.

12.9.3 Streamlined Tiered Lease Assistance Program

If the head of household, spouse or cohead becomes disabled after being issued a Family Obligations Agreement for participation in the Streamlined Tiered Lease Assistance program, the family will be transferred to the Streamlined Fixed Lease Assistance program.

12.9.4 Traditional, Regulatory Assistance for Special Purpose Programs

In the rare circumstance that a participant in a Special Purpose Program is no longer eligible for that program, and continues to be in good standing, the Housing Authority may transfer the participant, where appropriate, into the program the family qualifies for in alignment with Chapter 2 of this Administrative Plan.

12.10 Over-income Families⁴⁸

This component applies only to families participating in the Streamlined Lease Assistance Program. Elderly/disabled families and current participants of HACSB's Family Self-Sufficiency Program are excluded. The exclusion also applies to Term-Limited Lease Assistance Program participants whose assistance ended on or after April 1, 2022 due to an over-income determination. If a family's income, at any time, exceeds eighty percent (80%) of the area median income, the family will be given a six (6) month transition period. After the six (6) month transition period, the family will be terminated from the program.

12.10.1 Hardship Exemption for Over-Income Families

If a family in the six (6) month transition period reports a loss of income that results in the family's income falling below the 80% area median income for the family size, the family may qualify for a hardship exemption. To be eligible for a hardship exemption, the family's income must have decreased due to a no fault loss of income or the death of a household member with income. If an exemption is granted, the family will be removed from the six (6) month transition period.

⁴⁸ The FY 2014 MTW Annual Plan included Activity 24: Transition for Over-Income Public Housing/Housing Choice Voucher families. The FY 2022 Moving to Work Annual Plan modified Activity 24 to exempt participants on the Term-Limited Lease Assistance Program.

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If the family's income increases to exceed 80% of the area median income for the family size after a hardship exemption is granted, the family will be given another six (6) month transition period. The transition period will not be reduced or prorated based upon the duration of any previous transition period(s).

This hardship exemption shall apply to any family in the six (6) month transition period, regardless of assistance type (i.e.: Streamlined Fixed or Tiered Lease Assistance, etc.)

CHAPTER 13: PROGRAM MOVES

13. Introduction

This chapter describes policies related to program moves for participants in the Housing Services tenant-based programs. Move policies for the Project-Based program are found in Chapter 20. Tenant-based participants may move with continued assistance for three primary reasons:

- Mandatory Moves
- Owner-initiated Moves
- Permissible Moves
- Elective Moves

Generally, participants must complete a Request to Move form to inform the Housing Authority of the desire to move with continued assistance. After receipt of the Request to Move, the Housing Authority will determine if the family is eligible to move. During the move, participants may be granted up to 14 days of overlap between units. Additional overlap may be granted for moves approved under VAWA or as a reasonable accommodation.

Eligibility to move varies based on the Housing Services program in which the family participates.

13.1 Mandatory Moves [24 CFR 982.314]

Under certain circumstances, participants may be required to move from their assisted unit. These are called mandatory moves. A mandatory move is a move in which the family must, in order to continue to receive housing assistance, locate another suitable housing unit that meets all program requirements. Mandatory moves will be initiated by the Housing Authority under the following conditions at the time that such actions occur regardless of recertification date:

- The unit failed inspection due to no fault of the participant;
- The contract has been terminated due to a breach of the contract requirements by the owner;
- A transfer of ownership has occurred and the new owner is not approved for participation in the Housing Services program;

- Upon notification of any pending “foreclosure action” and the foreclosing entity will not honor the contract;
- Natural disasters that make the unit uninhabitable, including failure under the inspection standards; or
- Change in household composition due to a birth/adoption or court ordered custody that results in the housing unit being overcrowded in accordance with Housing Authority occupancy standards.

When the Housing Authority initiates an action as described above that would invoke a mandatory move, the Housing Authority will notify the family as soon as practical and will provide the family with all required instructions and documents to commence the search process for an alternate suitable housing unit. If the family receives notification that the property owner’s actions or inactions have initiated any of the conditions above that would invoke a mandatory move, it is the obligation of the family to immediately notify the Housing Authority and provide copies of any related documents that support the actions or inactions of the owner.

Upon notification from the program participant, the Housing Authority will make a determination if a mandatory move is necessary; notify the family of this decision; and provide the family with all required instructions and documents to commence the search process for an alternative suitable housing unit. In all cases of a mandatory move, the family must be scheduled for, and attend, a program move briefing in accordance with the Family Obligations Agreement and Voucher Chapter of this Administrative Plan.

13.1.1 Mandatory Moves Due to Foreclosure

If the Housing Authority learns that a property is in foreclosure, the Housing Authority must:

- Make all reasonable efforts to determine the status of the foreclosure and ownership of the property.
- Continue to make payments to the original owner, if the owner is in communication with the Housing Authority and is acting in good faith, in accordance with the contract. With the exception of HUD-insured mortgages or loans, defaulting on a mortgage/loan is not a breach of the contract.
- Attempt to obtain a written acknowledgement of the assignment of the contract from the successor in interest. Even if the new owner does not acknowledge the assignment of the contract in writing, the assignment is nevertheless effective by operation of law.

- Inform the tenant that they must continue to pay rent in accordance with the lease, and if the successor in interest refuses to accept payment or cannot be identified, the tenant should pay the rent into escrow, because failure to pay rent may constitute an independent ground for eviction.
- If the Housing Authority is unable to make payments to the successor in interest due to: (1) An action or inaction by the successor in interest that prevents such payments, including the rejection of payments or the failure of the successor to maintain the property in accordance with inspection standards; or (2) An inability to identify the successor, the Housing Authority should inform the family of this.
- The Housing Authority must make reasonable inquiries to determine whether the unit, in addition to having a tenant receiving Housing Services program assistance, will be (or has been) assisted under the Neighborhood Stabilization program.

13.2 Owner Initiated Moves

An owner initiated move is a move in which the owner has served notice to a participant to terminate tenancy.

- If the participant is eligible to move with continued assistance, the Housing Authority will contact the participant to confirm the family's vacate date.
- If a move request is received from the participant, the elective move process will be followed.
- If the participant is not requesting to move, then the tenancy may only be terminated by an order of the court and the Housing Authority will continue to make payments until the participant has moved out.

13.3 Elective Moves [24 CFR 982.314(c) and 24 CFR 982.1(b)(2)]

An elective move is a move in which the family chooses to locate another suitable housing unit and transfer their housing assistance to that unit. The move can be initiated by the tenant by providing a written notice to the landlord or through mutual rescission of the lease. Elective moves may be initiated by the program participant at any time after the term of the lease has ended or by mutual agreement with the landlord. Participants must request an elective move in writing and if approved will be scheduled for, and must attend, a Program Move briefing in accordance with the Family Obligations Agreement and Voucher Issuance Chapter of this Administrative Plan.

- If a family is approved to move as a reasonable accommodation under the tenant-based voucher program, the family will be scheduled for a move briefing and

issued a move voucher. However, if the family has remaining time on their lease, the family must obtain written authorization from the owner to break the lease.

- The Housing Authority will allow exceptions to these policies if the family was approved to relocate in accordance with the Housing Authority's procedures for the Violence Against Women's Act (VAWA).

13.3.1 Term-Limited Lease Assistance and Streamlined Lease Assistance

The Housing Authority will only approve elective moves for families in the Term-Limited Lease Assistance and Streamlined Lease Assistance if the following conditions are met:

- The program participant is in compliance with all Housing Authority policies; and
- The participant has notified the property owner of their intent to vacate the unit in accordance with the terms and conditions of the lease agreement and the property owner confirms that the participant has complied with all other terms and conditions of the lease agreement throughout the tenancy.

13.3.2 Traditional, Regulatory Assistance for Special Purpose Programs

Participants in the Traditional, Regulatory Assistance for Special Purpose programs may move for any elective reason after the initial lease term. Some regulatory reasons a family may elect to move include:

- The lease for the family's unit has been terminated by mutual agreement of the owner and the family.
- The family has a right to terminate the lease on notice to the owner (for the owner's breach or otherwise) and has given a notice of termination to the owner in accordance with the lease.

13.4 Permissible Moves

A permissible move is a move that the Housing Authority may approve regardless of number of years in a unit or the lease term. Participants must request a permissible move in writing and if approved will be scheduled for, and must attend, a Program Move briefing in accordance with the Voucher Issuance and Briefing Chapter of this Administrative Plan. The following are permissible moves that will be approved:

- The family was approved to relocate in accordance with the Housing Authority's procedures for the Violence Against Women's Act (VAWA). If the family requests to move under VAWA, the Housing Authority will provide:

- A copy of form HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation
- A statement of the HACSB's obligation to keep confidential any information that it receives from a victim unless (a) the HACSB has the victim's written permission to release the information, (b) it needs to use the information in an eviction proceeding, or (c) it is compelled by law to release the information
- The National Domestic Violence Hot Line: 1-800-799-SAFE (7233) or 1-800-787-3224 (TTY)
- Victims of Crime's Stalking Resource Center at <https://www.victimsofcrime.org/our-programs/stalking-resource-center>
- National Sexual Assault Hotline at 800-656-HOPE or visit the online hotline at <https://ohl.rainn.org/online//resources/how-ohl-can-help.cfm>.
- Contact information for local victim advocacy groups or service providers

13.4.1 Term-Limited Lease Assistance and Streamlined Lease Assistance

Certain Permissible Moves for families participating in the Term-Limited Lease Assistance and Streamlined Lease Assistance that may be approved at the discretion of the Housing Authority include, but are not limited, to:

- The family has been granted a hardship exemption due to a decrease in the payment standard;
- Documented threats/acts of violence against any household member.

13.5 Denial of Moves

In addition to the Program Moves policies described above, HUD regulations permit the Housing Authority to deny moves for two additional reasons:

- Insufficient Funding
- Grounds for Denial or Termination of Assistance

13.5.1 Insufficient Funding

The Housing Authority will deny a family permission to move on grounds that Housing Authority does not have sufficient funding for continued assistance if (a) the move is initiated by the family, not the owner or the Housing Authority; (b) the Housing Authority can demonstrate that the move will, in fact, result in higher subsidy costs; and (c) the Housing Authority can demonstrate that it does not have sufficient funding in its annual budget to accommodate the higher subsidy costs.

13.5.2 Grounds for Denial of Assistance or Termination

If the Housing Authority has grounds for denying or terminating a family's assistance, the Housing Authority will act on those grounds. In general, it will not deny a family permission to move for this reason; however, it retains the discretion to do so under special circumstances. VAWA allows exceptions to these grounds for denial or termination of assistance for families who are otherwise in compliance with program obligations, but have moved to protect the health or safety of an individual who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, and who reasonably believed he or she was imminently threatened by harm from further violence if they remained in the unit [24 CFR 982.353(b)]

13.6 Lease and Contract Terms

Generally, the initial lease and contract term is one year no matter what the move reason, for participants in the MTW Programs and the Traditional, Regulatory Assistance for Special Purpose programs. However, some programs or certain housing types may have shorter lease terms when appropriate.

CHAPTER 14: CONTRACT TERMINATIONS

14. Introduction

This chapter describes the reasons a family and an owner may terminate the lease. It also describes the circumstances under which the contract can be terminated by the Housing Authority and the owner, and the policies and procedures for such terminations.

If all program requirements are met, the Housing Authority can enter into a contract with the owner. The Housing Authority will enter into a Lease Assistance Payment (LAP) Contract for families participating in the Term-Limited Lease Assistance and Streamlined Lease Assistance programs.⁴⁹ The Housing Authority will enter into a Housing Assistance Payment (HAP) contract for families participating in the Traditional, Regulatory Assistance for Special Purpose programs. The Housing Authority generally refers to the LAP and HAP collectively as simply “the contract” or “contract between the Housing Authority and the owner” throughout this Administrative Plan.

14.1 Termination of the Lease by the Family [24 CFR 982.314(c)(2)]

Family termination of the lease must be in accordance with the terms of the lease. Additionally, as a courtesy to landlords and in order to help ensure no break in assistance to participants, the Housing Authority requests that each tenant provide a sixty (60) day (two (2) month) notice to vacate on the first day of the month to their landlord.

If the Housing Authority receives a notice of intent to vacate due to Domestic Violence from a tenant, a fourteen (14) day notice will be accepted under California state law.

The Housing Authority is not a party to the lease between the owner and the tenant. The Housing Authority may terminate participants for program violations as described in this Administrative Plan but cannot terminate the lease between an owner and a tenant. The Housing Authority may only terminate a HAP/LAP contract and has no authority by which to terminate a lease and/or evict a tenant from the premises.

⁴⁹ The FY 2011 Moving to Work Annual Plan included Activity 20: Term-Limited Lease Assistance Program and the FY 2013 Moving to Work Annual Plan included Activity 22: Streamlined Lease Assistance Program.

14.2 Termination of the Lease by the Owner [24 CFR 982.310, Form HUD-52641-A and Tenancy Addendum, Pub.L. 109-162]

During the term of the lease, the owner is not permitted to terminate the tenancy except for serious or repeated violations of the lease, certain violations of state or local law, certain criminal activity or other good cause. The owner may require a tenant to exclude a household member in order to continue to reside in the assisted unit.

After the initial lease term, the owner may give the family notice at any time, in accordance with the terms of the lease.

14.2.1 Serious or Repeated Lease Violations

The owner is permitted to terminate the family's tenancy for serious or repeated violations of the terms and conditions of the lease, including failure to pay rent or other amounts due under the lease, except when the violations are related to incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking against that participant. This includes failure to pay rent or other amounts due under the lease. However, the Housing Authority's failure to make a payment to the owner is not a violation of the lease between the family and the owner.

14.2.2 Violation of Federal, State or Local Law

The owner is permitted to terminate the tenancy if a family member violates federal, state, or local law that imposes obligations in connection with the occupancy or use of the premises.

14.2.3 Criminal Activity or Alcohol Abuse

The owner may terminate tenancy during the term of the lease if any covered person, meaning any member of the household, a guest or another person under the tenant's control commits any of the following types of criminal activity (for applicable definitions see 24 CFR 5.100):

- Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of the premises by, other residents (including property management staff residing on the premises);
- Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of their residences by, persons residing in the immediate vicinity of the premises;
- Any violent criminal activity on or near the premises; or
- Any drug-related criminal activity on or near the premises.

The owner may terminate tenancy during the term of the lease if any member of the household is:

- Fleeing to avoid prosecution, custody, or confinement after conviction for a crime or an attempt to commit a crime that is a felony under the laws of the place from which the individual flees
- Violating a condition of probation-or parole imposed under federal or state law.

The owner may terminate tenancy for criminal activity by a household member in accordance with this section if the owner reasonably determines; pursuant to HUD guidance in PIH 2015-19 that the household member has committed the criminal activity, regardless of whether the household member has been charged, arrested or convicted for such activity. The fact that a tenant was arrested for a disqualifying offense shall not be treated or regarded as proof that the tenant engaged in disqualifying criminal activity. The arrest may, however, trigger an investigation to determine whether the tenant actually engaged in disqualifying criminal activity. As part of its investigation, the owner may obtain the police report associated with the arrest and consider the reported circumstances of the arrest. The owner may also consider any statements made by witnesses or the tenant not included in the police report; whether criminal charges were filed; whether, if filed, criminal charges were abandoned, dismissed, not prosecuted, or ultimately resulted in an acquittal; and any other evidence relevant to determining whether or not the tenant engaged in disqualifying activity. The owner may terminate tenancy during the term of the lease if any member of the household has engaged in abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

14.2.4 Other Good Cause

During the initial lease term, the owner generally may not terminate the tenancy for “other good cause” except when the owner is terminating the tenancy for “other good cause” because of something the family did or failed to do such as repeated late rent payments, the disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises.

After the initial lease term, “other good cause” for termination of tenancy by the owner includes:

- Failure by the family to accept the offer of a new lease or revision;
- The owner's desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit; or

- A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, or desire to lease the unit at a higher rent).

In the case of an owner who is an immediate successor in interest pursuant to foreclosure during the term of the lease vacating the property prior to the sale shall not constitute other good cause except that the owner may terminate the tenancy effective on the date of transfer of the unit to the owner if the owner:

- Will occupy the unit as a primary residence; and
- Has provided the tenant a notice to vacate at least ninety (90) days before the effective date of such notice.

14.2.5 Consideration of Rehabilitation in the Termination of the Lease

When determining whether to terminate the tenancy for illegal drug use or alcohol abuse, the owner may consider whether the member:

- Is no longer participating;
- Has successfully completed a supervised drug or alcohol rehabilitation program; or
- Has otherwise been successfully rehabilitated.

The owner may require the tenant to submit evidence of any of the three considerations listed above. Actions of termination by the owner must be consistent with the fair housing and equal opportunities as stated in 24 CFR 5.105.

14.2.6 Lease Termination by Owner Requirements

The owner must provide the tenant a written notice specifying the grounds for termination of tenancy, at or before the commencement of the eviction action. The notice may be included in, or may be combined with, any owner eviction notice to the tenant. The owner eviction notice means a notice to vacate, or a complaint, or other initial pleading used under State or local law to commence an eviction action.

The owner is paid by the Housing Authority under the terms of the contract. If the owner has begun eviction and the family continues to reside in the unit, the Housing Authority must continue to make payments to the owner until the owner has obtained a court judgment or other process allowing the owner to evict the tenant. The Housing Authority will continue payments until the family moves, is terminated from the program or is evicted from the unit.

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The Housing Authority must continue making payments to the owner in accordance with the contract as long as the tenant continues to occupy the unit and the contract is not violated. By accepting the monthly payment from the Housing Authority, the owner certifies that:

- The tenant is still in the unit;
- The rent is reasonable, and;
- The owner is in compliance with the contract.

If an eviction is not due to a serious or repeated violation of the lease, and if the Housing Authority has no other grounds for termination of assistance, the Housing Authority may permit the family to move with continued assistance.

14.3 Termination of the Contract by the Housing Authority [24 CFR 982.404(a), 982.453, 982.454, 982.552(a)(3)]

The term of the contract is the same as the term of the lease. The contract between the owner and the Housing Authority may be terminated by the Housing Authority, or by the owner or tenant by termination of the lease. The contract between the owner and the Housing Authority terminates for the following reasons:

- When the lease between the participant and the owner terminates
- When the Housing Authority terminates program assistance for the family (including the term of participation expiration for Term-Limited Lease Assistance families, Local Disaster Short-Term Rental Assistance Program families, and Family Unification Program families)
- When the owner has breached the contract
- When the family moves from the unit or is absent from the unit for longer than one-hundred and eighty (180) days
- One –hundred and eighty (180) days have passed since the last payment to the owner
- The Annual Contributions Contract (ACC) between the Housing Authority and HUD expires

The Housing Authority may elect to terminate the contract for the following reasons:

1. Available program funding is not sufficient to support continued assistance for families in the program [24 CFR 982.454];

2. The unit does not meet occupancy standards due to change in family composition [24 CFR 982.403]
3. The unit does not meet inspection standards [24 CFR 982.404]
4. The family breaks up [HUD Form 52641]
5. Landlord does not meet eligibility criteria

14.3.1 Term-Limited Lease Assistance Program

In addition to the above-described reasons, the Housing Authority also may terminate the contract if a participant in the Term-Limited Lease Assistance program has income over 80% of the area median income on or before March 31, 2022 or the family has reached its five year term of participation.

14.3.2 Streamlined Lease Assistance Programs

In addition to the above-described reasons, the Housing Authority also may terminate the contract if a participant in the Streamlined Lease Assistance has income over eighty percent (80%) of the area median income.⁵⁰

14.3.3 Contract Termination Terms

No future subsidy payments on behalf of the family will be made by the Housing Authority to the owner after the month in which the contract is terminated. The owner must reimburse the Housing Authority for any subsidies paid by the Housing Authority for any period after the contract termination date. Any amounts owed to the Housing Authority may be collected through any means allowable under federal, state or local laws. For more information, see Chapter 18.

When the Housing Authority terminates the contract under violation of occupancy standards, the Housing Authority will provide the owner and family written notice of termination of the contract, and the contract terminates at the end of the calendar month that follows the calendar month in which the Housing Authority gives such notice to the owner.

When a family moves out of an assisted unit, the Housing Authority may not make any housing assistance payment to the owner for any month after the month the family moves out. The owner may keep the housing assistance payment for the month when the family

⁵⁰ The FY 2014 Moving to Work Annual Plan included Activity 24: Transition for Over-Income Public Housing and Housing Choice Voucher Families. The FY 2022 Moving to Work Annual Plan modified Activity 24 to exempt participants on the Term-Limited Lease Assistance Program for the over-income requirement.

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moves out of the unit. In the case of an eviction, the owner may keep the housing assistance payment until the day of the lockout.

After a contract termination, if the family meets the criteria for a move with continued assistance, the family may lease-up in another unit. The contract for the new unit may begin during the month in which the family moved from the old unit.

CHAPTER 15: DENIAL OF ASSISTANCE TO APPLICANTS AND INFORMAL REVIEW POLICIES

15. Introduction [24 CFR 982.552(a)]

The Housing Authority may deny assistance for a family because of the family's action or failure to act. The Housing Authority will provide applicants with a written description of the family obligations under the program, the grounds under which the Housing Authority can deny assistance, and the Housing Authority's informal review and hearing procedures. This chapter describes when the Housing Authority will deny assistance.

The Housing Authority reserves the right, with HUD approval, to use criminal history records maintained by law enforcement agencies as a means of determining prior criminal activity of applicants and the addition of new household members for participants for its assisted housing programs.

The Housing Authority may deny housing assistance to any applicant for any of the grounds specified in the Code of Federal Regulations which relate to the applicable assisted housing program. Decisions on whether to deny assistance for an applicant family will be based on a preponderance of evidence. If the decision is to deny assistance, the family is entitled to an informal review which is described in this Chapter.

If the head of household's action or failure to act is the reason for the denial, the application cannot be transferred to remaining family members unless the circumstances qualify under VAWA. The Housing Authority will deny admission of any additional person(s) which the family proposes to add to the household if such person(s) is/are ineligible for any of the reasons set forth in this chapter.

15.1 Mandatory Denial of Assistance Reasons [24 CFR 982.552(b), 982.312, 982.553(a), 982.553(b)]

HUD requires the Housing Authority to deny assistance for certain reasons. Each of these reasons, along with the only mitigating circumstances that may be considered for these mandatory denials are included below (See Section 15.1.1 for reasons for denial of assistance under the Emergency Housing Voucher program):

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1. Any member of the household has been evicted from federally-assisted housing in the last three (3) years for drug-related criminal activity⁵¹ HUD permits, but does not require, the Housing Authority to admit an otherwise-eligible family if the household member has completed a Housing Authority-approved drug rehabilitation program or the circumstances which led to eviction no longer exist (e.g., the person involved in the criminal activity no longer lives in the household).
2. The Housing Authority determines that any household member is currently engaged in the use of illegal drugs. The Housing Authority defines *currently engaged in* as any use of illegal drugs during the previous year.
3. The Housing Authority has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.
 - a. In determining reasonable cause, the Housing Authority will consider all credible evidence, including but not limited to, any record of convictions, charges, or evictions of household members related to the use of illegal drugs or the abuse of alcohol. The Housing Authority will also consider mitigating circumstances, on a case-by-case basis such as evidence from treatment providers or community-based organizations providing services to household members.
4. Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing
5. Any household member is subject to a lifetime registration requirement under a state sex offender registration program

15.1.1 Emergency Housing Voucher Program

HUD has established alternative requirements related to the denial of admission to the Emergency Housing Voucher (EHV) program. The reasons for denial to the EHV program are as follows:

⁵¹ HUD requires the Housing Authority to consider evictions for drug-related criminal activity in federally-assisted housing that occurred longer than 3 years ago and authorizes the Housing Authority to deny assistance if any member of the household has been evicted from federally-assisted housing in the last 10 years for drug-related criminal activity.

1. Any household member has ever been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing.
2. Any household member is under a State sex offender registration program.
3. If the household engaged in or threatened abusive or violent behavior toward Housing Authority personnel within the previous 12 months.
4. Any household member fails to sign and submit consent forms for obtaining information.

The other denial of assistance reasons in Section 15.2 do not apply to EHV at admission. However, after the family has been placed under a HAP contract with EHV assistance, the Housing Authority's regular screening criteria outlined in this Chapter applies to new household members.

15.2 Other Denial of Assistance Reasons [24 CFR 982.225(b), 982.312, 982.553(a), 982.553(b)]

In addition to the HUD-required mandatory denials of admission, the Housing Authority may also deny assistance for other reasons. However, the Housing Authority may consider mitigating circumstances that are described in section 15.2.3.

15.2.1 Criminal Background and Drug Screening

The Housing Authority reviews each person's criminal background for a period of seven (7) years prior to consideration for admission. Criminal background includes any conviction, charges or outstanding warrant for, or reasonable belief of engagement in any violent or drug-related criminal activity, Grand Theft Housing, and perjury or fraud to obtain assistance.

The Housing Authority will deny assistance if any adult member has engaged in any of the following criminal activities (as evidence by conviction(s) or a preponderance of evidence that the activity actually occurred), within the seven (7) years prior to consideration for admission:

1. Homicide, murder, voluntary manslaughter;
2. Rape, sexual battery, or other aggravated sex-related crimes;
3. Child molestation, child sexual exploitation;
4. Assault and battery;
5. Trafficking distribution, manufacture, sale, use or possession of illegal firearm;
6. Threatening or intimidating assault including but not limited to the unlawful discharge of firearms at any location

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7. Aiding and abetting in the commission of a crime involving violence;
 8. Engagement in drug manufacture (including synthetic drugs), sale, distribution, use or possession with or without intent to manufacture, sell, distribute, or use that may pose a risk to public health and safety;
 9. Other violent or drug-related offenses that may pose a threat to public health and safety, including involvement in criminal street gang activity;
 10. Child neglect;
 11. Disorderly conduct;
 12. Abuse or pattern of abuse of alcohol and drugs that may pose a risk to public health and safety;
 13. Fraud to obtain assistance, perjury, Grand Theft Housing;
 14. Prostitution and solicitation of prostitution that may pose a risk to public health and safety;
 15. Abusive behavior towards HACSB personnel, neighbor or landlords (physical and/or verbal) that may pose a threat to health and safety;
 16. Other criminal or drug-related offenses that may pose a threat to public health and safety, including involvement in criminal street gang activity;
 17. Engagement in any act intended to facilitate violent criminal or drug-related activity.

Documentation of any of the above stated criminal and drug related crimes by any applicant family member for the Housing Services program may result in rejection of the applicant family. Documentation of such activity may be considered alone or in conjunction with other criminal activity.

If, in instances where the record search identifies criminal activity that is not an offense subject to mandatory denial (as directed by HUD). The Housing Authority will issue a notice that it is unable to determine program eligibility based on the criminal background review. The notice will provide 30 calendar days for the family to submit additional information in regard to the items identified during the initial review and include accompanying guidance on the nature of evidence the family can submit to HACSB (see section 15.2.3) in order to make a determination and will provide a copy of the record to the applicant and to the subject of the record, upon request. The family will be given an opportunity to dispute the accuracy and relevance of the information and any mitigating circumstances presented will be reviewed on a case-by-case basis in order to make a determination of eligibility. Following the expiration of the 30-day period, if no mitigating circumstances are provided, or if HACSB makes a determination to deny assistance, the

family will have the opportunity to request an informal review in accordance with the standard administrative policies detailed in section 15.6 of this plan.

15.2.2 Additional Screening Criteria

The Housing Authority also will deny assistance to applicants for the following reasons:

1. An applicant or any member of the household fails to sign and submit consent forms for obtaining information when required under federal regulations for reasons of citizenship or eligible immigration status.
2. Any family member violates any family obligation under the program as listed in 24 CFR 982.551 [24 CFR §982.552(c)(1)(i)].
3. Any member of the family has been convicted of perjury, Grand Theft Housing, and/or fraud to obtain aid and/or there is preponderance of evidence that fraud actually occurred (i.e., WI 10980(C)(2) , Penal Code 118(A) or 487I).
4. Any member of the family has ever engaged in serious lease violations while a resident of federally-assisted housing or within the past five (5) years has been evicted from a federally-assisted housing program [24 CFR §982.552(c)(1)(ii)].⁵²
5. If any Housing Authority has ever terminated assistance under the program for any member of the family.
6. If any member of the family commits fraud, Grand Theft Housing, bribery, or any other corrupt or criminal act in connection with any federally-assisted housing program.
7. The family currently owes rent or other amounts to the Housing Authority or to another housing agency in connection with housing assistance under the Housing Act of 1937 [24 CFR §982.552(c)(1)(v)].
8. The family has not reimbursed the Housing Authority or any housing agency for amounts paid under a contract to an owner for rent, damages to the unit, or other amounts owed by the family under the lease [24 CFR §982.552(c)(1)(vi)].
9. The family breaches an agreement with any housing agency to pay amounts owed to any housing agency, or amounts paid to an owner by any housing agency [24 CFR §982.552 (c)(1)(vii)].
10. The family has engaged in or threatened abusive or violent behavior toward Housing Authority personnel [24 CFR §982.552 (c)(1)(ix)].

⁵² HUD allows the Housing Authority to consider evictions for serious lease violations that occurred within the past 5 years prior to the most recent application for program assistance. The Housing Authority will deny assistance if any member of the household has been evicted from federally-assisted housing in the last 5 years for serious lease violations.

- a. Abusive or violent behavior includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be considered abusive or violent behavior and may result in denial of assistance
 - b. Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.
 - c. Actual physical abuse or violence will always be cause for denial of assistance.
11. If any member of the family engages in or has engaged in drug or alcohol abuse that interferes with the health, safety, and peaceful enjoyment of other residents.
12. If a family fails to submit required documentation within the required time frame concerning any family member's citizenship or eligible immigration status;
13. Evidence of citizenship and eligible immigration status is submitted timely, but USCIS primary and secondary verification does not verify eligible immigration status of a family;
14. Failure to disclose the complete and accurate social security numbers of each household member and the documentation necessary to verify each social security number.

15.2.3 Consideration of Circumstances

HUD permits the Housing Authority to consider relevant circumstances when deciding whether to deny admission for the criminal activity described in Section 15.2.1. The Housing Authority will use the concept of the preponderance of the evidence as the standard for making all admission decisions. Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Prior to a determination of denial of assistance for criminal activity and drug-related activity, the Housing Authority may consider the dates, subject to any local criteria, and circumstantial activity, the seriousness of the offense, whether the offense occurred only once or was repeated, and the number and duration of rehabilitation efforts, if any, and whether offender has avoided subsequent criminal activity or behavior since the offense. However, consideration of those circumstances does not guarantee that an applicant will be admitted. Evidence of certain crimes or repeated crimes can result in rejection.

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Evidence of mitigating circumstances or evidence of rehabilitation does not require the Housing Authority to disregard potentially disqualifying activity.

Documentation of rehabilitation or good faith effort to address past criminal history may include, but is not limited to:

- Employment
- Education
- Participation in work training program
- Participation in counseling program
- Involved in a community group
- Certificate of rehabilitation from the state
- Proof of AA, CA, NA weekly meetings
- Letters of support from community leaders, parole, probation, case worker, clergy.

In deciding whether to deny assistance because of action or failure to act by members of the family, the Housing Authority has discretion to consider all of the circumstances in each case, including:

- The seriousness of the case;
- The extent of participation or culpability of individual family members; and
- The length of time since the violation occurred and more recent record of compliance, and the effects of denial of assistance on other family members who were not involved in the action or failure to act.

If the head of household does not meet the Housing Authority's eligibility criteria, the application for the entire household is denied and cannot be transferred to another family member. However, if the reason for the denial involves an action or failure to act by a family member, the Housing Authority may impose, as a condition of assistance for the head of household and other eligible family members, a requirement that other family members who participated in or were culpable for the action or failure, will not reside in the unit. In this case, the Housing Authority may permit the head of household and other eligible members of an applicant family to receive assistance. In such instances, the head of household must certify that family member will not be permitted to visit or to stay as a guest in the assisted unit. After admission to the program, the family must present evidence of the former family member's current address.

If the family includes a person with disabilities, the Housing Authority's decision concerning denial of admission is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8. If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of assistance, the Housing Authority will determine whether the behavior is related to the disability. If so, upon the family's request, the Housing Authority will determine whether alternative measures are appropriate as a reasonable accommodation. The Housing Authority will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of assistance. See Chapter 2 for a discussion of reasonable accommodation.

Persons evicted from federally-assisted housing programs because of drug-related criminal activity are ineligible for admission to the Housing Services program for a three (3) year period beginning on the date of such eviction. However, the household may be admitted if, after considering the individual circumstances of the household, the Housing Authority determines that the circumstances leading to eviction no longer exist because the criminal household member has died or is imprisoned or has otherwise been removed from the household.

However, consideration of those circumstances does not guarantee that an applicant will be admitted. Evidence of certain crimes or repeated crimes can result in rejection. Evidence of mitigating circumstances or evidence of rehabilitation does not require the Housing Authority to disregard potentially disqualifying activity.

If a decision of denial is determined, the Housing Authority will notify the family in writing of the denial and provide a copy of the record to the subject of the record, upon request.

15.3 Failure to Supply Information or Attend Appointments

Applicants must supply information, documentation, and certifications as needed for the Housing Authority to complete required processes. The Housing Authority schedules appointments and sets deadlines in order to obtain the required information. Failure to supply requested information or keep scheduled appointments can result in denial of assistance.

15.4 Types of Denials of Assistance [24 CFR 982.552(c)(2)(ii)]

Denial of assistance for an applicant may include any or all of the following:

- Denial for placement on the Housing Authority waiting list;
- Denial or withdrawal of a voucher or family obligations agreement;

- Refusal to enter into a contract or approve a tenancy; and
- Refusal to process or provide assistance under portability procedures.

15.5 Notice of Denial of Assistance

When the Housing Authority determines that an applicant is ineligible for the program, the family must be notified of their ineligibility in writing. The notice must contain:

1. The reason(s) they are ineligible,
2. The procedure for requesting an informal review if the applicant does not agree with the decision, and
3. The time limit for requesting an informal review.

When denying admission for criminal activity as shown by a criminal record, upon request, the Housing Authority will provide the subject of the record with a copy of the criminal record upon which the decision to deny was based.

15.6 Informal Review Procedures

An applicant may request an informal review if they are denied housing assistance. However, if an applicant is denied assistance for citizen or eligible immigrant status, the applicant is entitled to an informal hearing which is in the Termination of Assistance and Informal Hearing Policies Chapter of this Administrative Plan.

Informal reviews are not required and will not be granted for established policies and procedures and Housing Authority determinations such as:

- Discretionary administrative determinations by the Housing Authority, including Housing Services program type determinations.
- General policy issues or class grievances.
- A determination of the family unit size under the Housing Authority subsidy standards.
- Refusal to extend or suspend a voucher or family obligations agreement.
- A Housing Authority determination not to grant approval of the tenancy.
- Determination that unit is not in compliance with inspection standards.
- Determination that unit is not in accordance with occupancy standards due to family size or composition.

A request for an informal review must be received in writing by the close of the business day, no later than ten (10) business days from the date of the Housing Authority's notification of denial of assistance. The informal review will be scheduled within thirty (30)

business days from the date the request is received. The informal review may not be conducted by the person who made or approved the decision under review, nor a subordinate of such person. The review may be conducted by a Housing Authority staff person.

The applicant will be given the option of presenting oral or written objections to the decision. Both the Housing Authority and the family may present evidence and witnesses. The family may use an attorney or other representative to assist them at their own expense. A notice of the review findings will be provided in writing to the applicant within ten (10) business days after the review. It shall include the decision of the review officers, and an explanation of the reasons for decision. All requests for a review, supporting documentation, and a copy of the final decision will be retained in the family's file.

If the family fails to appear or provide objections for their informal review, the denial of admission will stand and the family will be so notified.

15.7 Homeless Serving Special Purpose Programs – Program Reviews

Applicant families denied admission to a special program serving homeless or at-risk families (i.e. No Child Left Unsheltered, Family Unification Program or Permanent Supportive Housing Communities), due to the criminal history background of an adult household member, will be recommended for a review by the Compliance and Admissions unit.

The items necessary for review and consideration will include, but are not limited to:

- Proof of rehabilitation; which can be demonstrated by a variety of ways, including program certifications, current enrollment in rehabilitation programs, time served, etc.
- Credible letters of reference on a company/agency letterhead
- Credible letters of reference from a supportive services agency letterhead
- Documentation from parole/probation officer
- Letter signed by supportive service provider and applicant indicating that the provider will work with the applicant to clear the items on the applicant's record.

15.8 Violence Against Women Act

15.8.1 Introduction

The Violence against Women Reauthorization Act of 2013 (VAWA 2013) prohibits denial of admission to an otherwise qualified applicant on the basis that the applicant is or has

been a victim of domestic violence, dating violence, sexual assault, or stalking. Specifically, Section 606(4)(A) of VAWA adds an addition provision to Section 8 of the U.S. Housing Act of 1937, which lists contract provisions and requirements for the housing choice voucher program. The addition provision is that an applicant or participant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking is not an appropriate reason for denial of program assistance or for denial of admission, if the applicant otherwise qualifies for assistance or admission [24 CFR 5.2005].

15.8.2 Definitions [24 CFR 5.2003]

The following defines the terms as used in the VAWA legislation:

- The term *bifurcate* means, with respect to an assisted lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members' lease and occupancy rights are allowed to remain intact.
- The term *domestic violence* includes felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim under the family or domestic violence laws of the State of California and, in the case of victim services, includes the use or attempted use of physical abuse or sexual abuse, or a pattern of any other coercive behavior committed, enabled, or solicited to gain or maintain power and control over a victim, including verbal, psychological, economic, or technological abuse that may or may not constitute criminal behavior, by a person who is a current or former spouse or intimate partner of the victim, or person similarly situated to a spouse of the victim; is cohabitating, or has cohabitated with the victim as a spouse or intimate partner; shares a child in common with the victim; or commits acts against a youth or adult victim who is protected from those acts under family or domestic violence laws of the jurisdiction.⁵³
- The term *dating violence* means violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:
 - The length of the relationship
 - The type of relationship

⁵³ Detailed definitions of terms are located at 24 U.S.C. 12291(a)(12), (13) and (40).

- The frequency of interaction between the persons involved in the relationship
- The term *stalking* means:
 - To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or
 - To place under surveillance with the intent to kill, injure, harass, or intimidate another person; and

In the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (1) that person, or an (2) affiliated individual

15.8.2 Notification

The Housing Authority acknowledges that a victim of domestic violence, dating violence, sexual assault, or stalking may have an unfavorable history (e.g., a poor credit history, a record of previous damage to an apartment, a prior criminal record) that would warrant denial under the Housing Authority's policies. Therefore, if the Housing Authority makes a determination to deny admission to an applicant family, the Housing Authority will include in its notice of denial:

- A statement of the protection against denial provided by VAWA
- A description of Housing Authority confidentiality requirements
- A request that an applicant wishing to claim this protection submit to the Housing Authority documentation meeting the specifications described in this chapter with her or his request for an informal review.

15.8.4 Documentation

15.8.4.1 Victim Documentation

An applicant claiming that the cause of an unfavorable history is that a member of the applicant family is or has been a victim of domestic violence, dating violence, sexual assault, or stalking must provide documentation (1) demonstrating the connection between the abuse and the unfavorable history and (2) naming the perpetrator of the abuse (only if the perpetrator is safe to provide and is known to the victim).. The documentation may consist of any of the following:

1. Certification of Domestic Violence, Dating Violence, Sexual Assault, or stalking, and Alternate Documentation HUD Form 5382.

2. A police or court record documenting the domestic violence, dating violence, sexual assault, or stalking
3. Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, sexual assault, or stalking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; or a medical or other knowledgeable professional. The person signing the documentation must attest under penalty of perjury to the person's belief that the incidents in question are bona fide incidents of abuse. The victim must also sign the documentation.

15.8.4.2 Perpetrator Documentation

If the perpetrator of the abuse is a member of the applicant family, the applicant must provide additional documentation consisting of one of the following:

1. A signed statement (1) requesting that the perpetrator be removed from the application and (2) certifying that the perpetrator will not be permitted to visit or to stay as a guest in the assisted unit
2. Documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation or treatment. The documentation must be signed by an employee or agent of a domestic violence service provider or by a medical or other knowledgeable professional from whom the perpetrator has sought or is receiving assistance in addressing the abuse. The signer must attest under penalty of perjury to his or her belief that the rehabilitation was successfully completed or is progressing successfully. The victim and perpetrator must also sign or attest to the documentation.

15.8.4.3 Time Frame for Submitting

The applicant must submit the required documentation with her or his request for an informal review or must request an extension in writing at that time. If the applicant so requests, the Housing Authority will grant an extension of ten (10) business days and will postpone scheduling the applicant's informal review until after it has received the documentation or the extension period has elapsed. If after reviewing the documentation provided by the applicant the Housing Authority determines that the family is eligible for assistance, no informal review will be scheduled, and the Housing Authority will proceed with admission of the applicant family.

15.8.5 Confidentiality [24 CFR 5.2007(a)(1)(v)]

All information provided to the Housing Authority regarding domestic violence, dating violence, sexual assault, or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence and may neither be entered into any shared database nor provided to any related entity, except to the extent that the disclosure (a) is requested or consented to by the individual in writing, (b) is required for use in an eviction proceeding, or (c) is otherwise required by applicable law. If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, the Housing Authority will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

15.8.6 Prohibition on Retaliation

The Housing Authority and the owner/manager of the unit shall not discriminate against any person because that person has opposed any act or practice made unlawful by VAWA's housing provisions, or because the person testified, assisted, or participated in any related matter. The Housing Authority and the owner/manager shall not coerce, intimidate, threaten, interfere with or retaliate against any person who exercises or assists or encourages a person to exercise any rights or protections under VAWA's housing provisions.

CHAPTER 16: TERMINATION OF ASSISTANCE AND INFORMAL HEARING POLICIES

16. Introduction [24 CFR 982.552(a) and (c)(2)(iv)]

The Housing Authority may terminate assistance for a family because of the family's action or failure to act. The Housing Authority will provide families with a written description of the family obligations under the program, the grounds under which the Housing Authority can terminate assistance, and the Housing Authority's informal hearing procedures. This chapter describes when the Housing Authority is required to terminate assistance, the Housing Authority's policies for the denial of a new commitment of assistance, and grounds for termination of assistance of an existing contract.

The Housing Authority reserves the right, with HUD approval, to use criminal history records maintained by law enforcement agencies as a means of determining prior criminal activity of participants and applicants for its assisted housing programs.

The Housing Authority will terminate housing assistance to any participant for any of the grounds specified in the Code of Federal Regulations which relate to the applicable assisted housing program. Decisions on whether to terminate assistance for a participant family will be based on a preponderance of evidence. If the family includes a person with disabilities, the Housing Authority's decision to terminate the family's assistance is subject to consideration of a reasonable accommodation.

16.1 Mandatory Termination of Assistance [24 CFR 982.225(b), 982.312, 982.552, 982.553, 24 CFR 5.2005(c)(1)]

HUD requires the Housing Authority to terminate assistance for certain reasons. Each of these reasons, and the only mitigating circumstances that may be considered for these mandatory terminations, are included below.

16.1.1 Failure to Supply Information or Attend Appointments [24 CFR 982.552(b)(3)]

Participants must supply information, documentation, and certifications as needed for the Housing Authority to complete required processes. The Housing Authority schedules appointments and sets deadlines in order to obtain the required information. Failure to supply requested information or keep scheduled appointments can result in termination of assistance.

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16.1.2 Failure to Disclose and Document Social Security Numbers [24 CFR 5.218(c), Notice PIH 2010-3]

The Housing Authority must terminate assistance if a participant family fails to disclose the complete and accurate social security numbers of each household member and the documentation necessary to verify each social security number.

However, if the family is otherwise eligible for continued program assistance, and the Housing Authority determines that the family's failure to meet the SSN disclosure and documentation requirements was due to circumstances that could not have been foreseen and were outside of the family's control, the Housing Authority may defer the family's termination and provide the opportunity to comply with the requirement within a period not to exceed 90 calendar days from the date the Housing Authority determined the family to be noncompliant.

16.1.3 Failure of Students to Meet Ongoing Eligibility Requirements [24 CFR 982.552(b)(5) and FR 4/10/06]

If a student enrolled at an institution of higher education is under the age of twenty-four (24), is not a veteran, is not married, does not have dependent children, is not residing with his/her parents in a Housing Services Program assisted household, and is not a person with disabilities receiving Housing Services Program assistance as of November 30, 2005, the Housing Authority must terminate the student's assistance if, at the time of recertification, either the student's income or the income of the student's parents (if applicable) exceeds the applicable income limit.

If a participant household consists of both eligible and ineligible students, the eligible students shall not be terminated, but must be issued a voucher or family obligations agreement to move with continued assistance in accordance with program regulations and Housing Authority policies or must be given the opportunity to lease in place if the terminated ineligible student members elect to move out of the assisted unit.

16.1.4 Eviction [24 CFR 982.552(b)(2), 24 CFR 5.2005(c)(1)]

When a family is evicted from a unit assisted under the Housing Services Program for serious or repeated violation of the lease, the Housing Authority generally must terminate assistance but in certain instances may consider mitigating circumstances and provide alternatives to termination. As discussed further in this Chapter, incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking may not be construed as serious or repeated violations of the lease by the victim or threatened victim of such violence or stalking. A family will be considered *evicted* if the family moves after

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a legal eviction order has been issued, whether or not physical enforcement of the order was necessary.

If a family moves after the owner has given the family an eviction notice for serious or repeated lease violations but before a legal eviction order has been issued, termination of assistance is not mandatory. In such cases the Housing Authority will determine whether the family has committed serious or repeated violations of the lease based on available evidence and may terminate assistance or consider mitigating circumstances.

16.1.5 Failure to Document Citizenship [24 CFR 982.552(b)(4) and 24 CFR 5.514(c)]

The Housing Authority must terminate assistance if (1) a family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status; (2) a family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family; or (3) a family member, as determined by the Housing Authority, has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit.

For (3) above, such termination must be for a period of at least twenty-four (24) months. This does not apply to ineligible noncitizens already in the household where the family's assistance has been prorated. See Chapter 7 for a complete discussion of documentation requirements.

16.1.6 Methamphetamine Manufacture or Production [24 CFR 982.553(b)(1)(ii)]

The Housing Authority must terminate assistance if any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally-assisted housing.

16.1.7 Death of the Sole Family Member [24 CFR 982.311(d) and Notice PIH 2010-9]

The Housing Authority must immediately terminate program assistance for deceased single member households.

16.1.8 End of Participation Due to \$0 Subsidy [24 CFR 982.455]

Households may only have a \$0 Housing Assistance Payment (HAP) or Lease Assistance Payment (LAP) for one-hundred and eighty (180) calendar days. After one-hundred and eighty (180) calendar days the Housing Authority is required to automatically terminate the HAP/LAP contract. If within the one-hundred and eighty (180) day period, an owner rent increase or a decrease in the family rent portion causes the family to be eligible for

a housing assistance payment, the Housing Authority will resume assistance payments for the family. If the family is still in the unit after one-hundred and eighty (180) calendar days with no changes qualifying them for a subsidy payment, assistance is terminated.

16.2 Other Housing Authority Termination Authorized Reasons [24 CFR 982.553(b) and 982.551(l)]

In addition to the HUD-required mandatory terminations, the Housing Authority may also terminate assistance for other reasons. However, the Housing Authority may consider mitigating circumstances that are described in section 16.2.3.

16.2.1 Criminal Background and Drug Use [24 CFR 5.903(g)]

Participant households may be terminated from the Housing Services program for criminal or drug-related activity that occurred any time within the past seven (7) years by any member of the household. Participants eighteen (18) years of age and older will be required to certify on their Disclosure Form by the Housing Authority if they have engaged in or convicted of any crime. Persons who sign the Disclosure Form, including the certification of criminal activity, declare under penalty of perjury that the information provided is accurate. Providing false information on this certification is grounds for termination of assistance.

Criminal background includes any conviction, or outstanding warrant for, or reasonable belief of engagement in any violent or drug-related offenses, perjury or fraud to obtain assistance. The Housing Authority may propose termination against the family for violent criminal activity that occurs on or off the premises of the assisted unit.

The Fair Housing Act explicitly states that current illegal drug users are not a protected class (persons with disabilities) and permits Housing Authority to reject such applicants. Further, notwithstanding any other provision of law, no individual shall be considered a person with disabilities, for the purposes of eligibility for low-income housing, solely on the basis of any drug or alcohol dependence. [QHWRA; Subtitle A; Sec. 506(3)]. Additionally, the Housing Authority is a federally funded Agency and as a result, does not recognize State and Local laws that decriminalize certain drugs, including medical marijuana.

The Housing Authority will terminate assistance if any adult member has participated in any of the following criminal activities:

1. Homicide, murder, voluntary manslaughter;
2. Rape, sexual battery, or other aggravated sex-related crimes;

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3. Child molestation, child sexual exploitation;
4. Assault and battery
5. Trafficking, distribution, manufacture, sale, use or possession of illegal firearms;
6. Threatening or intimidating assault including but not limited to the unlawful discharge of firearms at any location;
7. Aiding and abetting in the commission of a crime involving violence;
8. Engagement in drug manufacture (including synthetic drugs), sale, distribution, use or possession with or without intent to manufacture, sell, distribute or use that may pose a risk to public health and safety;
9. Other violent or drug-related offenses that may pose a threat to public health and safety, including involvement in criminal street gang activity;
10. Child neglect;
11. Disorderly conduct;
12. Abuse or pattern of abuse of alcohol and drugs that may pose a risk to public health and safety;
13. Fraud to obtain assistance, perjury, Grand Theft Housing;
14. Prostitution and solicitation of prostitution that may pose a risk to public health and safety;
15. Abusive behavior towards HACSB personnel, neighbors or landlords (physical and/or verbal) that may pose a threat to health and safety
16. Other criminal or drug related offenses that may pose a threat to public health and safety, including involvement in criminal street gang activity.
17. Engagement in any act intended to facilitate violent criminal or drug-related activity.

Documentation of any of the above stated criminal and drug related crimes by any family member for the Housing Services program may result in termination of the family. Documentation of such activity may be considered alone or in conjunction with other criminal activity.

If, based on a criminal record or sex offender registration information a family appears to be ineligible, the Housing Authority will notify the family in writing of the intent to terminate and provide a copy of the record to the participant and to the subject of the record, upon request. The family will be given an opportunity to dispute the accuracy and relevance of the information and any mitigating circumstances presented will be reviewed on a case-by-case basis in order to make a final determination of continued eligibility.

The Housing Authority will ensure that any criminal record obtained by the Housing Authority are maintained confidentially, not misused or improperly disseminated, and

destroyed once the purpose for which it was requested is accomplished. All criminal records will be destroyed no later than thirty (30) calendar days after a final determination is made and the hearing decision has been rendered.

16.2.2 Additional Termination Reasons

The Housing Authority will also terminate assistance to participants for the following reasons:

1. A participant or any household member is currently engaging in illegal use of a drug
2. If the Housing Authority determines that it has reasonable cause to believe that a participant's illegal drug use or a pattern of illegal drug use may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents
3. A participant or any member of the household is subject to a lifetime registration required under a state sex offender registration program
4. Any family member violates any family obligation under the program as listed in 24 CFR 982.551 [24 CFR §982.552(c)(1)(i)]
5. Any family member engages in drug-related or violent criminal activity [24 CFR §982.553(a) and §982.551(k)-(l)]
6. Any member of the family has been convicted of perjury or fraud to obtain assistance and/or there is a preponderance of evidence that the fraud actually occurred (i.e., WI 10980(C)(2), Penal Code 118(A) or 487I)
7. Any member of the family has ever engaged in serious lease violations while a resident of federally-assisted housing or within the past five (5) years has been evicted from a federally-assisted housing program [24 CFR §982.552(c)(1)(ii)]
8. If any Housing Authority has ever terminated assistance under the program for any member of the family
9. If any member of the family commits fraud, bribery, Grand Theft Housing, or any other corrupt or criminal act in connection with any federally-assisted housing program
10. The family currently owes rent or other amounts to the Housing Authority or to another housing agency in connection with housing assistance under the Housing Act of 1937 [24 CFR §982.552(c)(1)(v)]
11. The family has not reimbursed the Housing Authority or any housing agency for amounts paid under a contract to an owner for rent, damages to the unit, or other amounts owed by the family under the lease [24 CFR §982.552(c)(1)(vi)]

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12. The family breaches an agreement with any housing agency to pay amounts owed to any housing agency, or amounts paid to an owner by any housing agency [24 CFR §982.552 (c)(1)(vii)]
13. The family has engaged in or threatened abusive or violent behavior toward Housing Authority personnel [24 CFR §982.552 (c)(1)(ix)]
 - a. Abusive or violent behavior includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be considered abusive or violent behavior and may result in termination of assistance
 - b. Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.
 - c. Actual physical abuse or violence will always be cause for termination of assistance.
14. If any member of the family engages in, or has engaged in drug or alcohol abuse that interferes with the health, safety, or peaceful enjoyment of other participants/residents
15. If an assisted family is absent from the unit for more than one-hundred and eighty (180) consecutive calendar days
16. If the family is residing in a unit owned by a relative owner (even if the relative owner is a live-in aide)
17. If the family has an annual income exceeding eighty percent (80%) of the area median income except Term-Limited Lease Assistance Program participants as of April 1, 2022. Families will be given a six (6) month transition period and then will be terminated from the program.⁵⁴
18. If HUD-VASH participant fails to participate in case management services.

16.2.2.1 Term-Limited Lease Assistance Program

In addition to the above-described reasons, the Housing Authority may terminate the contract if a participant in the Term-Limited Lease Assistance program has reached its five year term of participation.⁵⁵ There is no appeal to the expiration of assistance; however, the family may request an extension of the assistance as a hardship exemption.

⁵⁴ The FY 2014 Moving to Work Annual Plan included Activity 24: Transition for Over-Income Public Housing/Housing Choice Voucher families. The FY 2022 Moving to Work Annual Plan modified Activity 24 to exempt Term-Limited Lease Assistance Program participants.

⁵⁵ The FY 2012 Moving to Work Annual Plan created Activity 20: Term-Limited Lease Assistance program.

A hardship exemption policy has been established that defines the circumstances under which households may request an extension to the term limit. Families may be eligible for an extension to the term limit to complete a self-sufficiency related activity, for unforeseen involuntary loss of income, or for another approved reason.

16.2.2.1.1 Hardship Exemption for Self-Sufficiency Related Activity

A family may be granted an extension of assistance under this category in order to allow the family to complete an educational, job training, or other approved self-sufficiency activity leading to gainful employment.

Applications for hardship exemption under this category must be submitted a maximum of six (6) months prior to the end of term.

To be eligible for a hardship exemption under this category, all of the following criteria must be met:

1. The family must have complied with all requirements of the program, including the Supportive Services Agreement (SSA);
2. The family must be participating in an educational, job training, or other self-sufficiency activity leading to gainful employment.

A committee will be established to review each request and the family will be provided an opportunity to present justification for their request. If approved by the committee, an extension will be granted to the family. The length of such extension will not exceed twelve (12) months. HACSB may approve up to twenty-four (24) cumulative months of extensions for a family through this category. Each extension must be requested by the family in accordance with this policy.

16.2.2.1.2 Hardship Exemption for Unforeseen Involuntary Loss of Income

A family may be granted an extension of assistance under this category if the family experiences an unforeseen involuntary loss of income within the nine (9) months prior to the end of term.

Applications for hardship exemption under this category must be submitted a maximum of six months prior to the end of term.

To be eligible for a hardship exemption under this category, all of the following criteria must be met:

1. The family must have complied with all requirements of the program, including the Supportive Services Agreement (SSA);
2. The family's income must have decreased due to a no fault loss of income or the death of a household member with income.

The hardship committee will review each request and the family will be provided an opportunity to present justification for their request. If approved by the committee, a one-time extension of no more than twelve (12) months will be granted to the family. HACSB may grant only one extension to the family under this category.

16.2.2.1.3 Hardship Exemption for Near Elderly Age

A family may be granted a program change to Streamlined Fixed Lease Assistance for Elderly and Disabled Families if the head of household will reach age sixty-two (62) no later than six (6) months after the end of term, or any application extension.

Applications for hardship exemption under this category must be submitted a maximum of six (6) months prior to the end of term.

To be eligible for a hardship exemption under this category, the family must have complied with all requirements of the program, including the Supportive Services Agreement (SSA).

The hardship committee will review each request and the family will be provided an opportunity to present justification of their request. If approved by the committee, the family will be granted a program change to Streamlined Fixed Lease Assistance for Elderly and Disabled Families.

16.2.2.1.4 Hardship Exemption for Other Reason

A family may be granted an extension of assistance under this category if HACSB determines it is appropriate to grant such an extension based upon a review by the hardship exemption committee. An extension of assistance under this category may be granted for administrative error by the Housing Authority or other reason as determined by HACSB.

Applications for hardship exemption under this category must be submitted a maximum of six months prior to the end of term.

To be eligible for a hardship exemption under this category, the family must have complied with all requirements of the program, including the Supportive Services Agreement (SSA).

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The hardship committee will review each request and the family will be provided an opportunity to present justification for their request. If approved by the committee, an extension will be granted to the family for such duration as determined by HACSB.

16.2.2.1.5 Total Term of Assistance

The total term of assistance, including any extension(s) granted as the result of a hardship exemption(s), shall not exceed seven (7) years. The family's assistance shall conclude no later than 7 years from the initial lease date.

16.2.2.2 Local Disaster Short-Term Rental Assistance Program

In addition to the above-described reasons, the Housing Authority may terminate the contract if a participant in the Local Disaster Short-Term Rental Assistance program has reached its term of participation.⁵⁶ There is no appeal to the expiration of assistance; however, the family may request an extension of the assistance as a hardship exemption.

16.2.2.2.1 Term of Assistance

The term of assistance shall begin on the initial lease date and shall not exceed two (2) years.

16.2.2.3 Family Unification Program (FUP)

In addition to the above-described reasons, the Housing Authority will terminate the contract if a participant admitted as a FUP-eligible youth has reached its term of participation. After the FUP-eligible youth has exhausted all extensions, there is no appeal to the expiration of assistance.

16.2.2.3.1 Term of Assistance

The term of assistance for FUP-Youth shall begin on the initial lease date. The term shall be 36 months. However, the participant may qualify for two 1-year extensions for a maximum of 60 months of assistance. An automatic extension will be provided if the FUP-Youth is an active participant in the Family Self-Sufficiency (FSS) program at the end of the participant's term or subsequent extension.

If the participant is on the FSS waiting list and a program slot has not been offered by the participant's 36th month, the participant may request a 1-year extension if the participant is:

1. Engaged in education (at least six credits a semester),
2. Enrolled in a professional certificate program or apprenticeship, and/or
3. Working at least 20 hours per week.

⁵⁶ The FY 2017 Moving to Work Annual Plan included Activity 26: Local Disaster Short-Term Rental Assistance program.

The participant must be engaged in at least one of the above activities for at least 9 months of the 12-month period preceding the extension. A combination of the above activities is allowed. For example, a participant may have gone to school for 5 months and subsequently worked part-time for 4 months. Also, if the participant has not met the 9-month minimum when the extension request is verified, the participant may document that they will meet the 9-month requirement before the end of the current term of assistance.

Exceptions may be made to minimum course credits or work hours for documented circumstances beyond the control of the participant. For example, a participant may have been unable to enroll in enough classes due to a lack of course offerings. If a participant's work hours are reduced due to no fault of their own, illness or family emergency, an exception may be made. However, the Housing Authority cannot waive the requirement that the activities lasted for at least 9 months of the 12-month period preceding the extension.

When work hours cannot be verified due to self-employment or stipend, the minimum earnings must be minimum wage multiplied by 20 hours per week. Documentation will be required to verify that the participant has met the minimum criteria. If the participant had been offered an FSS slot but turned it down, the extension request will be denied.

A participant may also qualify for an extension for one of the following statutory exceptions if the head of household is:

1. Responsible for the care of dependent child under the age of 6 or for the care of an incapacitated individual. The child or incapacitated person does not need to reside in the household;
2. Actively participating in a drug addiction or alcohol treatment and rehabilitation program; or
3. Incapable of complying with the FSS participation requirement or engaging in education, workforce, or employment activities due to a documented medical condition.

A self-certification will be used to confirm the participant meets one of the statutory exceptions. If the participant turned down an FSS slot but meets a statutory exception, the participant is eligible for an extension.

16.2.2.4 Emergency Housing Voucher (EHV) Program

The EHV program is funded through September 30, 2030. In addition to the above-described reasons, the Housing Authority will terminate the assistance if funding for the EHV program is not extended or HUD does not provide alternative funding to continue rental assistance.

16.2.3 Consideration of Circumstances [24 CFR 982.552]

HUD permits the Housing Authority to consider relevant circumstances when deciding whether to deny admission or terminate assistance for the criminal activity described in this chapter. The Housing Authority will use the concept of the preponderance of the evidence as the standard for making all admission and/or termination decisions. Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Prior to a determination of termination of assistance for criminal activity and drug-related activity, the Housing Authority may consider the dates, subject to any local criteria, and circumstantial activity, the seriousness of the offense, whether the offense occurred only once or was repeated, and the number and duration of rehabilitation efforts, if any, and whether offender has avoided subsequent criminal activity or behavior since the offense. However, consideration of those circumstances does not guarantee continued assistance. Evidence of certain crimes or repeated crimes can result in termination of assistance. Evidence of mitigating circumstances or evidence of rehabilitation does not require the Housing Authority to disregard potentially disqualifying activity.

Documentation of rehabilitation or good faith effort to address past criminal history may include, but is not limited to:

- Employment
- Education
- Participation in work training program
- Participation in counseling program
- Involved in a community group
- Certificate of rehabilitation from the state
- Proof of AA, CA, NA weekly meetings
- Letters of support from community leaders, parole, probation, case worker, clergy.

The Housing Authority may impose, as a condition of continued assistance for other family members, a requirement that other family members who participated in or were culpable for the action or failure, will not reside in the unit. The Housing Authority may permit the other members of a participant family to continue receiving assistance. If the

violating member is a minor, the Housing Authority may consider individual circumstances with the advice of Juvenile Court officials.

If the family includes a person with disabilities, the Housing Authority's decision concerning denial of admission is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8. If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of assistance, the Housing Authority will determine whether the behavior is related to the disability. If so, upon the family's request, the Housing Authority will determine whether alternative measures are appropriate as a reasonable accommodation. The Housing Authority will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of assistance. See Chapter 2 for a discussion of reasonable accommodation.

In addition, if the family has misrepresented any facts that caused the Housing Authority to overpay assistance, the Housing Authority may, at its discretion, choose not to terminate. Instead, the Housing Authority may offer to continue assistance provided that the family agrees to pay the Housing Authority the amount owed. The family must agree to either pay the Housing Authority in full or execute a repayment agreement and make scheduled payments in accordance with the agreement.

However, consideration of those circumstances does not guarantee a participant will continue to receive housing assistance. Evidence of certain violations or repeated violations can result in program termination. Evidence of mitigating circumstances or evidence of rehabilitation does not require the Housing Authority to disregard potentially disqualifying activity.

If a decision of termination is determined, the Housing Authority will notify the family in writing of the termination and provide a copy of the record to the subject of the record, upon request.

16.2.4 Program Violations

In instances of program violation where, due to consideration of circumstances, or due to the nature of the violation, termination of assistance is not the result, the HACSB will issue an Acknowledgement of Program Violation to the household.

The family will be given an opportunity for continued housing assistance once the family signs an Acknowledgment of Program Violation. The Housing Authority may issue an additional Acknowledgement of Program Violation to families who have a further breach

of the Family/Voucher Obligations if the violation is not considered severe; and is not evidence of an ongoing pattern of behavior. However, determination to issue an Acknowledgment of Program Violation rather than termination of assistance will depend upon the severity of the violation and previous patterns of behavior. If the Housing Authority determines to proceed with program termination, the decision will be based on a preponderance of evidence, breach of the Family/ Voucher Obligations, and/or breach of the Crime Free Addendum.

16.3 Family Obligation/Voucher Violations

As described in Section 16.2.2, failure to abide by any of the family obligations is grounds for termination. The following are the Housing Authority's family obligations:

1. The family must:
 - a. Supply any information that the HACSB or HUD determines to be necessary including evidence of citizenship or eligible immigration status, and information for use in a regularly scheduled reexamination or interim reexamination of family income and composition
 - b. Disclose and verify social security numbers and sign and submit consent forms for obtaining information
 - c. Supply any information requested by the HACSB to verify that the family is living in the unit or information related to family absence from the unit
 - d. Promptly notify the HACSB in writing when the family is away from the unit for an extended period of time in accordance with HACSB policies
 - e. Allow the HACSB to inspect the unit at reasonable times and after reasonable notice
 - f. Notify the HACSB and the owner in writing before moving out of the unit or terminating the lease
 - g. Use the assisted unit for residence by the family. The unit must be the family's only residence
 - h. Promptly notify the HACSB in writing of the birth, adoption, or court-awarded custody of a child
 - i. Request HACSB written approval to add any other family member as an occupant of the unit
 - j. Promptly notify the HACSB in writing if any family member no longer lives in the unit
 - k. Give the HACSB a copy of any owner eviction notice

- l. Pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease
 - m. Must report any changes in family composition and family income in writing within ten (10) days of such change
 - n. Sign and adhere to the Crime Free Lease Addendum
 - o. If applicable, Participant must remain in compliance with supportive service provider (RAD only)
- 2. The family (including each family member) must not:
 - a. Own or have any interest in the unit (other than in a cooperative, or the owner of a manufactured home leasing a manufactured home space)
 - b. Commit any serious or repeated violation of the lease
 - c. Commit fraud, bribery, Grand Theft Housing, or any other corrupt or criminal act in connection with the program
 - d. Sublease or let the unit or assign the lease or transfer the unit
 - e. Receive housing choice voucher program housing assistance while receiving another housing subsidy, for the same unit or a different unit under any other Federal, State or local housing assistance program
 - f. Make any side payments in excess of the family share
 - g. Damage the unit or premises (other than damage from ordinary wear and tear) or permit any guest to damage the unit or premises
 - h. Receive housing choice voucher program housing assistance while residing in a unit owned by a spouse, parent

16.3.1 Explanation and Terms of Family Obligation Requirements

Further explanation on family obligation violations that may result in a termination of assistance is provided below:

- 1. Housing Quality Standards (HQS) Breach: The inspector will determine if an HQS breach as identified in 24 CFR §982.404(b) is the responsibility of the family. At the sole discretion of the Housing Authority, families may be given time extensions to correct HQS breaches.
- 2. Lease Violations: The following criteria will be used to decide if a serious or repeated violation of the lease will cause a termination of assistance [24 CFR §982.310]:
 - a. If the owner terminates tenancy through court action for serious or repeated violation of the lease.

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- b. If the owner notifies the family of intention to terminate tenancy for serious or repeated lease violations, and the Housing Authority determines that the cause is a serious or repeated violation of the lease based on available evidence.
 - c. If there are police reports, neighborhood complaints or other third-party information, and the Housing Authority has verified the information. Lack of receipts or other proof of rent payments by the family may also be considered verifications of lease violations.
- 3. Family Member Moves Out: Families are required to notify the Housing Authority within ten (10) calendar days if any family member leaves the assisted household [24 CFR §982.551(h)(3)]. When the family notifies the Housing Authority, they must furnish the following information:
 - a. The date the family member moved out;
 - b. The new address, if known, of the family member;
 - c. A statement as to whether the family member is temporarily or permanently absent; and
 - d. Related income or deduction changes resulting from the family member moving.
- 4. Limitation on Profit-making Activity in Unit [24 CFR §982.551(h)(5)]: If the business activity area results in the inability of the family to use any of the critical living areas, such as bedroom utilized for a business which is not available for sleeping, it will be considered a violation. If the Housing Authority determines that the use of the unit as a business is not incidental to its use as a dwelling unit, it will be considered a violation of family obligations.
- 5. Interest in Assisted Unit [24 CFR §982.551(j)]: The family must not own or have any interest in the unit unless assistance is being provided under the homeownership program or for a mobile home, and the family owns the mobile home and rents the pad under the HCV program. The owner may not reside in the assisted unit, under any circumstances, including as a live-in aide, regardless of whether the owner is a member of the assisted family. However, under shared housing the owner may reside in the unit, but housing assistance cannot be paid on the owner's behalf and the resident owner cannot be related to the assisted family.
- 6. Misrepresentation in Collusion with Owners: If the family willingly and knowingly commits fraud, Grand Theft Housing or is involved in any other illegal scheme with the owner, the Housing Authority will terminate assistance.

16.4 Notice of Termination of Assistance

In any case where the Housing Authority decides to terminate assistance to the family, the Housing Authority must give the family written notice which states:

- The reason(s) for the proposed termination;
- The effective date of the proposed termination;
- The family's right, if they disagree, to request an informal hearing to be held before termination of assistance; and
- The date by which a request for an informal hearing must be received by the Housing Authority. Informal hearing requests must be made in writing and received within ten (10) business days of the date on the letter.

In most cases, the Notice of Termination will be addressed to the head of household. However, if the reason for the termination involves a cohead, spouse or other household member, additional individuals may be listed in the Notice. If the Housing Authority proposes to terminate assistance for criminal activity as shown by a criminal record, the Housing Authority will provide the subject of the record with a copy of the criminal record if requested.

16.4.1 Notice of Termination of Assistance: Rental Assistance Demonstration Units

Per the RAD Public and Indian Housing (PIH) Notice 2012-32 Households that occupy RAD conversion units have additional protections in regard to termination of tenancy and eviction. For further protections in regard to RAD household termination of tenancy and eviction, see Chapter 20, Section 20.9.2.2.

16.5 Violence Against Women Act [24 CFR 5.2005]

The Violence Against Women Reauthorization Act of 2013 (VAWA 2013) provides that "criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking, engaged in by a member of a tenant's household or any guest or other person under the tenant's control shall not be a cause for termination of assistance, tenancy, or occupancy rights if the tenant or an affiliated individual of the tenant's family is the victim or threatened victim of that domestic violence, dating violence, sexual assault or stalking."

VAWA also gives HACSB the authority to "terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others, without evicting, removing, terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant."

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VAWA does not limit the authority of the Housing Authority to terminate the assistance of any participant if the Housing Authority “can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant is not evicted or terminated from assistance.”

In determining whether a participant who is a victim of domestic violence, dating violence, sexual assault, or stalking is an actual and imminent threat to other tenants or those employed at or providing service to a property, the Housing Authority will consider the following, and any other relevant, factors:

- Whether the threat is toward an employee or tenant other than the victim of domestic violence, dating violence, sexual assault, or stalking
- Whether the threat is a physical danger beyond a speculative threat
- Whether the threat is likely to happen within a short period of time
- Whether the threat to other tenants or employees can be eliminated in some other way, such as by helping the victim relocate to a confidential location

If the participant wishes to contest the Housing Authority’s determination that he or she is an actual and imminent threat to other tenants or employees, the tenant may do so as part of the informal hearing.

16.5.1 Victim Documentation

When a participant family is facing assistance termination because of the actions of a participant, household member, guest, or other person under the participant’s control and a participant or affiliate individual of the participant’s family claims that she or he is the victim of such actions and that the actions are related to domestic violence, dating violence, sexual assault, or stalking, the Housing Authority will request in writing that the individual submit documentation affirming that claim. The written request will include explicit instructions on where, when, and to whom the documentation must be submitted. It will also state the consequences for failure to submit the documentation by the deadline.

The documentation will consist of a completed and signed form HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking. In lieu of the certification form, the Housing Authority will accept either of the following forms of documentation:

- A police or court record documenting the actual or threatened abuse

- Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, sexual assault, or stalking, or the effects of such abuse
 - This person may be an employee, agent, or volunteer of a victim service provider; an attorney; or a medical or other knowledgeable professional
 - The person signing the documentation must attest under penalty of perjury to the person's belief that the incidents in question are bona fide incidents of abuse
 - The victim must also sign the documentation

The Housing Authority reserves the right to waive the documentation requirement if it determines that a statement or other corroborating evidence from the individual will suffice.

The individual claiming victim status must submit the requested documentation within fourteen (14) business days after receipt of the Housing Authority's written request or must request an extension within that time frame. The Housing Authority may, at its discretion, extend the deadline for ten (10) business days.

If the individual provides the requested documentation within fourteen (14) business days, or any HACSB-approved extension, the Housing Authority will reconsider its termination decision in light of the documentation. If the individual does not provide the requested documentation within fourteen (14) business days, or any HACSB-approved extension, the Housing Authority will proceed with termination of the family's assistance in accordance with applicable law, program regulations, and the policies in this plan.

16.5.2 Termination of the Assistance of the Domestic Violence Perpetrator [24 CFR 5.2005(c)]

Although VAWA provides assistance termination protection for victims of domestic violence, it does not provide protection for perpetrators. VAWA gives the Housing Authority the explicit authority to "terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others...without terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant." This authority is not dependent on a bifurcated lease or other eviction action by an owner against an individual family member. Further, this authority supersedes any local, state, or other federal law to the contrary. However, if the Housing Authority chooses to exercise this authority, it must follow any procedures prescribed by HUD or by applicable local, state, or federal law

regarding termination of assistance [Pub.L. 109-271]. This means that the Housing Authority must follow the same rules when terminating assistance to an individual as it would when terminating the assistance of an entire family [3/16/07 *Federal Register* notice on the applicability of VAWA to HUD programs].

The Housing Authority will terminate assistance to a family member if the Housing Authority determines that the family member has committed criminal acts of physical violence against other family members or others. This action will not affect the assistance of the remaining, non-culpable family members.

In making its decision, the Housing Authority will consider all credible evidence, including, but not limited to, a signed certification (form HUD-5382) or other documentation of abuse submitted to the Housing Authority by the victim in accordance with this section. The Housing Authority will also consider the factors in section 12-II.D. Upon such consideration, the Housing Authority may, on a case-by-case basis, choose not to terminate the assistance of the culpable family member.

If the Housing Authority does terminate the assistance of the culpable family member, it will do so in accordance with applicable law, HUD regulations, and the policies in this plan.

16.5.3 Confidentiality Requirements [24 CFR 5.2007(a)(1)(v)]

All information provided to the Housing Authority regarding domestic violence, dating violence, sexual assault, or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence and may neither be entered into any shared data base nor provided to any related entity, except to the extent that the disclosure (a) is requested or consented to by the individual in writing, (b) is required for use in an eviction proceeding, or (c) is otherwise required by applicable law.

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, the Housing Authority will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

16.6 Informal Hearings for Participants [24 CFR 982.555]

Circumstances for which the Housing Authority must give a participant family an opportunity for an informal hearing are as follows:

- A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment

- A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the Housing Authority utility allowance schedule
- A determination of the family unit size under the Housing Authority's subsidy standards
- A determination that a family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the Housing Authority's subsidy standards, or the Housing Authority determination to deny the family's request for exception from the standards
- A determination to terminate assistance for a participant family because of the family's actions or failure to act
- A determination to terminate assistance because the participant has been absent from the assisted unit for longer than the maximum period permitted under Housing Authority policy and HUD rules
- A determination to terminate a family's Family Self Sufficiency contract, withhold supportive services, or propose forfeiture of the family's escrow account [24 CFR 984.303(i)]

The Housing Authority may also offer participants the opportunity for a telephone or in-person discussion of any concerns prior to the informal hearing. During this discussion the Housing Authority will again communicate to the participant their opportunity to request an informal hearing for the above-described circumstances.

16.6.1 Reasons an Informal Hearing is Not Required

Circumstances for which an informal hearing is not required are as follows:

- Discretionary administrative determinations by the Housing Authority, including Housing Services Program type determinations
- General policy issues or class grievances
- Establishment of the Housing Authority schedule of utility allowances
- A Housing Authority determination not to approve an extension or suspension of a voucher or family obligations agreement term
- A Housing Authority determination not to approve a unit or tenancy
- A Housing Authority determination that a unit selected by the applicant is not in compliance with inspection standards
- A Housing Authority determination that the unit is not in accordance with occupancy standards because of family size

- A determination by the Housing Authority to exercise or not to exercise any right or remedy against an owner under a contract

The Housing Authority will only offer participants the opportunity for an informal hearing when required to by the regulations.

16.6.2 Notice of Informal Hearing Policies to Participants [24 CFR 982.555(c)]

When the Housing Authority makes a decision that is subject to informal hearing procedures, the Housing Authority must inform the family of its right to an informal hearing at the same time that it informs the family of the decision.

For decisions related to the family's annual or adjusted income, the determination of the appropriate utility allowance, and the determination of the family unit size, the Housing Authority must notify the family that they may ask for an explanation of the basis of the determination, and that if they do not agree with the decision, they may request an informal hearing on the decision.

For decisions related to the termination of the family's assistance, or the denial of a family's request for an exception to the Housing Authority's subsidy standards, the notice must contain a brief statement of the reasons for the decision, a statement that if the family does not agree with the decision, the family may request an informal hearing on the decision, and a statement of the deadline for the family to request an informal hearing.

In cases where the Housing Authority makes a decision for which an informal hearing must be offered, the notice to the family will include all of the following:

- The proposed action or decision of the Housing Authority;
- A brief statement of the reasons for the decision;
- The date the proposed action will take place;
- A statement of the family's right to an explanation of the basis for the Housing Authority's decision;
- A statement that if the family does not agree with the decision the family may request an informal hearing of the decision;
- A deadline for the family to request the informal hearing;
- To whom the hearing request should be addressed; and
- A copy of the Housing Authority's hearing procedures.

The Housing Authority may also offer participants the opportunity for a telephone or in-person discussion of any concerns prior to the informal hearing. During this discussion

the Housing Authority will again communicate to the participant their opportunity to request an informal hearing.

16.6.3 Notice of Scheduled Informal Hearing to Participant [24 CFR 982.555(d)]

The Housing Authority may conduct informal hearings in-person or remotely. Remote methods may include use of mail, electronic mail, telephone, and/or video call. When deciding which method or combination of methods to use, the Housing Authority will consider accessibility of LEP individuals and persons with disabilities. When the Housing Authority receives a written request for an informal hearing, a hearing shall be scheduled. The notification of hearing will contain:

- The date and time of the hearing;
- The location where the hearing will be held (in-person or remote);
- The family's right to introduce evidence, witnesses, legal, or other representation at the family's expense;
- The right to view any documents or evidence in the possession of the Housing Authority upon which the Housing Authority based the proposed action and, at the family's expense, to obtain a copy of such documents prior to the hearing. Requests for such documents or evidence must be received by the Housing Authority no later than ten (10) business days before the hearing date; and
- A notice to the family that the Housing Authority requires copies of any documents or evidence the family will use at the hearing. Copies of all written evidence the family will provide to the hearing officer at the hearing as evidence must be received by the Housing Authority no later than ten (10) business days before the hearing date.

16.6.3.1 Rescheduling of Informal Hearing

After a hearing date is scheduled, the family may request to reschedule only upon showing "good cause" which is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family.

If a family does not appear at a scheduled hearing and has not rescheduled the hearing in advance, the family must contact the Housing Authority within twenty-four (24) hours of the scheduled hearing excluding weekends and holidays. The Housing Authority will reschedule the hearing only if the family can show good cause for failure to appear or if it is needed as a reasonable accommodation for a person with disabilities.

16.6.4 Informal Hearing Family Rights [24 CFR 982.555(e)]

Prior to and during the informal hearing families have the right to:

1. Present written or oral objections to the Housing Authority's determination;
2. Examine the documents in the file which are the basis for the Housing Authority's action, and all documents submitted by the Housing Authority to the hearing officer;
3. Copy any relevant documents at their expense;
4. Present any information or witnesses pertinent to the issue of the hearing;
5. Request that Housing Authority staff be available or present at the hearing to answer questions pertinent to the case; and
6. Be represented by legal counsel, advocate, or other designated representative at their own expense.

If the family requests copies of documents relevant to the hearing, the Housing Authority will make the copies for the family and assess a reasonable charge per copy per the schedule of charges available at the Housing Authority offices. In no case will the family be allowed to remove the file from the Housing Authority's office.

16.6.5 Informal Hearing Housing Authority Rights [24 CFR 982.555(4)(ii)]

In addition to other rights contained in this chapter the Housing Authority has a right to:

- Present evidence and any information pertinent to the issue of the hearing;
- Receive advance notice if the family intends to be represented by legal counsel, advocate, or another party;
- Examine and copy, prior to the hearing any documents or other evidence to be used by the family at the hearing; and
- Have its legal counsel, staff persons, and other witnesses familiar with the case present at the hearing.

The informal hearing shall be conducted by the hearing officer appointed by the Housing Authority who is neither the person who made or approved the decision, nor a subordinate of that person. The Housing Authority may appoint managers from other departments in the government of the jurisdiction, or any other individual, as a hearing officer as the Housing Authority deems appropriate.

The person who conducts the hearing may regulate the conduct of the hearing in accordance with the Housing Authority's hearing procedures. The hearing officer is responsible to manage the order of business and to ensure that hearings are conducted in a professional and businesslike manner. Attendees are expected to comply with all

hearing procedures established by the hearing officer and guidelines for conduct. Any person demonstrating disruptive, abusive or otherwise inappropriate behavior will be excused from the hearing at the discretion of the hearing officer.

16.6.6 Evidence Presented at the Informal Hearing [24 CFR 982.555(e)(5)]

The Housing Authority and the family must be given the opportunity to present evidence and question any witnesses. In general, all evidence is admissible at an informal hearing. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

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

- Oral evidence: the testimony of witnesses
- Documentary evidence: a writing which is relevant to the case, for example, a letter written to the Housing Authority. Writings include all forms of recorded communication or representation, including letters, words, pictures, sounds, videotapes or symbols or combinations thereof.
- Demonstrative evidence: Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.
- Real evidence: A tangible item relating directly to the case.

Hearsay Evidence is evidence of a statement that was made other than by a witness while testifying at the hearing and that is offered to prove the truth of the matter. Even though evidence, including hearsay, is generally admissible, hearsay evidence alone cannot be used as the sole basis for the hearing officer's decision. If either the Housing Authority or the family fail to comply with the discovery requirements described above, the hearing officer will refuse to admit such evidence. Other than the failure of a party to comply with discovery, the hearing officer has the authority to overrule any objections to evidence.

The hearing shall concern only the issues for which the family has received the opportunity for hearing. Evidence presented at the hearing if requested by the other party. "Documents" includes records and regulations.

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision.

If the family misses an appointment or deadline ordered by the hearing officer, the action of the Housing Authority shall take effect and another hearing will not be granted.

16.6.7 Hearing Officer's Decision [24 CFR 982.555(e)(6)]

The person who conducts the hearing must issue a written decision, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing. A copy of the hearing must be furnished promptly to the family. In rendering a decision, the hearing officer will consider the following matters:

1. Housing Authority Notice to the Family: The hearing officer will determine if the reasons for the Housing Authority's decision are factually stated in the Notice.
2. Discovery: The hearing officer will determine if the Housing Authority and the family were given the opportunity to examine any relevant documents in accordance with Housing Authority policy.
3. Housing Authority Evidence to Support the Decision: The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support the Housing Authority's conclusion.
4. Validity of Grounds for Termination of Assistance (when applicable): The hearing officer will determine if the termination of assistance is for one of the grounds specified in the HUD regulations and Housing Authority policies. If the grounds for termination are not specified in the regulations or in compliance with Housing Authority policies, then the decision of the Housing Authority will be overturned.

The hearing officer will issue a written decision to the family and the Housing Authority. The report will contain the following information:

- Hearing information including:
 - Name of the participant;
 - Date, time and place of the hearing;
 - Name of the hearing officer;
 - Name of the Housing Authority representative; and
 - Name of family representative (if any).
- Background: A brief, impartial statement of the reason for the hearing.
- Summary of the Evidence: The hearing officer will summarize the testimony of each witness and identify any documents that a witness produced in support of his/her testimony and that are admitted into evidence.

- Findings of Fact: The hearing officer will include all findings of fact, based on a preponderance of the evidence. Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.
- Conclusions: The hearing officer will render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion will result in a determination of whether these facts uphold the Housing Authority's decision.
- Order: The hearing report will include a statement of whether the Housing Authority's decision is upheld or overturned. If it is overturned, the hearing officer will instruct the Housing Authority to change the decision in accordance with the hearing officer's determination. In the case of termination of assistance, the hearing officer will instruct the Housing Authority to restore the participant's program status.

16.6.8 Housing Authority Notice of Final Decision [24 CFR 982.555(f)]

Under the authority of the Executive Director or designee, the Housing Authority may declare that it is not bound by the decision of the hearing officer for matters in which the Housing Authority is not required to provide an opportunity for a hearing, decisions that exceed the authority of the hearing officer, decisions that conflict with or contradict HUD regulations, requirements, the Housing Authority's Moving to Work authorizations or are otherwise contrary to Federal, State or local laws.

If the Housing Authority determines it is not bound by the hearing officer's decision in accordance with HUD regulations, the Housing Authority must promptly notify the family of the determination and the reason for the determination. Within thirty (30) days of receipt of the hearing officer's decision, the Housing Authority shall notify the participant, in writing, if it determines the Housing Authority is not bound by the hearing officer's determination. The notice shall include the Housing Authority's reasons for overturning the hearing officer's decision.

Hearing requests, supporting documentation, and a copy of the final decision will be retained in the family's file.

16.6.9 How Termination of Assistance Affects Contract and Lease [Form HUD-52641 and HCV GB, p. 15-8]

When the family's assistance is terminated, the lease and contract terminate automatically. The owner may offer the family a separate unassisted lease.

16.6.10 Reasonable Accommodation

If the family includes a person with disabilities, the Housing Authority's decision to terminate assistance is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8. If a family indicates that the behavior of a family member with a disability is the reason for a proposed termination of assistance, HACSB will determine whether the behavior is related to the disability. If so, upon the family's request, the Housing Authority will determine whether alternative measures are appropriate as a reasonable accommodation. The Housing Authority will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed termination of assistance.

16.7 Hearing and Appeal Provisions for Non-Citizens [24 CFR 5.514]

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. Applicants who are denied assistance due to immigration status are entitled to an informal hearing, not an informal review.

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

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

16.7.1 Notice of Denial or Termination of Assistance for Non-Citizens [24 CFR 5.514(d)]

The notice of denial or termination of assistance for noncitizens must advise the family:

- That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance;
- The family may be eligible for proration of assistance;

- In the case of a participant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518];
- That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal;
- That the family has a right to request an informal hearing with the Housing Authority either upon completion of the USCIS appeal or in lieu of the USCIS appeal; and
- For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

16.7.2 USCIS Appeal Process [24 CFR 5.514(e)]

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

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

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

The Housing Authority will send written notice to the family of its right to request an informal hearing within ten (10) business days of receiving notice of the USCIS decision regarding the family's immigration status.

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

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

The Housing Authority must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision. See above for the Housing Authority's policies on appointment of hearing officers.

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

The family will be allowed to copy any documents related to the hearing at a reasonable cost in accordance with the Housing Authority's posted charge list. The family must request discovery of Housing Authority documents no later than ten (10) calendar days prior to the hearing.

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

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

The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf. The family is entitled to arrange for an interpreter to attend the hearing, at the expense of the family, or the Housing Authority, as may be agreed upon by the two (2) parties.

The family is entitled to have the hearing recorded by audiotape. The Housing Authority may, but is not required to provide a transcript of the hearing. The Housing Authority will not provide a transcript of an audio taped hearing. The Housing Authority must provide the family with a written final decision, based solely on the facts presented at the hearing,

within fourteen (14) calendar days of the date of the informal hearing. The decision must state the basis for the decision.

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

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

16.7.5 Retention of Documents [24 CFR 5.514(h)]

The Housing Authority must retain for a minimum of five (5) years the following documents that may have been submitted to the Housing Authority by the family, or provided to the Housing Authority as part of the USCIS appeal or the Housing Authority informal hearing process:

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

CHAPTER 17: OWNER QUALIFICATIONS, CHANGE OF OWNERSHIP, AND INCENTIVES

17. Introduction [24 CFR 982.4(b), 982.306, 982.453]

It is the policy of the Housing Authority to recruit rental property owners to participate in the Housing Services program. The Housing Authority will provide owners with prompt and professional service in order to maintain an adequate supply of available housing throughout the jurisdiction of the Housing Authority. As funding permits, the Housing Authority may offer landlord incentives to encourage broader acceptance of the program.⁵⁷

Federal regulations define when the Housing Authority must disallow an owner participation in the program, and they provide the Housing Authority discretion to disapprove or otherwise restrict the participation of owners in certain categories. This chapter describes the criteria for owner disapproval, and the various penalties for owner violations.

If all program requirements are met, including owner qualifications, the Housing Authority can enter into a contract with the owner. The Housing Authority will enter into a Lease Assistance Payment (LAP) Contract for families participating in the Term-Limited Lease Assistance and Streamlined Lease Assistance programs. The Housing Authority will enter into a Housing Assistance Payment (HAP) contract for families participating in the Traditional, Regulatory Assistance for Special Purpose programs. The Housing Authority generally refers to the LAP and HAP collectively as simply “the contract” or “contract between the Housing Authority and the owner” throughout this Administrative Plan.

17.1 Owner Qualifications [24 CFR 982.306(e)]

The Housing Authority does not formally approve an owner to participate in the Housing Services program. However, there are a number of criteria where Housing Authority may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. No owner has a right to participate in the Housing Services program. The Housing Authority will only enter into a contractual relationship with the

⁵⁷ The FY 2022 MTW Annual Plan adds Activity 28: Landlord Incentives. A subsequent amendment to the FY 2022 MTW Annual Plan repropose the activity as Leasing Success Strategies.

legal owner of a qualified unit. No tenancy will be approved without acceptable documentation of legal ownership (e.g., deed of trust, proof of taxes for most recent year).

17.2 Owners Barred from Participation [24 CFR 982.306(a) and (b)]

The Housing Authority must not approve the assisted tenancy if the Housing Authority has been informed that the owner has been debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24. HUD may direct the Housing Authority not to approve a tenancy request if a court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements, or if such an action is pending.

17.2.1 Leasing to Relatives

The Housing Authority must not approve a Request for Tenancy Approval (RFTA) if the owner is the spouse, parent, child, grandparent, grandchild, sister or brother, aunt, uncle, nephew, niece, cousin of any member of the family or step-family, including in-law relationships.⁵⁸ The owner is required to certify that no such relationship exists. This restriction applies at the time that the family receives assistance under the Housing Services program for occupancy of a particular unit.

The Housing Authority may make an exception as a reasonable accommodation for a family member with a disability.

17.2.2 Conflicts of Interest [24 CFR 982.161; HCV GB p. 8-19]

The Housing Authority must not approve a tenancy in which any of the following classes of persons has any interest, direct or indirect, during tenure or for one (1) year thereafter:

- Any present or former member or officer of the Housing Authority (except a Housing Services program participant commissioner)
- Any employee of the Housing Authority, or any contractor, subcontractor or agent of the Housing Authority, who formulates policy or who influences decisions with respect to the programs
- Any public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the programs
- Any member of the Congress of the United States

⁵⁸ The FY 2014 Moving to Work Annual Plan amended Activity 18: Property Management Innovation activity to specify these relationship types.

HUD may waive the conflict of interest requirements, except for members of Congress, for good cause. The Housing Authority must submit a waiver request to the appropriate HUD Field Office for determination.

17.3 Owner Actions that May Result in a Disapproval of Tenancy [24 CFR 982.306(c)]

HUD regulations permit the Housing Authority, at the Housing Authority's discretion, to refuse to approve a request for tenancy if the owner has committed any of a number of different actions.

The Housing Authority will refuse to approve a request for tenancy if the Housing Authority becomes aware that any of the following are true:

- The owner has violated obligations under a contract under Section 8 of the 1937 Act (42 U.S.C. 1437f);
- The owner has committed fraud, Grand Theft Housing, bribery or any other corrupt or criminal act in connection with any federal housing program;
- The owner has engaged in any drug-related criminal activity or any violent criminal activity;
- The owner has a history or practice of non-compliance with the inspection standards for units leased under the tenant-based programs, or with applicable housing standards for units leased with project-based assistance or leased under any other federal housing program;
- The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under the Housing Services program or any other federally assisted housing program for activity engaged in by the tenant, any member of the household, a guest or another person under the control of any member of the household that:
 - Threatens the right to peaceful enjoyment of the premises by other residents;
 - Threatens the health or safety of other residents, of employees of Housing Authority, or of owner employees or other persons engaged in management of the housing;
 - 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
 - Is engaged in drug-related criminal activity or violent criminal activity;

- The owner has a history or practice of renting units that fail to meet state or local housing codes;
- The owner refuses to agree to the terms of the contract;
- The owner refuses to enter into a lease that mirrors the terms of the contract;
- The owner refuses to accept direct deposit payments; or
- The owner has not paid state or local real estate taxes, fines, or assessment.

In considering whether to disapprove owners for any of the discretionary reasons listed above, the Housing Authority may consider any mitigating factors. Such factors may include, but are not limited to, the seriousness of the violation in relation to program requirements, the impact on the ability of families to lease units under the program, health and safety of participating families, among others. Upon consideration of such circumstances, the Housing Authority may, on a case-by-case basis, choose to approve an owner.

17.4 Non-Discrimination

The owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability, in connection with any actions or responsibilities under the Housing Services program and the contract with the Housing Authority. The owner must cooperate with the Housing Authority and with HUD in conducting any equal opportunity compliance reviews and complaint investigations in connection with the Housing Services program and the contract with the Housing Authority.

17.5 Breach of Contract

From time to time the Housing Authority and HUD update the Housing Assistance Payment (HAP) contract and the Housing Authority may also update the Lease Assistance Payment (LAP) contract. These changes apply to all existing HAP/LAP contracts. The posted version of the contract on the Housing Authority website should be considered the prevailing version.⁵⁹ Any of the following actions by the owner constitutes a breach of the contract:

- If the owner violates any obligations under the contract including failure to maintain the unit in accordance with inspection standards

⁵⁹ The FY 2014 Moving to Work Annual Plan amended Activity 18: Property Management Innovation activity to clarify that the most recent posted version of the contract is the prevailing version.

- If the owner has violated any obligation under any other contract under the HCV program
- If the owner has committed fraud, Grand Theft Housing, bribery or any other corrupt or criminal act in connection with any federal housing program
- For projects with mortgages insured by HUD or loans made by HUD, if the owner has failed to comply with the regulations for the applicable program; or if the owner has committed fraud, bribery or any other corrupt or criminal act in connection with the mortgage or loan
- If the owner has engaged in drug-related criminal activity
- If the owner has committed any violent criminal activity

If the Housing Authority determines that a breach of the contract has occurred, it may exercise any of its rights and remedies under the contract. The Housing Authority rights and remedies against the owner under the contract include recovery of any overpayment, hold of payments, abatement or reduction of the payment, termination of the payment or termination the contract. The Housing Authority may also obtain additional relief by judicial order or action.

The Housing Authority must notify the owner of its determination and provide in writing the reasons for the determination. The notice may require the owner to take corrective action by an established deadline. The Housing Authority must provide the owner with written notice of any reduction in housing assistance payments or the termination of the contract.

Before the Housing Authority invokes a remedy against an owner, the Housing Authority will evaluate all information and documents available to determine if the contract has been breached. If relevant, the Housing Authority may conduct a review of the owner's records pertaining to the tenancy or unit.

If it is determined that the owner has breached the contract, the Housing Authority will consider all of the relevant factors including the seriousness of the breach, the effect on the family, the owner's record of compliance and the number and seriousness of any prior contract violations.

17.6 Owner Restrictions and Penalties [24 CFR 982.453]

If an owner has committed fraud, Grand Theft Housing, or abuse or is guilty of frequent or serious contract violations, the Housing Authority will restrict the owner from future participation in the program. The Housing Authority may also terminate some or all

existing contracts with the owner. Before imposing any penalty against an owner the Housing Authority will review all relevant factors pertaining to the case, and will consider such factors as the owner's record of compliance and the number of violations. For further information on how owner fraud will be addressed, please refer to Chapter 18 of this Administrative Plan.

17.7 Change in Ownership

A change in ownership does not require execution of a new contract. The contract cannot be assigned to a new owner without the prior written consent of the Housing Authority.

An owner under a contract must notify the Housing Authority in writing prior to a change in the legal ownership of the unit. The owner must supply all information as requested by the Housing Authority. Prior to approval of assignment to a new owner, the new owner must agree to be bound by and comply with the contract.

The agreement between the new owner and the former owner must be in writing and in a form that the Housing Authority finds acceptable. The new owner must provide the Housing Authority with a copy of the executed agreement. Assignment of the contract will be approved only if the new owner is qualified to become an owner under the Housing Services program according to the policies in this Chapter.

The Housing Authority must receive a signed, written request from the existing owner stating the name and address of the new payee and the effective date of the assignment in order to change the payee under an outstanding contract. The new owner must provide a written certification to the Housing Authority that includes:

- A copy of the escrow statement or other document showing the transfer of title and recorded deed;
- A copy of the owner's IRS Form W-9, Request for Taxpayer Identification Number and Certification, or the social security number of the new owner;
- The effective date of the contract with the Housing Authority assignment;
- A written agreement to comply with the terms of the contract; and
- Confirmation that the new owner is not a prohibited relative.

If the new owner does not agree to an assignment of the contract, or fails to provide the necessary documents, the Housing Authority will terminate the contract with the old owner. If the new owner wants to offer the family a new lease, and the family elects to stay with continued assistance, the Housing Authority will process in accordance with the policies in this plan.

17.8 Landlord Incentives

To encourage landlord participation and support the leasing success of families assisted under the tenant-based Moving to Work (MTW) programs, the Housing Authority may offer the landlord incentives described in this section as funding permits. The MTW landlord incentives apply only to HACSB's MTW Housing Choice Voucher (HCV) programs and may not apply to programs that lack MTW fungibility unless noted.⁶⁰

17.8.1 Signing Bonus

Under the Signing Bonus program, HACSB will provide a one-time \$1,000 signing bonus for each new HAP Contract signed for units meeting the following criteria:

- The assisted unit must be located in HACSB's service area
- Voucher holder must be:
 - a new program participant or
 - existing program participant who is new to the rental property

The following properties are not eligible for the signing bonus:

- Tax credit properties
- Units under a project-based voucher (PBV) HAP contract
- HACSB and HACSB affiliate owned units

The following situations do not qualify for a signing bonus:

- An existing program participant is signing a new lease to remain in their current subsidized unit.
- An existing voucher participant is moving from one unit to another in the same apartment complex, such as a tenant moving from upstairs to downstairs.
- A non-HCV tenancy, such as HOPWA or CoC programs.

The Signing Bonus program may be offered under the HUD-VASH and Mainstream programs if these programs have sufficient administrative reserves. The Signing Bonus program is offered under the EHV program using services fee funding and administrative fees.

17.8.2 Damage Mitigation

Under the Damage Mitigation Program, participating landlords may be eligible to apply for reimbursement of tenant-caused damage beyond normal wear and tear, unpaid rent

⁶⁰ The FY 2022 MTW Annual Plan adds Activity 28: Landlord Incentives including signing bonus, damage mitigation and tenant education. A subsequent amendment to the FY 2022 MTW Annual Plan repropose the activity as Leasing Success Strategies.

and related court costs. The maximum reimbursement is \$2,500 after the tenant's security deposit is applied. This program is subject to available funding.

When an HCV participant moves out, an owner may file a claim under the following circumstances:

- The length of tenancy was less than seven years
- Move-out occurred on or after March 21, 2022The owner must have collected a security deposit of at least \$500 as indicated on the lease
- Owner must request move-out inspection within five business days following tenant move-out and prior to any repairs (of a non-emergency nature)
- Damage is not covered under the property's insurance policy
- The owner or owner's representative must be present during the move-out inspection
- The owner must demonstrate that a good faith effort has been made to collect charges from the tenant and provide proof of actions taken
- The amount of the tenant's security deposit must be deducted from the claim amount and HACSB will pay the balance of the claim up to \$2,500
- A Damage Reimbursement Claim form must be received by the Housing Authority with receipts and proof of collection attempts within 60 days of HACSB's move-out inspection

Claims will be reviewed and adjusted according to the age of the item that is damaged and the length of the tenancy. HACSB will determine whether damage is beyond normal wear and tear. Deferred and/or routine owner maintenance costs are not covered. Receipts for repairs and supplies are required. The owner may not bill for his/her own labor. The tenant is not required to repay the Housing Authority for damage claims.

17.8.2.1 Emergency Housing Voucher (EHV) Program

Up to \$5,000 per tenancy is offered under the Damage Mitigation program. An owner may make a claim at tenant move-out if the owner collected at least one month's rent as a security deposit. Additionally, the owner may file a claim for an existing tenancy. In the case of an existing tenancy, the damage must exceed the higher of \$500 or the tenant's original security deposit and the landlord must agree to keep the tenant housed or rehouse the tenant within 30 days if the unit is uninhabitable.

HAPTER 18: FAMILY OR OWNER DEBTS TO THE HOUSING AUTHORITY AND RECORD RETENTION POLICIES

18. Introduction

This chapter describes the Housing Authority's policies concerning recovery of overpayments made by HACSB owed to the Housing Authority by families or owners. It describes the methods that will be utilized for collection of monies and the guidelines for different types of debts. It is the Housing Authority's policy to meet the informational needs of owners and families, and to communicate the program rules in order to avoid owner and family debts. Before a debt is assessed against a family or owner, the file must contain documentation to support the Housing Authority's claim that the debt is owed. The file must further contain written documentation of the method of calculation, in a clear format for review by the owner, the family, or other interested parties.

When an action or inaction of an owner or participant results in the overpayment of housing assistance, the Housing Authority holds the owner or participant liable to return any overpayments to the Housing Authority. The Housing Authority may enter into a repayment agreement in accordance with the policies contained in this Chapter as a means to recover overpayments.

When an owner or participant refuses to repay monies owed, the Housing Authority will utilize other available collection alternatives including, but not limited to, the following:

- Collection agencies
- Small claims court
- Criminal court
- Civil law suit
- State income tax set-off program

18.1 Family Debts to the Housing Authority [24 CFR 982.552 (c)(v-vii)]

Any amount due to the Housing Authority by a Housing Services program participant must be repaid by the family. If the family is unable to repay the debt within thirty (30) days, the Housing Authority may offer to enter into a repayment agreement in accordance with the policies below.

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If the family refuses to repay the debt, enter into a repayment agreement, or breaches a repayment agreement, the Housing Authority will terminate the housing assistance to the family. The Housing Authority may pursue other methods, even after the household is terminated from the program, of collecting the money owed to the Authority.

If a family owes an amount which equals or exceeds \$5,000 as a result of program fraud, the family will be terminated. Where appropriate, the Housing Authority will refer the case for criminal prosecution.

18.1.1 Repayment Agreements [24 CFR 982.552 (c)(v-vii)]

The Housing Authority may choose to enter into a repayment agreement with a participant who owes money to the Agency. The term repayment agreement refers to a formal document created by the Housing Authority and signed by a participant where the participant acknowledges a debt in a specific amount and agrees to repay the amount due at specific time periods. It is similar to a promissory note but contains more details regarding the nature of the debt, the terms of repayment, Housing Authority action upon default of the agreement.

The minimum monthly payment amount for any repayment agreement is \$25. However, the rent plus the monthly repayment amount cannot exceed 40% of household's gross monthly income. Households must pay the Housing Authority on time as specified in the repayment agreement. A payment will be considered to be in arrears if the payment has not been received by the close of the business day on which the payment was due. If the due date is on a weekend or holiday, the due date will be at the close of the next business day.

A late payment will result in the full balance of the repayment agreement to be paid in full and the Housing Authority may begin termination proceedings. A repayment agreement will be considered to be in default when it is in arrears for over thirty (30) days from the date due. If the family's repayment agreement is in default, and the family has not contacted or made arrangements with the Housing Authority, termination procedures will begin.

18.2 Owner Debts to the Housing Authority

If the Housing Authority determines that the owner has retained payments from the Housing Authority that the owner is not entitled to, the Housing Authority may recover these amounts from future assistance for any units under contract with the owner. Any amount due to the Housing Authority by an owner must be repaid by the owner within thirty (30) days of the determination of the debt. If the owner fails to repay the debt within

the required time frame and is entitled to future assistance payments, the Housing Authority will reduce the future payments by the amount owed until the debt is paid in full. The Housing Authority may also terminate an owner's contract and sanction the owner if debts are not repaid to the Housing Authority as required.

The Housing Authority may also refer the debt to HUD's Office of the Inspector General, collection agencies, small claims court, file a civil lawsuit or a state income tax set-off program.

18.3 Writing Off Debts

Debts will be written off if the debtor's whereabouts are unknown, the Housing Authority has no other recourse for collection of the debt, the debt is more than seven (7) years old or the debtor is deceased.

18.4 Records Management [24 CFR 5.212, 24 CFR 982.158 and Form-9886]

The Housing Authority maintains complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. All such records must be made available to HUD or the Comptroller General of the United States upon request.

In addition, the Housing Authority ensures that all applicant and participant files are maintained in a way that protects an individual's privacy rights.

During the term of each assisted lease, and for at least three (3) years thereafter, the Housing Authority must keep:

- A copy of the executed lease;
- The HAP/LAP contract; and
- The application from the family.

In addition, the Housing Authority must keep the following records for at least three (3) years:

- Records that provide income, racial, ethnic, gender, and disability status data on program applicants and participants;
- An application from each ineligible family and notice that the applicant is not eligible;
- HUD-required reports;
- Unit inspection reports;

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- Lead-based paint records as required by 24 CFR 35, Subpart B.
- Accounts and other records supporting Housing Authority budget and financial statements for the program;
- Records to document the basis for the Housing Authority determination that rent to owner is a reasonable rent (initially and during the term of a HAP/LAP contract); and
- Other records specified by HUD.

If an informal hearing to establish a family's citizenship status is held, longer retention requirements apply for some types of documents. For specific requirements, see Chapter 16.

All applicant and participant information is kept in a secure location and access is limited to authorized Housing Authority staff. HACSB staff will not discuss personal family information unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

The collection, maintenance, use, and dissemination of social security numbers (SSN), employer identification numbers (EIN), any information derived from these numbers, and income information of applicants and participants must be conducted, to the extent applicable, in compliance with the Privacy Act of 1974, and all other provisions of Federal, State, and local law.

Applicants and participants, including all adults in the household, are required to sign a consent form, HUD-9886, Authorization for Release of Information. This form incorporates the Federal Privacy Act Statement and describes how the information collected using the form may be used, and under what conditions HUD or the Housing Authority may release the information collected.

The Housing Authority follows specific security procedures to ensure that all EIV data is protected in accordance with Federal laws, regardless of the media on which the data is recorded (e.g. electronic, paper). These requirements are contained in the HUD issued document, *Enterprise Income Verification (EIV) System, Security Procedures for Upfront Income Verification data*.

CHAPTER 19: PORTABILITY

19. Introduction

Freedom of choice is a hallmark of the Housing Services program. Therefore, HUD regulations impose few restrictions on where families may live or move with continued assistance. Federal regulations permit families participating in the Housing Services program to move with continued assistance to a unit outside of the Housing Authority's jurisdiction under portability procedures. However, a family may move with assistance only to an area where there is at least one (1) Public Housing Authority (PHA) administering the program. If there is more than one PHA in the area, the Housing Authority may choose the receiving PHA.

This chapter sets forth HUD regulations and Housing Authority policies governing moves outside the Housing Authority's jurisdiction.

19.1 Allowable Moves under Portability for Applicants [24 CFR 982.353 and 24 CFR 982.355]

Applicants may be allowed to move under portability in accordance with the policies described in this section.

19.1.1 *Term-Limited Lease Assistance and Streamlined Lease Assistance*⁶¹

Applicant families must first lease up in the Housing Authority's jurisdiction and may only be permitted to move in accordance with the Program Moves policies outlined in Chapter 13 of this Administrative Plan. The Housing Authority will consider exceptions to this policy for purposes of reasonable accommodation reasons related to domestic violence, dating violence, sexual assault, or stalking. However, any exception to this policy is subject to the approval of the receiving PHA.

The Housing Authority is responsible for determining whether the family is income eligible in the area to which the family wishes to move. If an applicant family is not income eligible in that area, the Housing Authority must inform the family that they may not move there and receive assistance.

⁶¹ The Housing Authority's FY 2009 Moving to Work Annual Plan including Activity 8: Local Policies for Portability.

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19.1.2 Traditional, Regulatory Assistance for Special Purpose Programs, Except for the Emergency Housing Voucher Program

If neither the head of household nor the spouse/cohead of an applicant family had a domicile (legal residence) in the Housing Authority's jurisdiction at the time the family's application for assistance was submitted, the family must live in the County of San Bernardino with assistance for at least twelve (12) months before requesting portability.

The Housing Authority will consider exceptions to this policy for purposes of special purpose program regulatory compliance, reasonable accommodation or reasons related to domestic violence, dating violence, sexual assault, or stalking. However, any exception to this policy is subject to the approval of the receiving Housing Authority. HUD also gives the Housing Authority discretion to deny a portability move by an applicant family for insufficient funding and grounds for denial or termination of assistance.

The Housing Authority is responsible for determining whether the family is income eligible in the area to which the family wishes to move. If the applicant family is not income eligible in that area, the Housing Authority must inform the family that they may not move there and receive assistance.

19.1.3 Emergency Housing Voucher (EHV) Program

Families assisted through the EHV program may exercise portability regardless of the family's residency at time of application. If the receiving PHA does not administer an EHV program, it may absorb the family under its own ACC or bill the initial PHA. If the receiving PHA does administer EHV, it may either bill or absorb the family if an EHV voucher is available. If portability is in connection to the family's initial lease-up under EHV, the initial PHA and receiving PHA must consult and coordinate on EHV services and assistance.

19.1.4 Local Disaster Short-Term Rental Assistance Program

Families assisted through this program may not exercise portability to another jurisdiction unless the receiving PHA will absorb the family.

19.2 Allowable Moves Under Portability for Participants [24 CFR 982.353(d)(2) and 24 CFR 982.355(c)(1)]

The Housing Authority will determine whether a participant family may move out of the jurisdiction with continued assistance in accordance with the policies described in this Chapter and Chapter 13 of this Administrative Plan.

The Housing Authority will not provide portable assistance for a participant if a family has moved out of its assisted unit in violation of the lease. VAWA creates an exception to this

prohibition for families who are otherwise in compliance with program obligations but have moved to protect the health or safety of an individual who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if they remained in the unit.

The income eligibility of a participant family is not redetermined if the family moves to a new jurisdiction under portability. The Housing Authority will send the last recertification to the receiving PHA with supporting documentation.

All outgoing portability families must attend a move briefing and adhere to the Housing Authority's Program Moves guidelines described in Chapter 13 of Administrative Plan.

19.2.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

The Housing Authority may not require participants porting to other jurisdictions to comply with the Housing Authority's local requirements, while the participant's assistance is being administered by another Housing Authority.

19.2.2 Traditional, Regulatory Assistance for Special Purpose Programs [PIH Notice 2011-53]

The Veteran's Affairs Support Housing (VASH) program has additional portability requirements. Portability policies under VASH depend on whether the family wants to move within or outside of the initial Veterans Affairs (VA) facility's catchment area. In all cases of portability, except for moves due to VAWA, the initial VA facility must be consulted prior to the move and provide written confirmation that case management will continue to be provided in the family's new location. In all cases of portability within the same catchment area, the initial VA facility must make the determination regarding which VA facility will provide the family with case management. This determination will ultimately affect whether the receiving PHA can absorb the family. If a VASH participant ports to another jurisdiction outside the VA's catchment area due to VAWA, the receiving VA must admit the veteran escaping violence into their caseload.

If the receiving PHA does not administer a VASH program, it must always bill the initial PHA. If the receiving PHA does administer VASH, it may only absorb the family if a HUD-VASH voucher is available and case management can be provided through a VA facility that partners with the receiving PHA.

Continuum of Care, HOPWA and No Child Left Unsheltered families may not port out to other jurisdictions.

19.3 Search Term Extensions

The Housing Authority will not approve extensions to a voucher or family obligations agreement issued to an applicant or participant family porting out of the Housing Authority's jurisdiction except under the following circumstances:

- The initial term will expire before the portable family will be issued a voucher by the receiving PHA;
- The family decides to return to the Housing Authority's jurisdiction and search for a unit there;
- The family decides to search for a unit in a third PHA's jurisdiction. In such cases, the policies on extensions set forth in the Chapter 8 of this Administrative Plan will apply, including the requirement that the family apply for an extension in writing prior to the expiration of the initial term.

To receive or continue receiving assistance under the Housing Authority's Housing Services program, a family that moves to another PHA's jurisdiction under portability must be under contract in the receiving PHA's jurisdiction within sixty (60) days following the expiration date of the Housing Authority's voucher or family obligations agreement term (including any extensions).

19.4 Billing Procedures [Notice PIH 2011-03]

As receiving PHA, the Housing Authority will initiate billing by submitting to the initial Housing Authority form HUD-52665, Part II-B as well as a copy of the initial HUD-50058 form. The billing cycle for other amounts, including administrative fees will be monthly unless requested otherwise by the initial Housing Authority.

The receiving Housing Authority will bill one hundred percent (100%) of the payment to the owner, and the lesser of eighty percent (80%) \ of the administrative fee (at the initial Housing Authority's rate, pro-rated if applicable) or one-hundred percent (100%) of the receiving Housing Authority administrative fee (pro-rated if applicable) for each "portability" unit leased as of the first day of the month.

Under the Emergency Housing Voucher program, the receiving PHA is entitled to the placement fee and issuance reporting fee and may be reimbursed for the cost of services and assistance provided to the family up to a maximum of \$1,750.

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The receiving Housing Authority will notify the initial Housing Authority of changes in subsidy amounts and will provide, on an annual basis and for any interims, a copy of the family's HUD-50058 and HUD 52665 form and will expect the initial Housing Authority to notify the receiving Housing Authority of changes in the administrative fee amount to be billed.

19.5 Incoming Portability Families

After November 1, 2014, all elderly and/or disabled incoming portability families, with the exception of participants in Traditional, Regulatory Assistance for Special Purpose programs, will become participants in the Streamlined Lease Assistance program. On or after November 1, 2017, families where the head of household, spouse or cohead is under fifty-seven (57) years of age and is not disabled will participate in the Term-Limited Lease Assistance program.⁶²

All incoming portability families must attend a briefing. Prior to the Housing Authority scheduling the briefing, the Housing Authority must receive all required documentation, including HUD Form 52665, the Voucher or Family Obligations Agreement, the most recent 50058 and supporting documentation for income. Although income is not redetermined for eligibility, all adult members eighteen (18) years and older must pass the Housing Authority's criminal background screening criteria in accordance with Chapter 3 of this Administrative Plan.

19.5.1 Returning Term-Limited Lease Assistance Portability Families

Returning Term-Limited Lease Assistance portability families are those who initially participated in the Term-Limited Lease Assistance program, ported to another jurisdiction where they leased-up, and later returned to HACSB. If the family returns after having been absorbed by the receiving housing authority, then the family will start a new five year term. If the family returns after the receiving housing authority had been billing, the family would resume the remainder of their term. For example, a Term-Limited Lease Assistance family with 14 months remaining on their term ports out to another housing authority. The family leases-up and the receiving housing authority bills HACSB for two years. After two years, the family elects to port back to HACSB. The family has 14 months remaining on their term when they return.

⁶² The FY 2009 Moving to Work Annual Plan including Activity 8: Local Policies for Portability which allows HACSB to apply its MTW flexibility to inbound portability families.

19.5.2 Terminations of Inbound Portability Families

The Housing Authority will notify the initial Housing Authority in writing of any termination of assistance within ten (10) days of the termination. If an informal hearing is required and requested by the family, the hearing will be conducted by the Housing Authority, following the established hearing procedures included in this plan.

CHAPTER 20: PROJECT-BASED ASSISTANCE PROGRAM

20. Introduction [24 CFR 983.2]

The Housing Authority will allocate funding for qualifying projects within the county of San Bernardino under the Project-based Voucher Program, known hereafter as the Project-based Assistance (PBA) program. Much of the tenant-based Housing Services program regulations also apply to the project-based assistance program. The provisions of the tenant-based regulations that do not apply to the project-based assistance program are listed at 24 CFR 983.2. Except as otherwise noted in this chapter, or unless specifically prohibited by project-based assistance program regulations, the Housing Authority policies for the tenant-based program contained in this Administrative Plan also apply to the project-based assistance program and its participants.

In accordance with HACSB's approved MTW Activity 11: Local Project-Based Voucher Program, these policies governing HACSB project-based vouchers will also apply to project-based Veterans Affairs Supportive Housing (VASH) vouchers effective January 1, 2019, or as soon as practicable thereafter.

20.1 General Requirements [24 CFR 983.5, 983.7 and 983.8]

The Housing Authority will attach a Housing Assistance Payments (HAP) contract to rental property where the owner has constructed or rehabilitated the rental property with funding sources other than those provided under the United States Housing Act of 1937.

The Housing Authority may use up to thirty (30%) of its MTW baseline units for project-based assistance.⁶³ The Agency may project-base up to one hundred percent (100%) of all units in any project-based assistance community. The Housing Authority may execute HAP contracts for a term of up to twenty (20) years. Contract extensions not to exceed twenty (20) years per extension may be approved if determined appropriate to continue providing affordable housing for low-income families.

Any persons displaced as a result of implementation of the project-based assistance program must be provided relocation assistance in accordance with the requirements of

⁶³ The FY 2009 Moving to Work Annual Plan included Activity 11: Local Project-Based Voucher Program which allowed for an increase in the amount of project-based assistance that can be administered by the Housing Authority as well as other program criteria. Subsequent amendments modified components of the Local Project-Based Voucher Program.

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the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) [42 U.S.C. 4201-4655] and implementing regulations at 49 CFR part 24.

The Housing Authority must comply with all equal opportunity requirements under federal law and regulations in its implementation of the project-based assistance program. This includes the requirements and authorities cited at 24 CFR 5.105(a), 24 CFR 983.8, 24 CFR 903.7(o), and Section 504 of Rehabilitation Act.

20.1.1 Allocation Thresholds and Supportive Services Requirements

As detailed in section 20.1, per the Housing Authorities Local Project-Based Assistance policies, the HACSB may project base up to one-hundred percent (100%) of all units in any project-based assistance community without the units above the regulated cap of 25% of units or 25 units in a single community, whichever is greater, having to qualify as 'exception' units.⁶⁴ This means that if the Housing Authority chooses to project base above 25% of units or more than 25 units in a single community, the supportive services in connection with 'exception unit' criteria per CFR 983.57 are not necessarily required. However, the Housing Authority may under certain circumstances enter into a Project-Based Voucher contract with an owner/developer that requires supportive service provision due to the needs of the special population being housed. When these circumstances occur the requirements of service provision will be the same as those detailed in section 20.9.2.3, Supportive Services Guidelines and Requirements, unless a Memorandum of Understanding is executed between the Housing Authority and the owner/developer which details other services that satisfy the service provision needs of the population. Additionally, family participation in services under the project-based program is voluntary.

20.2 Project-based Assistance Owner Proposals [24 CFR 983.51(b)]

After determining the availability of funding for project-based assistance, the Housing Authority will seek out qualifying housing developments and will attach Housing Assistance Payments contracts to specified units and/or a specified number of units within the development. The Agency will give preference to Housing Authority-owned or affiliate-owned properties.⁶⁵ A formal procurement will not be undertaken to attach project-based

⁶⁴ The FY 2009 Moving to Work Annual Plan included Activity 11: Local Project-Based Voucher Program which allowed for an increase in the amount of project-based assistance that can be administered by the Housing Authority as well as other program criteria. The FY 2010 Moving to Work Annual Plan, Amendment 3 also clarified the components of the Local Project-Based Voucher Program.

⁶⁵ The FY 2009 MTW Plan, through the creation of the Local Project-Based Voucher Program allows the Housing Authority to first provide project-based assistance to Housing Authority owned or Affiliate owned properties.

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assistance at these types of properties. However, should there be no Housing Authority-owned or affiliate-owned properties appropriate and/or available for project-based assistance, the Housing Authority will periodically solicit proposals from owners for developments which would qualify for project-based assistance. The Housing Authority will publicly advertise the solicitation.

Upon meeting the public advertisement requirements, a competitive selection of units will be followed. Qualifying property owners will have thirty (30) days after the date the advertisement is last published to submit to the Housing Authority a Letter of Intent and a written narrative to the following evaluation criteria:

- Documented need for affordable rental housing in the area where the units are located;
- The extent to which the units contribute to the geographic distribution of affordable housing within the community in which they are located;
- Proposed units fully meet Housing Authority Inspection Standards;
- Prior experience of the owner/applicant in managing affordable rental housing properties; and
- Location of the units in relation to public facilities, transportation and other services.

The Housing Authority may also select proposal that were previously selected based on a competition. This may include selection of a proposal for housing assisted under a federal, state, or local government housing assistance program that was subject to a competition in accordance with the requirements of the applicable program, community development program, or supportive services program that requires competitive selection of proposals (e.g., HOME, and units for which competitively awarded LIHTCs have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements within three (3) years of the project-based assistance proposal selection date, and the earlier competitive selection proposal did not involve any consideration that the project would receive project-based assistance.

The Housing Authority will follow all standard procurement policies of the Agency throughout the project-based assistance solicitation process. The Housing Authority may only provide project-based assistance in accordance with HUD's subsidy layering and environmental review requirements.

20.2.1 Site Selection Policy and Compliance with PBV Goals

Sites selected for PBV assistance must be consistent with the statutory goals of deconcentrating poverty and expanding housing and economic opportunities and must be consistent with the HACSB's Moving to Work Plan and Local Project-Based Voucher Policies.

The owner of a proposed PBV site must, therefore, establish conclusively that the site meets at least one of the following criteria:

1. The census tract in which the proposed PBV development will be located is in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community.
2. The proposed PBV development is located in a census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition.
3. The census tract in which the proposed PBV development will be located is undergoing significant revitalization. A site will meet this criteria if the census tract is located wholly or partially or is immediately adjacent to one of the following areas:
 - A Federal Empowerment Zone or Promise Zone;
 - A State of California Enterprise Zone;
 - A (former) Community Redevelopment Project, Earthquake Assistance Project or
 - Revitalization Project designated by the corresponding City's or County's Former Redevelopment Agency;
 - Any designated Brownfield Initiative site or Showcase Community site or successors to these designated sites;
 - Any other federal, state or locally designated areas whose purpose is to revitalize the community;
 - State, local or federal dollars have been invested in the area that has assisted in the achievement of the statutory requirement;
 - New market rate units are being developed in the same census tract in which the proposed PBV site will be located and the owner can establish the likelihood that such market rate units will positively impact the poverty rate in the area;

- The poverty rate and minority concentration rate in the census tract in which the proposed PBV development;
- will be located or the related City/County Planning Area in which the PBV development will be located does not exceed that of the Metropolitan Statistical Area (MSA) by more than 20 percent according to the latest Decennial Census; or
- If the poverty rate and minority concentration rate in both the census tract in which the PBV development will be located and the City/County Planning Area in which the PBV development will be located is 20 percent greater than that of the MSA according to the latest Decennial Census, whether a more recent federal, state or local determination of the poverty rate shows that the poverty rate has declined over the past five years.

The owner must additionally indicate whether there are meaningful opportunities for educational and economic advancement in the census tract or any contiguous census tracts.

20.2.2 Additional Requirements for all PBV Housing

The owner must certify and the HACSB must determine that the site is suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964 (see 24 CFR part 1), Title VIII of the Civil Rights Act of 1968 (see 24 CFR parts 100 through 199), Executive Order 11063 (see 24 CFR part 107), and the section 504 site selection requirements described in 24 CFR 8.4(b)(5).

20.2.3 Additional Requirements for Existing and Rehabilitated Housing (24 CFR 983.57)

For existing and rehabilitated housing, the owner must establish that the proposed PBV site meets the site and neighborhood standards of HACSB's Local Moving to Work Project-Based program and is in compliance with section 20.2.1, Site Selection Policy and Compliance with PBV Goals of this Administrative Plan.

20.2.4 Additional Requirements for New Construction (24 CFR 983.57)

For new construction the owner must establish that the proposed site meets the standards of HACSB's Local Moving to Work Project-based program and is in compliance with section 20.2.1, Site Selection Policy and Compliance with PBV Goals, of this Administrative Plan.

20.2.5 How HACSB Site Selection Policy Promotes PBV Goals (24 CFR 983.57)

The HACSB believes that providing PBV-assisted units under a HAP contract will almost always of itself expand housing opportunities for low-income people. PBV units located in areas of higher poverty will provide families already residing in that area with decent, safe and affordable housing which may not be available in the area. Units located in areas of low poverty provide low-income families affordable housing in areas more likely to promote their self-sufficiency and provide a supportive living environment.

In addition to the policies detailed in the HACSB Local Project-Based Voucher Moving to Work program⁶⁶, the HACSB may also rely on HUD's published determinations that meeting any of the seven criteria of section 20.2.1 above promotes the PBV goals of deconcentrating poverty and expanding housing and economic opportunities.

- A. HUD-designated Enterprise Zones, Economic Community and Renewal Community Zones are eligible to share billions of dollars in tax incentives to stimulate job growth, promote economic development and create affordable housing. HUD has indicated that these goals are consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities for thousands of Americans.
- B. A reduction in the number of low-income housing units in a census lowers the poverty rate of the project area thus deconcentrating poverty. Placement of PBV units in such areas retains housing opportunities for low-income families in improving areas. HUD has indicated in its Notices of Regulatory Waivers that locating PBV assistance in an area in which there was a reduction in the number of assisted low-income housing units in the census tract was consistent with the goals of deconcentrating poverty and expanding housing and economic opportunity. See the following HUD waivers: Federal Register 3/11/2004, page 11733, column 1; Federal Register 1/12/2005, page 2239, column 2; Federal Register 11/7/2005, page 67565, column 1; Federal Register 2/17/2006, page 872, column 2.
- C. HUD has indicated in its Notices of Regulatory Waiver Requests granted between 2002 and 2005 that locally designated renewal, enterprise and redevelopment and revitalization areas have goals that are consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities for thousands of Americans. Federal Empowerment Zones, California Enterprise Zones, (former)

⁶⁶ The FY 2009 Moving to Work Annual Plan included Activity 11: Local Project-Based Voucher Program which allowed for an increase in the amount of project-based assistance that can be administered by the Housing Authority as well as other program criteria. The FY 2010 Moving to Work Annual Plan, Amendment 3 also clarified the components of the Local Project-Based Voucher Program.

Community Redevelopment Projects, Brownfield, Showcase Community and other revitalization projects are created to bring new business ventures to an area, revitalize decaying or stagnant economies, and encourage the construction and/or rehabilitation of housing or the provision of affordable housing. Placement of a PBV site in such areas is consistent with the goals of deconcentrating poverty and expanding housing and economic opportunities.

- D. HUD has similarly noted in its Notices of Regulatory Waiver Requests granted between 2002 and 2005 that siting PBV assistance in an area in which public or private investment that contributes to the statutory goals has been or will be made meets the goals of deconcentrating poverty and expanding housing and economic opportunities. State and local government expenditures and activities that provide incentives to businesses to locate or expand in the project area provide additional economic opportunities for families at the project site. These local incentives frequently include loans, grants, financing assistance and other local assistance for families to improve existing housing. They also provide for upgrades in infrastructure that lead to economic improvement in the area. Locating PBV-assisted housing in such areas allows the residents to take advantage of emerging business and economic opportunities. See the following HUD waivers: Federal Register 10/10/2002, page 63218, columns 2 and 3; Federal Register 3/19/2003, page 54943, columns 2 and 3; Federal Register 4/27/2003, page 16917, column 2 and page 16918, column 1; Federal Register 3/11/2004, page 11733, column 3; Federal Register 11/4/2004, page 64457, column 2; Federal Register 11/7/2005, page 67565, column 3;
- E. New market rent units being developed in an area and increases in the sales prices of current market rent units are indicators that an area is moving toward the statutory goal of deconcentrating poverty. Both of these indicate that the area is shifting toward a lower poverty area. Locating PBV assisted units in such upwardly mobile areas is consistent with deconcentrating poverty and expanding housing and economic opportunity by creating and retaining affordable housing in the area. See the following HUD waivers: Federal Register 8/23/2002, page 54725, column 1; Federal Register 3/11/2004, page 11732, column 3; Federal Register 2/17/2006, page 8773, column 1 and page 8775, column 2.
- F. The goal of deconcentrating poverty and expanding housing and economic opportunities is similarly met in the respective City or County unincorporated area if selected sites will be located in areas in which the poverty rate is lower than the overall poverty rate of

the respective City or County unincorporated area , or the site is located in an area in which poverty has been shown to have decreased within the last 5 years. Locating a PBV-assisted building in such areas deconcentrates poverty directly. Meeting one of the seven specific criteria of Section 20.2.1 above, and the requirements of Section 20.2.2, 20.2.3 or 20.2.4 will insure that project-based assistance at the proposed site is consistent with the PBV goal of deconcentrating poverty and expanding housing and economic opportunities.

20.2.6 HACSB Determinations for Existing and Rehabilitated Housing

The HACSB will ensure by physical inspection of the site that it is adequate in size, exposure and contour to accommodate the number and type of units proposed and that adequate utilities and streets are available to service the site.

The HACSB will ensure by examining the owner's proposal and based on its knowledge of the proposed site and area, that selection of the site will promote greater choice of housing opportunities.

The HACSB will ensure that the site will avoid an undue concentration of assisted persons in areas that contain a high proportion of low-income persons. The HACSB must, however, take into consideration that areas designated as revitalization, redevelopment, enterprise and empowerment zones as well as HUD designated Enterprise Zones, Economic Communities, or Renewal Communities will more than likely already contain a large number of low-income persons and that providing affordable housing that is decent, safe and sanitary in these areas can leverage such families out of poverty and expand housing and economic opportunities especially if the PBV site will provide supportive services.

The HACSB will ensure that the site is accessible to social, recreational, educational, commercial, and health facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.

The HACSB will consider whether travel time and cost via public transportation or private automobile to places of employment providing a range of jobs for low-income workers is excessive.

20.2.7 Additional/ Alternative Requirements for Veterans Affairs Supportive Housing (VASH) PBV Housing

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HACSB may convert tenant-based HUD-VASH vouchers to project-based HUD-VASH vouchers with support of the Veterans Administration Medical Center (VAMC) up to the established PBV cap.

In consultation with the VAMC, HACSB and a project owner may amend the PBV HAP contract to redesignate a regular PBV unit as a unit specifically designated for HUD-VASH. Conversely, HACSB and an owner may redesignate a HUD-VASH PBV unit as a regular PBV unit as long as the unit is not funded by a HUD-VASH PBV set-aside award and the unit is eligible for regular PBV. HACSB will not use the waiting list to fill a HUD-VASH PBV unit vacancy.

All newly established PBV units must be selected, developed and operate in accordance with PBV program regulations and as defined in Section 20 of this Administrative Plan, except as described below.

VASH Program Requirements:

Tenants shall be selected in accordance with 3.11.5.2 of this Administrative Plan.

A. Right to Move

- The family may terminate the assisted lease any time after the first year of occupancy. If the family has elected to terminate the lease in this manner, the HACSB must offer the family the opportunity for continued tenant-based rental assistance in the form of either assistance under the voucher program or other comparable tenant-based rental assistance as defined in 24 CFR 983.3. Comparable rental assistance would be a subsidy or other means to enable a family to obtain decent housing in the PHA jurisdiction renting at a gross rent that is not more than 40 percent of the family's adjusted monthly gross income.
- However, before providing notice to terminate the lease (with a copy to the HACSB), the family must contact the HACSB to request comparable tenant-based rental assistance if the family wishes to move with continued assistance. If a voucher or other comparable tenant-based rental assistance is not immediately available, the HACSB must give the family priority to receive the next available opportunity for continued tenant-based rental assistance.

B. Continued Case Management Service Requirement:

- A HUD-VASH family must receive case management services from the VAMC or CBOC; however, a VAMC or CBOC determination that the participant family no longer requires case management is not grounds for termination of assistance. In such cases where a HUD-VASH family wishes to move from its PBV unit, at its option, the HACSB may offer the family continued HCV assistance through one of its regular vouchers to free up the HUD-VASH voucher for another eligible family referred by the VAMC or CBOC.
- Where case management is still required, tenant-based rental assistance will be limited to jurisdictions where VAMC or CBOC case management services are available as defined in section II.f. of the Operating Requirements and any other applicable notices.
- If no HUD-VASH voucher or comparable tenant-based rental assistance is available, the HACSB must:

C. If a HUD-VASH tenant-based voucher is not available at the time the family wants (and is eligible) to move, the PHA could require the family to wait for a HUD-VASH tenant-based voucher for a period not to exceed 180 days;

D. If a HUD-VASH tenant-based voucher is still not available after that period of time, the family must be allowed to move with its HUD-VASH voucher and the HACSB would be required to replace the assistance in the PBV unit with one of its regular vouchers unless the HACSB and owner agree to remove the unit from the HAP contract; and

E. If after 180 days, a HUD-VASH tenant-based voucher does not become available and the PHA does not have sufficient available funding in its HCV program to attach assistance to the PBV unit, the family may be required to remain in its PBV unit until such funding becomes available. In determining if funding is insufficient, the PHA must take into consideration its available budget authority, which also includes unspent prior year HAP funds in the PHA's Net Restricted Assets account.

20.3 Dwelling Units [24 CFR 983.101 and 983.101(c)]

The Inspection Standards described in Chapter 10 of this Administrative Plan for the tenant-based assistance program generally apply to the project-based assistance

program. The physical condition standards at 24 CFR 5.703 do not apply to the project-based assistance program.

The lead-based paint requirements for the tenant-based program do not apply to the project-based assistance program. Instead, the Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856) and implementing regulations at 24 CFR part 35, subparts A, B, H and R apply to the project-based assistance program.

The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. The Housing Authority must ensure that the percentage of accessible dwelling units complies with the requirements of section 504 of the Rehabilitation Act of 1973 as implemented by HUD regulations at 24 CFR 8, subpart C. Housing first occupied after March 13, 1991 must comply with design and construction requirements of the Fair Housing Amendments Act of 1998 and implementing regulations at 24 CFR 100.201 as applicable.

20.3.1 Unit Types

The Housing Authority may attach project-based assistance to existing housing or newly constructed or rehabilitated housing in accordance with 24 CFR 983.52. The Housing Authority may also attach project-based assistance to the following other housing types listed at 24 CFR 983.53: Shared housing; units on the grounds of a penal, reformatory, medical, mental health, or similar public or private institution; nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care; manufactured homes; transitional housing; single-room occupancy; and congregate housing. The Housing Authority may attach project-based assistance to other housing types as needed.⁶⁷

20.4 Inspecting Units [24 CFR 983.103(a)]

20.4.1 Pre-HAP Contract Inspections

The Housing Authority must inspect each contract unit prior to execution of the HAP contract. The Housing Authority may not enter into a HAP contract covering a unit until the unit fully complies with inspection standards. Any newly constructed development that has a Certificate of Occupancy less than one (1) year old at execution of a HAP Contract

⁶⁷ The modification to HACSB's MTW Activity 11 made through the FY 2017 MTW Plan allows the Agency to attach Project-Based Assistance to other housing types.

with the Housing Authority will be considered to meet Pre-HAP contract inspection requirements⁶⁸.

20.4.2 Turnover Inspections

Before providing assistance to a new family in a contract unit, the Housing Authority must inspect the unit. The Housing Authority may not provide assistance on behalf of the family until the unit fully complies with Housing Authority inspection standards.

20.4.3 Annual Inspections

At least annually during the term of the HAP contract, the Housing Authority will inspect a random sample consisting of at least twenty percent (20%) of the units covered under the HAP Contract to determine if the contract units and the premises are being maintained in accordance with inspection standards. Turnover inspections are not counted toward meeting this annual inspection requirement.⁶⁹

20.4.4 Other Inspections

The Housing Authority must inspect contract units whenever needed to determine that contract units comply with inspection standards and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. The Housing Authority must also take into account complaints and other information coming to its attention in scheduling inspections.

The Housing Authority must conduct follow-up inspections needed to determine if the owner (or if applicable, the family) has corrected an inspection violation, and must conduct inspections to determine the basis for exercise of contractual and other remedies for owner or family violations of inspection standards.

20.4.5 Inspecting Housing Authority-Owned or Affiliated-Owned Units

Inspections for Housing Authority-owned or affiliate-owned units must be performed by an independent agency designated by the Housing Authority.

⁶⁸ The FY 2009 MTW Plan created a local Project-Based Voucher program that allows the Agency to use the Certificate of Occupancy.

⁶⁹ The FY 2022 MTW Plan modified Activity 11: Local Project-Based Voucher Program to group all units under a single HAP contract into a single building for the purpose of determining the number of inspections to be performed.

20.5 Rehabilitated and Newly Constructed Units [24 CFR 983.151]

In order to offer project-based assistance in rehabilitated or newly constructed units, the Housing Authority must enter into an Agreement to Enter into Housing Assistance Payments Contract (AHAP) with the owner of the property.

In the Agreement the owner agrees to develop the project-based contract units to comply with inspection standards and the Housing Authority agrees that upon timely completion of such development in accordance with the terms of the AHAP, the Agency will enter into a HAP contract with the owner for the contract units.

If an Agreement covers the development of nine (9) or more contract units (whether or not completed in stages) the owner and the owner's contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in the development of housing. The owner, contractors and subcontractors must also comply with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5 and other applicable federal labor relations laws and regulations.

The owner must comply with Section 3 of the Housing and Urban Development Act of 1968 and the implementing regulations at 24 CFR part 135. The owner must also comply with federal equal employment opportunity requirements.

The Agreement and HAP Contract must include a certification by the owner that the owner and other project principals are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs. The owner must also disclose any possible conflict of interest that would be a violation of the AHAP, HAP contract or HUD regulations.

The AHAP must specify the deadlines for completion of the housing and the owner must develop and complete the housing in accordance with these deadlines. The Agreement must also specify the deadline for submission by the owner of the required evidence of completion.

Upon notice from the owner that the housing is completed the Housing Authority must inspect to determine if the housing has been completed in accordance with the Agreement, including compliance with inspection standards and any additional requirements imposed under the AHAP. The Housing Authority must determine if the owner has submitted all required evidence of completion. If the Housing Authority has determined that the work has been completed in accordance with the AHAP and that the owner has submitted all required evidence of completion, the Housing Authority must

submit the HAP contract for execution by the owner and then must execute the HAP contract.

20.6 Housing Assistance Payments Contract [24 CFR 983.203]

The Housing Authority must enter into a HAP contract with an owner for units that are receiving project-based assistance. The Housing Authority may elect to enter into a HAP contract with an owner for a total number of units by bedroom size in the development rather than specify the exact units that will be subsidized. In addition, the Housing Authority may execute project-based assistance HAP contracts for groupings of non-contiguous scattered-site properties and to contract for a total number of units by bedroom size within a development rather than for specific units. At the Housing Authority's discretion the HAP contract may be amended to substitute a different unit and to add or reduce the number of units in a development or to provide for subsidy by number of units and bedroom size rather than delineate subsidy by unit.⁷⁰

The Housing Authority may not enter into a HAP contract until each contract unit has been inspected and the Housing Authority has determined that the unit complies with inspection standards. The Agency may enter into a HAP contract with an owner for an initial term of no less than one (1) year and no more than twenty (20) years. The term of the HAP contract will be negotiated with the owner on a case-by-case basis and will provide for the ability to match the term of the HAP contract to the term of another affordable housing subsidy component committed to the project. The HAP contract will include language noting that the funding of the contract is subject to the availability of federal appropriations.

The Housing Authority may enter into a renewal agreement with the owner at the time the Agency enters into the initial agreement for a HAP contract or at any time thereafter that is before the expiration of the HAP contract. A renewal agreement may commit an extension for a renewal term of up to twenty (20) years. A renewal agreement will include language noting that the funding of the contract renewal is subject to the availability of federal appropriations.

The HAP contract will provide that the term of the Housing Authority's contractual commitment is subject to the availability of sufficient appropriated funding as determined by HUD or the Agency in accordance with HUD instructions. For these purposes, sufficient funding means the availability of appropriations and of funding under the Annual Contributions Contract (ACC) from such appropriations to make full payment to the owner

⁷⁰ Under the MTW Demonstration, the Housing Authority may elect to develop a local HAP contract which will modify the terms and content of the HAP contract, including the unit/property mix.

for any contract year in accordance with the terms of the HAP contract. If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, the Housing Authority may terminate all or part of the HAP contract by notice to the owner. The termination must be implemented in accordance with HUD instructions.

The Housing Authority may not make any HAP payment to the owner for a contract unit during any period in which the unit does not comply with inspection standards. Abatements and terminations for non-compliant units will be administered in accordance with the policies used in the tenant-based program that are listed in Chapter 10 of this Administrative Plan.

20.6.1 HAP Contract Year, Anniversary and Expiration Dates [24 CFR 983.206(c) and 983.302(e)]

The HAP contract year is the period of twelve (12) calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term.

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year.

There is a single annual anniversary and expiration date for all units under a particular HAP contract, even in cases where contract units are placed under the HAP contract in stages (on different dates) or units are added by amendment. The anniversary and expiration dates for all units coincide with the dates for the contract units that were originally placed under contract.

20.6.2 Determining Contract Rent to Owner

Initial contract rent will be determined using the Housing Authority's market study that will determine local rental submarkets in lieu of the requirement to use a state certified appraiser, along with rent reasonableness standards administered under the tenant-based program. Rent to owner will be determined using guidelines implemented within the tenant-based program by Housing Authority staff rather than by a HUD approved entity.⁷¹

⁷¹ The FY 2009 MTW Plan created a Local Project-Based Voucher program and the FY 2010 MTW Plan, Amendment 3 further clarified the components of the local program, including rent setting.

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The amount of the initial rent to an owner of units receiving project-based assistance is established at the beginning of the HAP contract term. Although for rehabilitated or newly constructed housing, the agreement to enter into HAP Contract (Agreement) states the estimated amount of the initial rent to owner, the actual amount of the initial rent to owner is established at the beginning of the HAP contract term.

If an owner wishes to request an increase in the rent to owner from the Housing Authority, it must be requested at the annual anniversary of the HAP contract. The request must be in writing and in the form and manner required by the Housing Authority.

There are no provisions in the project-based assistance program for special adjustments (e.g. adjustments that reflect increases in the actual and necessary expenses of owning and maintaining the units which have resulted from substantial general increases in real property taxes, utility rates, or similar costs). An owner's request for a rent increase must be submitted to the Housing Authority at least ninety (90) days prior to the anniversary date of the HAP contract and must include the new amount the owner is proposing. If a rent increase is approved, the adjusted amount of the rent to owner applies for the period of twelve (12) calendar months from the annual anniversary of the HAP contract for all units including units in the initial term of the lease. The Housing Authority may not approve and the owner may not receive any increase of rent to owner until and unless the owner has complied with requirements of the HAP contract, including compliance with inspection standards, and has provided copies of the 60-day notices of rent increase served to the tenants. The owner may not receive any retroactive increase of rent for any period of noncompliance.

If there is a decrease in the rent to owner, as established in accordance with the Housing Authority's Local Payment Standards, the rent to owner must be decreased regardless of whether the owner requested a rent adjustment. However, if the HAP contract has established a rent floor, then the rent adjustments cannot be less than the initial contract rent.

The rent to owner is redetermined by a written notice by the Housing Authority to the owner specifying the amount of the redetermined rent. The Housing Authority notice of rent adjustment constitutes an amendment of the rent to owner specified in the HAP contract. The adjusted amount of rent to owner applies for the minimum of twelve (12) calendar months from the annual anniversary of the HAP contract and then until a new rent is determined.

20.6.3 Rent Reasonableness

The reasonable rent of a unit receiving PBV assistance must be determined by comparison to rent for other comparable unassisted units. When making this determination, the Housing Authority will consider factors that affect market rent. Such factors include the location, quality, size, type and age of the unit, as well as the amenities, housing services maintenance, and utilities to be provided by the owner.

For each unit, the comparability analysis must use at least three (3) comparable units in the private unassisted market. This may include units in the premises or project that is receiving project-based assistance. The analysis must show how the reasonable rent was determined, including major differences between the contract units and comparable unassisted units, and must be retained by the Housing Authority. The comparability analysis may be performed by Housing Authority staff or by another qualified person or entity. Those who conduct these analyses or are involved in determining the housing assistance payment based on the analyses may not have any direct or indirect interest in the property.

For the additional unit types eligible to be assisted using HACSB's MTW flexibility, HACSB will use its Local Payment Standard (LPS) to determine rent reasonableness and maximum HAP. If a shared housing unit is not fully occupied, HACSB will pay the full HAP for the unit for up to sixty days. After sixty days, the HAP will be prorated to reflect the percentage of occupied bedrooms.

20.7 Selection of Project-Based Assistance Program Participants [24 CFR 983.251(a) and (b)]

Many of the provisions of the tenant-based regulations also apply to the project-based assistance program. This includes requirements related to determining eligibility and selecting applicants from the waiting list. Even with these similarities, there are requirements that are unique to the project-based assistance program. For example, the Housing Authority maintains site-based waiting lists at each of its senior project-based assistance communities and a mixture of site-based and regional waiting list for other communities. These waiting lists are described in further detail below.

The Housing Authority will select families for the project-based assistance program in the following priority order:

1. In-place households:

- Eligible households who reside in the proposed project-based assistance contract unit on the date the proposal is awarded
- Eligible in-place public housing conversion families
- 2. Eligible public housing families who are displaced due to demolition and/or disposition of a public housing development
- 3. Current PBV program participants on the unit transfer list
- 4. Applicants on a Project-Based Assistance waiting list

Applicants for project-based assistance must meet the same eligibility requirements as applicants for the tenant-based program. It is the Housing Authority's objective to ensure that families are placed in the proper order on the waiting list and selected from the waiting list for admissions in accordance with the policies in this Administrative Plan. By maintaining an accurate waiting list, the Housing Authority will be able to perform the activities which ensure that an adequate pool of qualified applicants will be available so that program funds are used in a timely manner. The Housing Authority uses site-based waiting lists at each senior project-based development and regionalized waiting lists for its scattered-site communities. The owner must comply with all requirements outlined in this Administrative Plan. Owner developers awarded project-based units must submit the following plans to the Housing Authority for review and approval prior to execution of an AHAP or HAP Contract:

- Marketing Plan to describe marketing and outreach activities
- Tenant Screening Plan which covers, screening criteria and procedures and requirements when applicants do not meet the criteria.

The Housing Authority staff will conduct all aspects related to tenant eligibility, intake and recertification processes as outlined in the Eligibility chapter of this Administrative Plan.

20.7.1 Project-Based Communities Designated for Elderly Households

Certain project-based communities are designated for families where the head of household, spouse or cohead is sixty-two (62) years of age or older. Families that do not meet this age criteria are not eligible for the senior project-based communities.

20.7.2 Project-Based Communities for Special Needs

Certain project-based communities are designated for special needs and/or homeless populations and provide supportive services. To be eligible for project-based communities designated for families with special needs, families must be homeless and/or need the

specific service provided to the supportive housing residents. For these communities, the Housing Authority only accepts referrals to the waiting list from community partners.

20.7.2.1 No Child Left Unsheltered (NCLU)

Three (3) project-based voucher contracts provide forty (40) units designated for eligible unsheltered homeless families with children under the No Child Left Unsheltered (NCLU) program.⁷² Families with children must be unsheltered at time of application, but do not otherwise qualify as chronically homeless under the HUD definition, but who:

- Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 90 days immediately preceding the date of application for homeless assistance; and
- Have experienced persistent instability as measured by two moves or more during the six-month period immediately preceding the date of applying for homeless assistance; and
- Can be expected to continue in such status for an extended period of time because of chronic disability, chronic physical health or mental health conditions, substance use disorder, history of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or
- Two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment.

HACSB has partnered with a variety of local community service providers, including the school system, to identify and refer families, particularly those with school-age children, who are unsheltered. Service coordination for NCLU families is provided by the Department of Behavioral Health.

20.7.2.2 Veteran Program

Northgate Village provides 12 PBV units for homeless veterans who do not qualify for Veterans Administration (VA) services. HACSB has partnered with a variety of local veteran organizations to identify and refer eligible homeless veterans. Service coordination is provided by the Department of Behavioral Health.

20.7.2.3 Permanent Supportive Housing

Golden Apartments and Desert Haven provide PBV units with voluntary supportive services to homeless individuals and families. Referrals to the property waitlists are

⁷² The FY 2014 MTW Plan included Activity 23: No Child Left Unsheltered. In March 2015, the Housing Commission and Board of Governors approved 40 project-based voucher units reserved for this activity.

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received from the Coordinated Entry System (CES) and the Inland Empire Health Plan (IEHP). The CES referrals must meet the definition of chronically homeless under 24 CFR 578.3 and are prioritized based on the level of acuity. IEHP referrals must be homeless but do not need to meet the chronically homeless definition. Income limits may differ based upon the requirements of other funding sources utilized for the developments.

Ten units at Yucaipa Horizons and two units at Bloomington Phase I are designated for Mental Health Services Act (MHSA) housing program participants. The San Bernardino County Department of Behavioral Health (DBH) refers families qualifying for on-site supportive services to these waitlists.

Twenty (20) units at Bloomington III are designated for persons with disabilities who are homeless or at risk of homelessness. Ten (10) units are reserved for MHSA program participants who are referred to the waiting list by DBH. Ten (10) units are reserved for IEHP referrals.

Las Terrazas provides nine (9) units for homeless individuals under 20% AMI. CES is utilized for referrals to the property's waitlist. CES prioritizes referrals in the following order: (1) chronically homeless, (2) currently homeless, and (3) at-risk of chronic homelessness. Supportive services and case management are provided by DBH or a contractor.

20.8 In-Place Families [24 CFR 983.251(b)]⁷³

An eligible family residing in a proposed project-based assistance contract unit on the date the proposal is awarded by the Housing Authority is considered an "in-place family." These families are afforded protection from displacement under the project-based assistance program. This regulatory protection from displacement does not apply to families that are not eligible to participate in the PBA program. If a unit to be placed under contract (either an existing unit or a unit requiring rehabilitation) is occupied by an eligible family on the date the proposal is awarded the in-place family must be referred to the Housing Authority for determination of eligibility.

If the in-place family is in the wrong sized unit the family may not be admitted to the project-based assistance program for occupancy in their original unit. The owner may relocate the family to an appropriately sized project-based unit within the development or place the family on the project-based assistance site-based waiting list for an appropriate sized unit. However, the Housing Authority may allow an exception to this policy and

⁷³ The FY 2010 MTW Plan, Amendment 3 included flexibility related to in-place families.

admit a family in the wrong sized unit if the owner agrees to accept a project-based assistance contract rent that does not exceed the Housing Authority subsidy standard approved for the in-place family during the initial term of the lease. After the initial lease term, the Housing Authority will notify the family and the owner of the family's need to move based on occupancy in a wrong-size project-based assistance unit.

20.9 Public Housing Conversions

20.9.1 Public Housing Dispositions⁷⁴

In place public housing conversion families are continuously assisted applicants since the family is currently receiving assistance under a 1937 Housing Act program. The family is therefore not subject to the new admissions criteria for program eligibility and admission to the project-based assistance program. If an in-place public housing conversion family is admitted directly to the project-based assistance program the family is exempt from the minimum stay requirement and may immediately request to move with continued assistance. In-place public housing conversion families may also be admitted by Special Admission to a Housing Services program if HUD has awarded tenant protection funding for families living in those specific units.

An over-housed household residing in a Public Housing unit that is disposed of and converted to project-based assistance may remain in the unit and the Housing Authority will subsidize the household based on the size of the unit, not the qualifying subsidy standard. The Housing Authority may require such households to move to a comparable public housing unit, project-based assistance unit or with a tenant-based assistance for the number of bedrooms for which the family qualifies.

The Housing Authority may require an under-housed household residing in a Public Housing unit that is disposed of and converted to project-based assistance to move to a comparable public housing unit, a comparable project-based assistance unit or with a tenant-based assistance for the number of bedrooms for which the household qualifies. The Housing Authority may allow such a household to remain in the unit and the Housing Authority will subsidize the household based on the size of the unit, not the qualifying subsidy standard.

⁷⁴ The FY 2010 MTW Plan, Amendment 3 further clarified the Local Project-Based program and included additional detail on public housing conversions.

The Housing Authority Relocation Plan for any public housing conversion or disposition will specifically identify the plan for housing options affected households.

20.9.2 Rental Assistance Demonstration Conversions

Some of HACSB's PBV projects have been converted from public housing under the Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration Program (RAD) to the PBV program. All projects converted to PBV Assistance under RAD are subject to the requirements of HUD PIH Notice 2012-32. The RAD requirements are in addition to, and may modify, the requirements for PBV projects as set forth in this Chapter. RAD requirements extend certain rights related to the notification of termination and grievance process to PBV families living in RAD converted properties. For PBV households who are not living in RAD converted properties, the PBV rules apply. For any PBV project converted under RAD, in the event of a conflict between the RAD requirements and the requirements of this Chapter, the RAD requirements and/or approved Moving to Work flexibilities shall prevail.

20.9.2.1 Project-Based Voucher Policies Specific to Rental Assistance Demonstration Units

- Waiting List Administration: Per the RAD Notice (PIH 2012-32), the HACSB will establish site-based PBV waiting lists. Applicants on the public housing waiting list will be transitioned to the PBV waiting list through formal notification (in compliance with PIH 2012-32) and shall have priority on the newly formed PBV site-based waiting list, for the new project site in accordance with the date and time of their application to the original project's waiting list. For further information on how waiting list openings are noticed and applicants are selected for admission and processed for eligibility see Chapter 2.
- No Re-screening of Tenants upon Conversion: Pursuant to the RAD Notice, at conversion, current households are not subject to rescreening, income eligibility, or income targeting provisions. Consequently, current households will be grandfathered for conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion.
For example: A unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Thus, 24 CFR § 982.201, concerning eligibility and targeting, will not apply for current households. Once that remaining household moves out, the unit must be leased to an eligible family.
- Vacancy Payments: The HACSB will not make vacancy payments to the owner of the project(s) assisted under the RAD PBV HAP contract.

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- Relocation and Right to Return: Any residents that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to an assisted unit at the development once rehabilitation or construction is completed. Where the transfer of assistance to a new site is warranted and approved (RAD PIH-Notice 2012-32 Section 1.6.B.7 and Section 1.7.A.8 on conditions warranting a transfer of assistance), residents of the converting development will have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete. Residents of a development undergoing conversion of assistance may voluntarily accept a HACSB or Owner's offer to permanently relocate to another assisted unit, and thereby waive their right to return to the development after rehabilitation or construction is completed.
- Households in Wrong Sized Units: Over-housed families residing in a Public Housing unit that is converted under RAD may continue to reside in the same sized unit, and HACSB will subsidize the household based on the size of the unit, not the qualifying voucher size. Underhoused families may be required to move to a unit with the number of bedrooms for which the household qualifies.⁷⁵ For moves, following conversion, refer to section 20.18 Moves.
- Rent Calculation: Rent Calculation for legacy households at conversion from public housing: Pursuant to the RAD Program Notice PIH 2012-32, if a tenant's monthly rent increases by more than the greater of 10 percent or \$25 purely as a result of conversion, the rent increase will be phased in over 3 years. The below method explains the set percentage-based phase-in an owner must follow according to the phase-in period established. For purposes of this section "standard TTP" refers to the TTP calculated in accordance with regulations at 24 CFR 5.628 and the "most recently paid TTP" refers to the TTP recorded on line 9j of the family's most recent HUD Form 50058.
- Zero HAP/Over-income: Current residents living in the property prior to conversion are placed on and remain under the HAP contract when TTP equals or exceeds the gross rent or if the family is over-income. The amount the family pays in tenant rent differs depending on which version of the RAD notice governs the property:

⁷⁵ MTW Plan, Activity 11 clarifies treatment of over and underhoused families in RAD and non-RAD PBV developments.

- Under PIH 2012-32, REV-2, the family will pay the owner an amount equal to their TTP until such time as they are eligible for HAP.
- Under PIH 2012-32, REV 3 and PIH 2019-23 (REV-4), the family will pay the lesser of their TTP or the LIHTC maximum rent in the case of a mixed finance development until such time as they are eligible for HAP.

The family remains under assistance and HAP will be reinstated if the family's circumstances change. The family must comply with the family obligations and the unit must continue to comply with HQS requirements. Following conversion, newly admitted families must be income eligible and eligible for a HAP at admission in order to move into the unit. If a newly admitted family becomes over-income, the family's assistance will be terminated and the unit removed from the HAP contract. If the family becomes zero HAP after admission, the tenant's rent equals the contract rent amount to owner. Following 180 days after the last HAP payment to the owner, the family's assistance will be terminated and the unit removed from the HAP contract. If the family subsequently experiences a decrease in income after 180 days, their assistance is not reinstated. The family would have to reapply for waiting list in order to be assisted again. The termination of assistance does not affect the family's other rights under the lease.

Three Year Phase-in:

- Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 33% of difference between most recently paid TTP and the standard TTP
- Year 2: Year 2 Annual Recertification (AR) and any Interim Recertification (IR) prior to Year 3 AR – 66% of difference between most recently paid TTP and the standard TTP
- Year 3: Year 3 AR and all subsequent re-certifications – Full standard TTP

20.9.2.2 Termination of Tenancy for RAD Conversion Units [PIH Notice 2012-32]

Per the Rental Assistance Demonstration (RAD) Public and Indian Housing (PIH) Notice 2012-32, households that occupy RAD conversion units have additional protections in regard to termination of tenancy and eviction. These protections must be included in the owner's lease. For any PBV project converted under RAD, in the event of a conflict between the RAD Requirements and the requirements of this Chapter, the RAD

Requirements and/or approved Moving to Work flexibilities shall prevail. (Note that in the RAD context “owner” may also refer to the HACSB).

In addition to the regulations at 24 CFR 983.257, related to owner termination of tenancy and eviction, the HACSB will:

- Provide adequate written notice of termination of the lease which shall not be less than:
 1. A reasonable period of time, but not to exceed 30 days:
 - a. If the health or safety of other tenants, HACSB employees, or persons residing in the immediate vicinity of the premises is threatened; or
 - b. In the event of any drug-related or violent criminal activity or any felony conviction;
 2. 14 days in the case of nonpayment of rent; and
 3. 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.
- B. Grievance Process. For issues related to tenancy and termination of assistance, Project-Based Voucher (PBV) program rules require the HACSB to provide an opportunity for an informal hearing, as outlined in 24 CFR 982.555, and;
 1. In addition to reasons that require an opportunity for an informal hearing given in 24 CFR 982.555(a)(1)(i)-(vi), an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to a PHA (as owner) action in accordance with the individual’s lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident’s rights, obligations, welfare, or status.
 - a. For any hearing required under 24 CFR 982.555(a)(1)(i)-(vi), the contract administrator will perform the hearing, as is the current standard in the program.
 - b. For any additional hearings required under RAD, the HACSB (as owner) will perform the hearing.
 2. An informal hearing will not be required for class grievances or to disputes between residents not involving the HACSB (as owner) or contract administrator. This hearing requirement shall not apply to and is not intended as a forum for initiating or negotiating policy changes between a group or groups of residents and the HACSB (as owner) or contract administrator.

3. The HACSB (as owner) give residents notice of their ability to request an informal hearing as outlined in 24 CFR 982.555(c)(1) for informal hearings that will address circumstances that fall outside of the scope of 24 CFR § 982.555(a)(1)(i)-(vi).
4. The HACSB (as owner) provides opportunity for an informal hearing before an eviction.

20.9.2.3 Supportive Services Guidelines and Requirements

All projects converted to PBV Assistance under RAD are subject to the requirements of HUD PIH Notice 2012-32, including Supportive Services provision. For any PBV project converted under RAD, in the event of a conflict between the RAD Requirements and the requirements of this Chapter, the RAD Requirements and/or approved Moving to Work flexibilities shall prevail.⁷⁶ The Housing Authority will detail the requirements of compliance with supportive services in the Family Obligations Agreement that is signed and acknowledged by the resident household.

Qualifying Supportive Services

1. Participation in any of the HACSB's Family Self Sufficiency programs;
2. Child care – child care of a type that provides sufficient hours of operation and serves an appropriate range of ages;
3. Transportation – transportation necessary to enable a participating family to receive available services, or to commute to their places of employment;
4. Education – remedial education; education for completion of secondary or post-secondary schooling, English as Second Language (ESL) classes;
5. Employment – job training, preparation, and counseling; job development and placement; and follow-up assistance after job placement and completion of the contract of participation;
6. Personal Welfare – substance/alcohol abuse treatment and counseling;
7. General health care and services – mental health services; HIV/AIDS related services; behavior assessments
8. Household skills and management – training in homemaking and parenting skills; household management; money management; nutrition; obtaining and retaining government, financial and medical benefits; family counseling;
9. Legal Services

⁷⁶ HACSB received a waiver of the supportive services requirements for RAD conversions.

10. Other services – any other services and resources, including case management, or reasonable accommodations for individuals with disabilities, that the HACSB determines to be appropriate in assisting families to achieve economic independence and self-sufficiency.

To qualify as in receipt of supportive services a family must have at least one member receiving at least one qualifying supportive service.

At the family's regularly scheduled recertification, HACSB will review documentation from the service provider or the owner indicating the family's continued compliance with the terms of the supportive services programs. Project owners will also be expected to provide some level of monitoring of the services provided. At HACSB's discretion, HACSB may request additional documentation of compliance with supportive service obligations.

Family Failure to Comply with Supportive Service Requirements: Failure without good cause by a family to complete or comply with its supportive service participation requirements may result in termination of the project-based assistance for that unit and may result in the termination of the lease by the project owner.

20.10 Local Project-Based Voucher Subsidy for Tax Credit Developments

The Housing Authority may use a different tenant rent (TTP) and housing subsidy calculation for certain tax credit developments.⁷⁷ The TTP will be based on the applicable tax credit rent according to the unit size and target Adjusted Monthly Income (AMI) for the unit. The housing subsidy will be a fixed subsidy amount negotiated for each development. The target AMI will differ between developments but could be set at 30%, 50%, 60% AMI and/or other level.

The contract rent cannot exceed 110% of the Fair Market Rent (FMR). Contract rents may be increased on the anniversary date of the contract through an increase to the TCAC-published Tax Credit rents.

Effective November 1, 2021, applicants under this program must meet both minimum and maximum income criteria for the target AMI (income tier) to qualify at admission. The minimum income criteria is used to determine the affordability of the tenant rent portion,

⁷⁷ The FY 2019 Moving to Work Annual Plan included Activity 27: Local Project-Based Voucher Subsidy for Tax Credit Developments. The activity changes the TTP calculation to create one based upon income bands, applying a flat TTP within each income band instead of basing the calculation of TTP on gross or adjusted income. Additionally, the Housing Authority will modify the housing subsidy calculation to provide a fixed subsidy.

which cannot exceed 40% of the family's monthly gross income at admission.⁷⁸ The maximum income criteria is used to determine eligibility for the target AMI for the available unit. If the applicant's income exceeds the maximum income for the available unit, the applicant will be skipped until a unit within the applicable income tier becomes available. If the applicant's income exceeds the highest target AMI for the PBV units in the development, then the application will be denied.

After admission, a family may qualify for a six-month hardship exemption if tenant rent exceeds 40% of the family's monthly income. To be eligible for hardship exemption, the family must:

- Have a rent burden greater than 40% of gross monthly income. Rent burden is calculated as the household's monthly rent portion (the applicable tax credit rent) divided by the household's gross monthly income;
- Request the hardship exemption in writing in accordance with Housing Authority policies; and
- Be in compliance with Housing Authority policies, program rules, and regulations.

A six-month hardship exemption may be approved for the following reasons:

- The family experiences a death of a household member with income;
- Any income-earning member of the assisted family no longer remains in the unit;
- An elderly or disabled household experiences a permanent loss of income;
- Unforeseen and involuntary permanent loss of income for a family member under the age of 18;
- Unforeseen involuntary loss of employment;
- Unforeseen loss of income due to major illness as determined by a medical professional; or
- Unforeseen involuntary permanent loss of income for an adult family member who is attending high school.

If approved for a hardship exemption, the family's TTP will be equal to 40% of the family's gross monthly income for six months. Following the six-month period, the family will return to the AMI rent tier that applied to the family prior to the hardship. No more than one hardship exemption may be approved within a 12-month period, and approval is subject to funding availability.

20.11 Reasonable Accommodation Program Transfers

In order to afford persons with disabilities an 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

⁷⁸ The 2021 MTW Plan, Activity 27, was modified to include a minimum income requirement.

have disabilities, the Housing Authority may use its available funds to relocate a family that is a current participant in the Housing Authority's public housing program, with a disabled head of household or family member, if one of the following has been determined:

- There are no public housing units to accommodate the family's household needs based on occupancy standards
- There are no ADA/504 units available to accommodate the family's needs (i.e., customized wheelchair exceeds normal dimensions, other specialized equipment needs, etc.)
- There are no public housing units/communities that meet a medically necessary restriction or requirement

20.12 Owner Selection of Tenants [24 CFR 983.253(a) and 983.254(a)]

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities and reasonably related to program eligibility and an applicant's ability to fulfill their obligations under the lease.

During the term of the HAP contract, the contract unit leased to the family must be the appropriate size unit for the size of the family, based on Housing Authority's subsidy standards. Exceptions to this policy may be made in accordance with the guidelines described in the "In-Place Families" and "Public Housing Conversion" sections of this Chapter. The owner must promptly notify the Housing Authority of any vacancy or expected vacancy in a contract unit. The unit must be filled by the next eligible family on the site-based or region-based waiting list.

20.12.1 Tenant Screening [24 CFR 983.255]

It is the owner's responsibility to screen an applicant family's suitability for tenancy. The owner is responsible for screening and selection of the family to occupy the owner's unit. When screening families the owner may consider a family's background with respect to the following factors:

- Payment of rent and utility bills;
- Caring for a unit and premises;
- Respecting the rights of other residents to the peaceful enjoyment of their housing;
- Drug-related criminal activity or other criminal activity that is a threat to the health, safety, or property of others; and
- Compliance with other essential conditions of tenancy.

The Housing Authority is not responsible or liable to the owner or any other person for the family's behavior or suitability of tenancy.

20.13 Occupancy

After an applicant has been selected from the appropriate waiting list, determined eligible by the agent, owner or the Housing Authority, the family will sign the lease and occupancy of the unit will begin.

20.13.1 Alternative Occupancy Standards⁷⁹

Project-based voucher units are subject to HACSB's traditional occupancy standards, which are currently set at a minimum of two person per bedroom. However, in certain circumstances, HACSB will permit certain project-based units to be occupied using alternative occupancy standard of up to two persons per bedroom. This flexibility will allow a family to be over-housed by occupying a larger unit than would normally be permitted under the occupancy standards.

Example: a two-person family may lease a two-bedroom unit.

ALTERNATIVE OCCUPANCY STANDARDS	
Number of Bedrooms	Minimum Persons in Household
1 Bedroom	1
2 Bedrooms	2
3 Bedrooms	3
4 Bedrooms	6
5 Bedrooms	8
6 Bedrooms	10

Prior to exercising this flexibility, HACSB and the PBV property owner/manager will enter into a written agreement which specifies the circumstances under which the alternative occupancy standards may be used, including a requirement for the owner/manager to first undertake and demonstrate a reasonable effort, as defined by HACSB, to lease the subject unit to a family using the traditional occupancy standards.

The Assistant Director of Housing Services or Housing Manager may also approve alternative occupancy standards on a unit by unit basis when a waiting list for a particular bedroom size has been exhausted and opening the waiting list has not resulted in any

⁷⁹ The modification to HACSB's MTW Activity 11 made through the FY 2019 MTW Plan allows the Agency to apply alternative occupancy standards only upon Housing Authority management approval.

eligible applicants to fill a vacant unit. In the event that the alternative occupancy standards are applied, the HAP for the subject project-based unit will be based on the actual unit size.

20.14 Lease [24 CFR 983.256]

The tenant must have legal capacity to enter a lease under state and local law. The tenant and owner must enter into a written lease agreement that is signed by both parties. If an owner uses a standard lease for rental units to unassisted tenants in the locality or premises, the same lease must be used for assisted tenants, except that the lease must include the HUD-required tenancy addendum. The tenancy addendum must include, word-for-word all provisions required by HUD.

The lease for a project-based assistance unit must specify all of the following information:

- The names of the owner and the tenant;
- The unit rented (address, apartment number, if any, and any other information needed to identify the leased contract unit);
- The term of the lease (initial term and any provision for renewal);
- The amount of the tenant rent to owner, which is subject to change during the term of the lease in accordance with HUD regulations and the policies outlined in this Administrative Plan; and
- A specification of the services, maintenance, equipment and utilities that will be provided by the owner.

If a lease is executed for a unit with accessibility features that the family does not require, the lease agreement must contain language or a lease addendum notifying the family that they may be required to move to another unit (with continued assistance) if the unit is needed by a family that does require the features.

If the tenant and owner agree to any change in the lease, the change must be in writing and the owner must immediately give the Housing Authority a copy of all changes. The owner must notify the Housing Authority in advance of any proposed changes in the lease regarding allocation of tenant and owner responsibilities for utilities. Such changes may only be made if approved by the Housing Authority and in accordance with the terms of the lease relating to its amendment. The Housing Authority must redetermine reasonable rent, in accordance with program requirements, based on any change in the allocation of the responsibility for utilities between the owner and the tenant. The redetermined

reasonable rent will be used in the calculation of the rent to owner from the effective date of the change.

The owner may not charge extra amounts for items customarily included in the rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.

20.15 Owner Termination of Tenancy [24 CFR 983.257]

The owner of a project-based assistance unit may terminate tenancy for the same reasons as an owner may in the tenant-based program. In the project-based assistance program, terminating for “good cause” does not include doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose.

Per the RAD Public and Indian Housing (PIH) Notice 2012-32 Households that occupy RAD conversion units have additional protections in regard to termination of tenancy and eviction. For further protections in regard to RAD household termination of tenancy and eviction, see Chapter 20, Section 20.9.2.2.

20.16 Tenant Absence from the Units [24 CFR 983.256(g) and 982.312(a)]

The owner may specify in the lease a maximum period of tenant absence from the unit that is shorter than the maximum period permitted by Housing Authority policy as outlined in Chapter 4 of this Administrative Plan.

20.17 Security Deposits [24 CFR 983.258]

The owner may collect a security deposit from the tenant. The Housing Authority may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants. When the tenant moves out of a contract unit, the owner is subject to state and local law regarding disposition of the security deposit. The Housing Authority has no liability of responsibility for payment of any amount owed by the family to the owner.

20.18 Moves [24 CFR 983.259, 983.260, and 983.261]

20.18.1 Wrong Sized Unit

If the Housing Authority determines that a family is occupying a wrong sized unit, based on the Housing Authority’s subsidy standards, or a unit with accessibility features the family does not require, and the unit is needed by a family that does require the features, the Housing Authority must promptly notify the family and the owner of this determination, and the Housing Authority must offer the family the opportunity to receive continued

housing assistance in another unit through either project-based assistance in the same building or project or tenant-based assistance under the Streamline Fixed Lease Assistance program. If there is no tenant-based funding available, the family can continue to reside in the PBV unit or elect to discontinue assistance and remain on a tenant-based waiting list.

If the Housing Authority offers the family tenant-based assistance, the Housing Authority must terminate the housing assistance payments for a wrong-sized or accessible unit at expiration of the term of the family's search indicated on either the Voucher or Family Obligations Agreement.

20.18.2 Other Moves

A project-based voucher (PBV) participant (excluding certain families receiving on-site supportive services) may request a tenant-based voucher to move after two years of occupancy.⁸⁰ A RAD participant may request a tenant-based voucher to move after one year of occupancy. The move must be approved in accordance with the Housing Authority's Program Moves policy outlined in this Administrative Plan. If the family moves out or terminates the lease before the end of the initial residency period of two years for PBV or one year for RAD, the family relinquishes any right to continued assistance under the tenant-based voucher program and project-based voucher program, and the family's assistance will be terminated.

For families receiving on-site supportive services at permanent supportive housing developments, the service provider must certify that the family no longer needs the on-site supportive services before HACSB will approve a tenant-based voucher. Should a household be approved to move, households residing in project-based assistance units will have automatic priority, based on funding availability. The family must contact the Housing Authority to request tenant-based assistance prior to providing notice to terminate the lease to the project-based owner. If the family is electing to move to the tenant-based voucher program, the family will be transferred to either the Streamlined Fixed Lease Assistance for Elderly/Disabled or Term-Limited Lease Assistance programs, whichever is appropriate. If the family terminates the assisted lease before the

⁸⁰ The FY 2020 MTW Plan, Amendment 3, Activity 11: Local Project-Based Voucher Program specifies that the family must remain in a PBV unit for a minimum of 2 years before being eligible to request a tenant-based voucher. Activity 11 also states that HACSB may not provide a tenant-based voucher upon completion of the initial two-year term of assistance for families receiving on-site supportive services.

end of the contract term, the family relinquishes the opportunity for continued tenant-based assistance.

If the HAP Contract is not renewed or is terminated, residents will be offered an opportunity to move or remain in the unit with tenant-based assistance under the Streamlined Fixed Lease Assistance program and the same rent calculation tier. Unless the family's recertification is due at the time of the program transfer, the family's income will not be updated.

20.19 Transfers

20.19.1 Mandatory Transfers

Participants will be required to make a mandatory move either within the project-based assistance community or to another project-based assistance community for the following reasons:

- Locate to another unit if the family becomes over housed or underhoused in accordance with the Occupancy Standards described in this Administrative Plan.
- Natural disaster or non-tenant caused damage that makes the unit uninhabitable, including failure under the Housing Authority's inspection standards; or
- Change in household composition due to a birth/adoption or court ordered custody that results in the housing unit being overcrowded in accordance with the Housing Authority's subsidy standards.

If no other comparable unit or tenant-based assistance is available, the family will be allowed to remain in their current unit. A comparable unit is defined as a unit that meets the occupancy standards based on the family's current household composition and is generally within (10) miles from their current assisted unit.

20.19.2 Participant Requested Transfers

Participants may request a permissible move transfer to another unit within the project-based assistance community or another project-based assistance community for the following reasons:

- As a reasonable accommodation when a resident needs to move to another unit due to a disability.
- Victim Witness Protection; and
- Violence Against Women Act.

Participants who are approved to transfer for the above reasons are eligible to move with continued assistance immediately. HACSB shall apply its Emergency Transfer Plan (form HUD 5381) for VAWA victims as required by HUD and provide the Emergency Transfer Request for Certain Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking (Form HUD 5383). If the family is requesting to remain in their current community or wants to relocate to another project-based community, their name will be placed on the move/transfer waiting list and will be offered a unit when it becomes available. Should a participant refuse the offer of the unit, the household will be placed at the bottom of the transfer waiting list. At its discretion, the Housing Authority may provide tenant-based assistance to households eligible for a permissible move under extenuating circumstances and when funding is available.

20.20 Unit Refusal Offers

20.20.1 Unit Refusal With Good Cause

Applicants or residents may refuse to accept a unit offer for “good cause.” Good cause includes situations in which an applicant/resident is requesting to or is required to move but is unable to do so at the time of the unit offer, or the applicant/resident demonstrates that acceptance of the offer would cause undue hardship not related to considerations of the applicant’s/resident’s race, color, national origin, etc. Examples of good cause for refusal of a unit offer include, but are not limited to, the following:

1. The family demonstrates to the HACSB’s satisfaction that accepting the unit offer will require an adult household member to quit a job. The family must provide verification of employment and the job location.
2. The family demonstrates to the HACSB’s satisfaction that accepting the offer will place a family member’s life, health, or safety in jeopardy. These good cause refusals will only be considered when the family provides specific and compelling written documentation such as restraining orders, other court orders, risk assessments related to witness protection from a law enforcement agency, or documentation of domestic violence, dating violence, or stalking. Reasons offered must be specific to the family. Refusals due to location alone do not qualify for this good cause exemption.
3. A health professional verifies temporary hospitalization or recovery from illness of the principal household member, other household members (as listed on final application) or live-in aide necessary to the care of the principal household member. The HACSB will require the verification to be in writing from the health professional.

4. The unit is inappropriate for the family's disabilities, or the family does not need the accessible features in the unit offered and does not want to be subject to a future notice to move.
5. The unit has lead-based paint and the family includes children under the age of six.
6. The applicant has a lease agreement for their current residence and the owner is unwilling to break the lease. The HACSB will require verification of the lease agreement. If the time remaining on the applicant's lease is more than six (6) months, the applicant's name will be moved to the bottom of the waiting list.

In the case of a unit refusal for good cause, the applicant will not be removed from the waiting list as described later in this section. The applicant will remain at the top of the waiting list until the family receives an offer for which they do not have good cause to refuse. The HACSB will require documentation of good cause for unit refusals.

In the case of a unit refusal for good cause, the resident project-based family will be allowed to remain in their current unit. If tenant-based funding is unavailable, the family will be placed on a Move/Transfer waiting list until the family receives an offer for which they do not have good cause to refuse or until tenant-based funding becomes available. The HACSB will require documentation of good cause for unit refusals.

20.20.2 Unit Refusal Without Good Cause

When an applicant rejects a unit offer without good cause, the HACSB will remove the applicant's name from the waiting list and send notice to the family of such removal. The notice will inform the family of their right to request an informal review and the process for doing so.

The applicant may reapply for assistance if the waiting list is open. If the waiting list is not open, the applicant must wait to reapply until the HACSB opens the waiting list.

When a resident project-based family rejects a unit without good cause, does not move out of the PBV unit within 60 days of the unit offer, or both, the HACSB will terminate the project-based assistance at the expiration of the 60-day period. [24 CFR 983.259 (c)(2)]

20.21 Payments to Owners [24 CFR 983.351]

During the term of the HAP contract, the Housing Authority must make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments must be made for each month that a contract unit complies with Housing Authority inspection standards and is leased and occupied by an eligible family. The HAP must be paid to the owner on or about the first business day of the month for which payment is due unless the owner and the Housing Authority agree on a later date.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

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Except for discretionary vacancy payments, the Housing Authority must not make any HAP payment to the owner for any month after the month when the family moves out of the unit (even if household goods or property are left in the unit).

The amount of HAP by the Housing Authority is the rent to owner minus the tenant rent (total tenant payment minus the utility allowance). If the family's TTP exceeds the contract rent, the HAP will be zero, and the family's rent portion will be equal to the contract rent. The family will remain on the program for 180 days. After 180 days, assistance will be terminated. The family is not required to move from the unit unless stipulated in the lease.

In order to receive HAP payments, the owner must comply with all provisions of the HAP contract. Unless the owner complies with all provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.

The family is not responsible for the portion of the rent to owner that is covered by the HAP payment and the owner may not terminate the tenancy of an assisted family for nonpayment by the Housing Authority. Likewise, the Housing Authority is responsible only for making the HAP payment to the owner in accordance with the HAP contract. The Housing Authority is not responsible for paying tenant rent, or any other claim by the owner, including damages to the unit.

20.22 Adding, Substituting and Removing Units from HAP Contract

Project-based voucher units will remain under HAP contract even if the unit is not leased or no HAP has been paid for more than 180 days.⁸¹ If another unit is available, a unit substitution may occur.. The Housing Authority may permanently remove PBV units from the HAP contract if the owner has not made good faith efforts to fill vacancies, is in violation of the inspection requirements, or for other good cause provided in the HAP contract. Additions to the HAP contract that result in an increase to the number of units provided in the initial contract must receive Board approval.

⁸¹ The FY 2023 Moving to Work Plan, Activity 11: Local Project-Based Voucher Program permits PBV units to remain under HAP contract even if no HAP has been made for more than 180 days.

CHAPTER 21: Homeownership Program

21.1 Introduction: Homeownership [24 CFR 982.625-982.643]

The homeownership option is used to assist a family residing in a home purchased and owned by one or more members of the family. A family assisted under this option must have at least one year participation in an existing Housing Authority program.

HACSB will offer assistance in the form of monthly homeownership assistance payments.

The Housing Authority must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

21.2 Family Eligibility [24 CFR 982.627]

The family must meet all of the requirements listed below before the commencement of homeownership assistance.

- The family must have been admitted to the Housing Choice Voucher program, the Term-Limited Lease Assistance program, the Streamlined lease Assistance Program, or Affordable Housing Program.
- The family must qualify as a first-time homeowner or may be a cooperative member. First-time homeowner is defined to mean that no member of the family has had an ownership interest in the residence of any family member during the three years preceding commencement of homeownership assistance. However, a single parent or displaced homemaker who, while married, owned a home with a spouse (or resided in a home owned by spouse) is considered a first-time homeowner for the purpose of the HCV Homeownership Program.
- The family must meet the federal minimum income requirement. The family must have a gross annual income equal to the Federal minimum wage multiplied by 2000, based on the income of adult family members who will own the home. The PHA will not establish a higher minimum income standard for disabled and/or non-disabled families
- For disabled families, the minimum income requirement is equal to the current SSI monthly payment for an individual living alone, multiplied by 12.
- For elderly or disabled families, welfare assistance payments for adult family members who will own the home will be included in determining whether the family meets the minimum income requirement. It will not be included for other families.

- The family must satisfy the employment requirements by demonstrating that one or more adult members of the family who will own the home at commencement of homeownership assistance is currently employed on a full-time basis (the term 'full-time employment' means not less than an average of 30 hours per week); and has been continuously so employed during the year before commencement of homeownership assistance for the family. Families will be considered "continuously employed" if the break in employment does not exceed four months.
- The PHA will count self-employment in a business when determining whether the family meets the employment requirement.
- The employment requirement does not apply to elderly and disabled families. In addition, if a family, other than an elderly or disabled family includes a person with disabilities, the PHA must grant an exemption from the employment requirement if the Housing Authority determines that it is needed as a reasonable accommodation.
- The family has not defaulted on a mortgage securing debt to purchase a home under the homeownership option
- Except for cooperative members who have acquired cooperative membership shares prior to commencement of homeownership assistance, no family member has a present ownership interest in a residence at the commencement of homeownership assistance for the purchase of any home.
- Except for cooperative members who have acquired cooperative membership shares prior to the commencement of homeownership assistance, the family has entered a contract of sale in accordance with 24 CFR 982.631(c)
- The family must have completed all required Homeownership Counseling programs.
- The family must have fully repaid any outstanding debt to any Housing Authority.

21.3 Selection of Families

Participation in the HCV Homeownership Program is voluntary. The Housing Authority will offer the homeownership option to participating families who are Housing Authority program participants and meet the following qualifications:

- Residence in San Bernardino County for at least 1 year before applying to the Homeownership Assistance Program.
- At least 1-year of participation in the HACSB'S Housing Choice Voucher Program, Streamlined lease Assistance program, Term-Limited Lease Assistance Program, or Affordable Housing Program. Former housing services participants

pulled from a waiting list will be subject to 1-year of participation in a housing services program.

- In good standing with the Housing Authority by meeting the requirements for continued participation in the program
- Can secure mortgage financing through a lender and therefore must be credit worthy. No outstanding collection accounts, judgments or liens. At least 2 years since the discharge of a bankruptcy.
- Gross household income must be at least 2 times the HACSB payment standard for the unit size (this requirement does not apply to disabled or elderly participants).
- Contribute a total down payment of 3% of the purchase price. The program requires at least 1% of the down payment must come from the family's own funds. The other 2% can be gifts, contributions, and grants.
- Completion of a minimum of 8 hours of homebuyer's education from a HUD-approved counseling program by the head of household and any adult member that will hold title to the home.

HACSB does not have a maximum limit on homeownership assistance. Funding determines ability to accept new families. If the Housing Authority reaches the maximum number of families it can serve, it will start a wait list and select families to participate in the program based on time and date of application for the homeownership program.

21.4 Eligible Units [24 CFR 982.628]

In order for a unit to be eligible, the Housing Authority must determine that the unit satisfies all of the following requirements:

1. The unit is not any of the following:
 - A. A public housing or Indian housing unit;
 - B. A unit receiving HCV project-based assistance;
 - C. A nursing home, board and care home, or facility providing continual psychiatric, medical or nursing services;
 - D. A college or other school dormitory;
 - E. On the grounds of penal, reformatory, medical, mental, or similar public or private institutions.
4. The unit is under construction or already exists at the time the family enters into the contract of sale.
5. The unit is a one-unit property or condominium.
6. The unit was inspected by the Housing Authority and by an independent inspector designated by the family.

7. The unit meets Housing Quality Standards (see Chapter 10).

For the Housing Authority-owned units all of the following conditions must be satisfied:

- The Housing Authority informs the family, both orally and in writing, that the family has the right to purchase any eligible unit and that a Housing Authority-owned unit is freely selected by the family without the Housing Authority pressure or steering;
- The unit is not ineligible housing;
- The Housing Authority obtains the services of an independent agency to inspect the unit for compliance with HQS, review the independent inspection report, review the contract of sale, determine the reasonableness of the sales price and any the Housing Authority provided financing. All of these actions must be completed in accordance with program requirements.

The Housing Authority must not approve the unit if the Housing Authority has been informed that the seller is debarred, suspended, or subject to a limited denial of participation.

21.5 Additional Requirements For Search And Purchase [24 CFR 982.629]

It is the family's responsibility to find a home that meets the criteria for voucher homeownership assistance. The family will be required to have representation from a licensed real estate professional, selected by the family, throughout the purchase transaction.

The family must identify a unit and submit a sales contract for review 90-days from the date the family is issued a certificate of eligibility. The family will be allowed an additional 90 days to close escrow.

If the family submits a purchase contract that is not approved due to reasons other than the families lack of compliance the family may request an extension. Extensions may be granted on a case-by-case basis.

The Housing Authority will require periodic reports on the family's progress in finding and purchasing a home. The family will provide such reports on a monthly basis to the Homeownership Coordinator.

If the family is unable to locate an acceptable unit for purchase within the 90 days the Housing Authority may at its discretion allow the family to remain leased up under their existing rental program.

21.6. Pre-Purchase Homeownership Counseling [24 CFR 982.630]

Before commencement of homeownership assistance for a family, the family must attend and satisfactorily complete a minimum of 8 hours of pre-assistance homeownership and housing counseling program by a HUD approved counseling agency. At a minimum counseling will cover the following topics for pre-purchase counseling:

- Home maintenance (including care of the grounds);
- Budgeting and money management;
- Credit counseling;
- Financing a home;
- How to find a home;
- Information on fair housing, including fair housing lending and local fair housing enforcement agencies; and
- Information about the Real Estate Settlement Procedures Act (12 U.S.C. 2601 et seq.) (RESPA), state and Federal truth-in-lending laws, and how to identify and avoid loans with oppressive terms and conditions.

The Housing Authority may adapt the subjects covered in pre-purchase counseling (as listed) to the needs of individual families.

After commencement of homeownership assistance the Housing Authority will require biennial post purchase counseling. If the Housing Authority does not use a HUD-approved housing counseling agency to provide the counseling, the Housing Authority will ensure that its counseling program is consistent with the counseling provided under HUD's Housing Counseling program.

21.7 Home Inspections, Contract Of Sale, And Housing Authority Disapproval Of Seller [24 CFR 982.631]

21.7.1 Home Inspections

The Housing Authority will not commence monthly homeownership assistance payments for a family until the Housing Authority has inspected the unit and has determined that the unit passes HQS.

An independent professional inspector selected by and paid for by the family must also inspect the unit. The independent inspection must cover major building systems and components, including foundation and structure, housing interior and exterior, and the roofing, plumbing, electrical, and heating systems. The independent inspector must be qualified to report on property conditions, including major building systems and components.

The Housing Authority will not require the family to use an independent inspector selected by the Housing Authority. The independent inspector may not be a Housing Authority

employee or contractor, or other person under control of the Housing Authority. However, the Housing Authority may establish standards for qualification of inspectors selected by families under the homeownership option.

The Housing Authority may disapprove a unit for assistance based on information in the independent inspector's report, even if the unit was found to comply with HQS.

21.7.2 Contract of Sale

Before commencement of monthly homeownership assistance payments, a member or members of the family must enter into a contract of sale with the seller of the unit to be acquired by the family. The family must give the Housing Authority a copy of the contract of sale. The contract of sale must:

- Specify the price and other terms of sale by the seller to the purchaser;
- Provide that the purchaser will arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected by the purchaser;
- Provide that the purchaser is not obligated to purchase the unit unless the inspection is satisfactory to the purchaser;
- Provide that the purchaser is not obligated to pay for any necessary repairs; and
- Contain a certification from the seller that the seller has not been debarred, suspended, or subject to a limited denial of participation under CFR part 24.

21.7.3 Disapproval of a Seller

In its administrative discretion, the Housing Authority may deny approval of a seller for the same reasons the Housing Authority may disapprove an owner under the regular HCV program [see 24 CFR 982.306©].

21.8 Financing [24 CFR 982.632]

The Housing Authority will not require that families acquire financing from one or more specified lenders, thereby restricting the family's ability to secure favorable financing terms.

Homeownership assistance may only be paid while the family is residing in the home. If the family moves out of the home, the Housing Authority may not continue homeownership assistance after the month when the family moves out. The family or lender is not required to refund to the Housing Authority the homeownership assistance for the month when the family moves out.

The family must allow the Housing Authority to review the terms of the mortgage secured to purchase the property. The Housing Authority may disapprove proposed financing, refinancing, or other debt if the Housing Authority determines that the debt is unaffordable to the family or if Housing Authority determines that the lender or loan terms do not meet Housing Authority or HUD qualifications.

The family must qualify for a mortgage that meets the following requirements:

- Participating families must apply for and obtain their own financing. The HACSB will review and approve mortgage programs submitted by the family to determine whether mortgage payments would be affordable after considering other family expenses. Adjustable Rate Mortgages (ARMs) and mortgages with balloon payments will not be approved by the HACSB. Only fully amortized fixed mortgages will be allowed.
- Co-signers will not be approved by the HACSB. Families will be required to qualify for a mortgage based on the merits of their own credit history and income.
- The family's total monthly payment must not exceed 35% of their gross monthly income.

21.9 Continued Assistance Requirements; Family Obligations [24 CFR 982.633]

Before commencement of homeownership assistance, the family must execute HUD form 52649, Statement of Homeowner Obligations Housing Choice Homeownership Voucher Program.

21.10 Maximum Term of Homeowner Assistance [24 CFR 982.634]

Except in the case of a family that qualifies as an elderly or disabled family, other family members (described below) shall not receive homeownership assistance for more than:

- Fifteen years, if the initial mortgage incurred to finance purchase of the home has a term of 20 years or longer; or
- Ten years, in all other cases.

The maximum term described above applies to any member of the family who:

- Has an ownership interest in the unit during the time that homeownership payments are made; or
- Is the spouse of any member of the household who has an ownership interest in the unit during the time homeownership payments are made.

In the case of an elderly family, the exception only applies if the family qualifies as an elderly family at the start of homeownership assistance. In the case of a disabled family, the exception applies if at any time during receipt of homeownership assistance the family qualifies as a disabled family.

If, during the course of homeownership assistance, the family ceases to qualify as a disabled or elderly family, the maximum term becomes applicable from the date homeownership assistance commenced. However, such a family must be provided at least 6 months of homeownership assistance after the maximum term becomes

applicable (provided the family is otherwise eligible to receive homeownership assistance).

If the family has received such assistance for different homes, or from different PHAs, the total of such assistance terms is subject to the maximum term described in this part.

21.11 Homeownership Assistance Payments and Homeownership Expenses [24 CFR 982.635]

The monthly homeownership assistance payment is the lower of: the voucher payment standard minus the total tenant payment, or the monthly homeownership expenses minus the total tenant payment.

In determining the amount of the initial homeownership assistance payment, the Housing Authority will use the same payment standard schedule, payment standard amounts, and subsidy standards as those described elsewhere in this plan for the Housing Choice Voucher program. The payment standard for subsequent reexaminations will use a payment standard that is the greater of the payment standard as determined in accordance with the initial payment standard at the commencement of homeownership assistance; or the payment standard in effect at the time of the reexamination.

At no time will the Housing Authority use a payment standard less than the initial payment standard at the close of escrow.

The Housing Authority may pay the homeownership assistance payments directly to the family, or at the Housing Authority's discretion, to a lender on behalf of the family. If the assistance payment exceeds the amount due to the lender, the Housing Authority will pay the excess directly to the family.

Homeownership assistance for a family terminates automatically 180 calendar days after the last homeownership assistance payment on behalf of the family. The Housing Authority may waive this requirement in cases where an automatic termination would result in extreme hardship for the family.

Homeownership expenses (not including cooperatives) only include amounts allowed by the Housing Authority to cover:

- Principal and interest on initial mortgage debt, any refinancing of such debt, and any mortgage insurance premium incurred to finance purchase of the home;
- Real estate taxes and public assessments on the home;
- Home insurance;
- The Housing Authority allowance for maintenance expenses;
- The Housing Authority allowance for costs of major repairs and replacements;
- The Housing Authority utility allowance for the home;
- If a member of the family is a person with disabilities, expenses to finance costs needed to make the home accessible for such person, if the Housing Authority

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determines that allowance of such costs as homeownership expenses is needed as a reasonable accommodation so that the homeownership option is readily accessible to and usable by such person;

- Land lease payments where a family does not own fee title to the real property on which the home is located; [see 24 CFR 982.628(b)].
- For a condominium unit, condominium operating charges or maintenance fees assessed by the condominium homeowner association.

For cooperative members the following cooperative charges will also be used toward the homeownership expense:

- The cooperative charge under the cooperative occupancy agreement including payment for real estate taxes and public assessments on the home;
- Cooperative operating charges or maintenance fees assessed by the cooperative homeowner association.

21.12 Denial or Termination of Assistance [24 CFR 982.638]

The Housing Authority will terminate a family's homeownership assistance if the family violates any of the homeowner obligations listed in Section 1 and 2 of form HUD-52649, Statement of Homeowner Obligations Housing Choice Voucher Homeownership Voucher Program.

At any time, the PHA may deny or terminate homeownership assistance in accordance with HCV program requirements.

CHAPTER 22: EMERGENCY OPERATIONS

22. Introduction

On January 31, 2020, Secretary of Health and Human Services Alex M. Azar II declared a public health emergency for the United States in response to an outbreak of a respiratory disease caused by a novel (new) coronavirus, “Coronavirus Disease 2019” (COVID-19). On March 13, 2020, President Trump declared the COVID-19 pandemic a national emergency. In compliance with the recommendations of the Center for Disease Control (CDC), the “stay-at-home” Executive Order issued by California Governor Gavin Newsom on March 19, 2020, and other guidance from local, state and federal agencies, HACSB took steps to reduce contact between individuals, including closing offices to the public and reducing the number of employees in the office through telework and alternative work schedules. As a result, HACSB modified some operations and deferred some functions to a later time. The revisions to the Administrative Plan implemented in response to the emergency are summarized below. The regulatory waivers provided by HUD are specific to the COVID-19 emergency and have sunset dates. The emergency provisions authorized through Amendment 2 of the FY 2020 Moving to Work Plan may be reactivated in response to any future local disaster, emergency, or crisis situation.

22.1 Administrative Plan

The following paragraph is added to Section 1.1 Purpose of the Plan:

In light of the COVID-19 emergency, HUD is temporarily waiving the requirement that any revisions to the Administrative Plan must be formally adopted by the Board of Commissioners. Any informally adopted policy revisions as result of HUD waiver notices must be formally adopted by the Board of Commissioners as soon as practical, but no later than December 31, 2021. (Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13, Notice PIH 2020-33, REV-2, and Notice PIH 2021-14) Additionally, on April 14, 2020, the HACSB Board of Commissioners granted emergency authority to the Executive Director under Resolution No. 84 to waive policies and procedures within the Administrative Plan and to allow for implementation of policies and procedures without formal Board approval. The authorization was retroactive to March 4, 2020. On December 8, 2020, the Board of Commissioners adopted Resolution 103 extending the Executive Director’s emergency authority through December 31, 2021.

22.2 Housing Services Program Types

The following paragraph is added to Section 1.5.2 Housing Services Program Types under the Mainstream Program bullet:

Due to challenges with locating suitable housing during the COVID-19 emergency, the Mainstream definition of an eligible non-elderly family member is expanded to include

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those who were issued a voucher prior to turning 62 years of age and were not yet 63 on the effective date of the HAP contract. The expanded definition is available from September 8, 2020 through December 31, 2021 unless further extended by HUD. (Notice PIH 2020-22, Notice PIH 2020-33, REV-2, and Notice PIH 2021-14)

The following paragraph is added to Section 1.5.2 Housing Services Program Types under the Family Unification bullet:

Until December 31, 2021, HACSB will execute a HAP contract on behalf of any otherwise eligible FUP youth not more than 25 years of age. (Notice PIH 2021-14)

22.3 Waiting List and Initial Eligibility

The following paragraph is added to Section 2.3 Completion of a Full Application:

During a local disaster, emergency, or crisis situation, HACSB will extend deadlines for applicants to provide records and documents needed to determine initial eligibility for the program. If documents are missing from the Full Application packet, an applicant will be given at least two (2) notices to submit the requested items. Applicants requesting extensions will be granted at least ten (10) additional days or other reasonable extension on a case by case basis. For non-Community Planning & Development (CPD) programs, the documentation of Social Security number may be waived according to section 7.4.2. (Notice PIH 2021-14)

22.4 Definition of Household Members

The following paragraph is added to Section 4.10.8 Absence of Entire Family:

During the COVID-19 emergency but no later than December 31, 2021, a family may be absent from the unit for more than 180 days due to extenuating circumstances related to the emergency, including, but not limited to, hospitalization, extended stays at nursing homes, and caring for family members. Effective November 30, 2020, documentation must be maintained in the tenant file which explains the extenuating circumstances that caused the extended absence. (Waiver authority under Notice PIH 2020-05, Notice PIH 2020-33, REV-2, and Notice PIH 2021-14)

22.5 Annual Income, Adjusted Annual Income and Family Share Calculation

The following paragraphs are added to Section 6.4.7.2 Temporary Hardship Exemption:

During the COVID-19 emergency, SLA families experiencing a significant loss of income as a result of the current crisis may be approved for a hardship exemption for six months. This new hardship exemption category will follow the application, review and approval policies and procedures currently in place for other hardship categories. (Activity 22: Streamlined Lease Assistance Program, 2020 MTW Plan Amendment No. 2)

The loss of income as a result of the current crisis could include but is not limited to:

- Closure of place of work;
- Reduced hours;
- Unable to work due to lack of child care or school closure;
- Developing symptoms or being hospitalized;
- Being quarantined; or
- Caring for a sick family member.

Effective March 19, 2020, the following policies apply to the COVID-19 Hardship Exemptions and the period of applicability is subject to available COVID-19 funding:

- A COVID-19 hardship request will be accepted even if the family was already approved for another hardship exemption within the last twelve months. This may include more than one COVID-19 hardship exemption for two separate events, such as reduction in hours followed by layoff.
- If a family has an approved hardship exemption for loss of income that is expiring between April 1 and July 31 (unless further extended), the family may request a COVID-19 hardship exemption to extend the existing hardship rent for 6 more months if they have been unable to secure new employment or secured new employment but were laid off again due to COVID-19. This “extension” will be processed as a new COVID-19 hardship exemption.
- Approved COVID-19 hardship exemptions may be extended initially for up to six additional months and in subsequent three month increments if the resident’s circumstances have not changed at the end of the first exemption period. Extensions are subject to available funding and may not extend beyond December 31, 2021.
- Rent adjustments will be made the 1st of the month following the date of the receipt of the written request with the exception of requests received on the 1st of the month immediately following a weekend or holiday. Those requests will be processed effective the 1st of that particular month.
- Third party written documentation of a COVID-19 related income loss will be requested. If documentation is not available, the HSS will attempt to obtain a verbal verification. If a verbal verification cannot be obtained, a tenant declaration will be accepted.

22.6 Verification Policies

The following paragraph is added to Section 7.2.1 General Verification Policies:

During the COVID-19 emergency and until December 31, 2021, the third party verification requirements for an applicant are waived for non-CPD programs. HACSB will consider self-certification as the highest form of income verification when other documentation is unavailable. Following admission of the applicant into the program, HACSB will review the EIV Income and IVT Reports to confirm the family reported income within 90 days of admission. (Waiver authority under Notice PIH 2021-14)

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The following paragraph is added to Section 7.3.1 General Verification Policies for Continued Assistance for MTW Programs:

During the COVID-19 emergency and until December 31, 2021, use of the verification hierarchy, including use of EIV, are waived. HACSB may consider self-certification as the highest form of income verification when other documentation is unavailable. (Waiver authority under Notice PIH 2021-14)

The following paragraph is added to Section 7.4.2 Social Security Number:

During the COVID-19 emergency and until December 31, 2021, the requirement to obtain and verify social security number documentation is waived. An applicant may be admitted based upon the social security number declared by the applicant for non-CPD programs. However, the required documentation to verify the social security number must be submitted to HACSB within 90 days following admission. (Waiver authority under Notice PIH 2021-14)

The following paragraph is added to Section 7.4.3 Documentation of Age:

During the COVID-19 emergency and until December 31, 2021, HACSB will accept self-certification of date of birth if a higher level of verification is not immediately available for non-CPD programs. However, the applicant must provide the required documentation to HACSB within 90 days following admission. (Waiver authority under Notice PIH 2021-14)

The following paragraph is added to Section 7.4.6 Documentation of Disability:

During the COVID-19 emergency and until December 31, 2021, HACSB may accept self-certification of disability if a higher level of verification is not immediately available for admission to non-CPD programs. However, the Certificate of Disability must be received by HACSB within 90 days following admission. (Waiver authority under Notice PIH 2021-14)

The following paragraph is added to Section 7.4.7 Citizenship or Eligible Immigration Status:

During the COVID-19 emergency and until December 31, 2021, the requirement to obtain and verify documentation evidencing eligible noncitizen status is waived for non-CPD programs. An applicant may be admitted based on self-certification. However, the required documentation to verify eligible immigration status must be submitted to HACSB within 90 days following admission. (Waiver authority under Notice PIH 2021-14)

22.7 Family Obligations Agreement/Voucher Term

The following paragraph is added to Section 8.6.1 Extensions:

During the COVID-19 emergency, the Family Obligations Agreement/Voucher was placed on temporary suspense. The suspense period began on March 19, 2020.. Any voucher placed on suspense that had remaining time on the voucher or available extensions received the remaining time when the suspense period ended on March 19, 2021, and the voucher holder could request additional extensions if available. If the

voucher was issued between March 19, 2020 and February 11, 2021, the voucher was reissued on March 19, 2021. The voucher was not placed on suspense if the voucher holder was not actively engaged in their housing search.

Due to an increase in COVID-19 cases, all FOAs/vouchers that are active on August 23, 2021 are given an automatic extension through December 31, 2021. If the family is on the final extension on August 23, 2021 the expiration date is reset to December 31, 2021. If the voucher is not on its final extension, the extension of time through December 31, 2021 will not count toward any other extensions that the family may be eligible to receive. New vouchers issued August 30, 2021 or later are issued to March 2, 2022. This term includes the period through December 31, 2021 plus the initial 60-day search term. (Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13 and Notice PIH 2020-33, REV-2)

22.8 Request for Tenancy Approval & Contract Execution

The following paragraph is added to Section 9.13 Contract Execution Process:

During the COVID-19 emergency and until December 31, 2021, the HAP Contract must be executed within 120 days of the effective date. HACSB will not pay the owner until the HAP contract is executed. (Waiver authority under Notice PIH 2021-14)

The following paragraph is added to Section 9.20 Changes in Lease or Rent:

During the COVID-19 emergency, HACSB will defer processing of rent increases to the earliest practical and feasible date. (Activity 22: Streamlined Lease Assistance Program, 2020 MTW Plan Amendment 2)

22.9 Inspections Standards

The following paragraphs are added to Section 10.1.1 Initial Inspection:

During the COVID-19 emergency, HACSB may defer in-person initial HQS inspections unless a lock-box is installed at the unit or a Remote Video Inspection (RVI) can be conducted. An RVI is equivalent to an in-person HQS inspection. An RVI is a regular HQS inspection performed remotely via a live audio and video connection by an HQS inspector directing a “proxy” inspector during the inspection. In lieu of the in-person inspection or RVI, HACSB will accept self-certification by the property owner/manager that the unit meets all HQS requirements and that there are no life-threatening deficiencies. HACSB may require photographs to accompany the self-certification for some HQS components.

For Term-Limited Lease Assistance, Streamlined Lease Assistance and Traditional Assistance for MTW Families, as soon as it is safe, feasible, and practical to do so, HACSB will conduct an RVI or in-person HQS inspection to confirm that the unit meets HQS requirements. For these families, the deferred initial HQS inspections will be prioritized for processing as soon as HACSB is able to resume processing inspections. In the event that the unit does not pass the HQS inspection, HACSB will follow the same

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policies and procedures applicable to failed biennial inspections. (Activity 13: Local Inspection Policies, 2020 MTW Plan Amendment 2)

For Traditional, Regulatory Assistance for Special Purpose Programs including VASH, HACSB may defer in-person initial inspections no later than December 31, 2021 or HUD approved extension. A deferred initial inspection where a self-certification was used will be inspected no later than June 30, 2022. (Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13, Notice PIH 2020-33, REV-2, and Notice PIH 2021-14) In the event that the unit does not pass the HQS inspection, HACSB will follow the same policies and procedures applicable to failed biennial inspections.

For HOPWA and CoC programs, self-certification may be used in lieu of an in-person inspection through June 30, 2021. An in-person inspection will be conducted no later than three (3) months after health officials determine special measures to prevent the spread of COVID-19 are no longer necessary. (Waiver authority under HUD CPD Memorandum dated March 31, 2020 and HUD CPD Memorandum dated March 31, 2021)

The following paragraph is added to Section 10.1.2 Annual and Biennial Inspections:

During the COVID-19 emergency, HACSB may postpone in-person annual and biennial HQS inspections. For Term-Limited Lease Assistance, Streamlined Lease Assistance, and Traditional Assistance for MTW families, HACSB may extend the validity of a family's most recently completed biennial HQS inspection by one year. If the HQS inspection is postponed by one year, the due date of the family's next biennial HQS inspection will be one year from the original due date. (Activity 13: Local Inspection Policies, 2020 MTW Plan Amendment 2)

For Traditional, Regulatory Assistance for Special Purpose Programs including VASH, the annual or biennial inspection may be postponed until it is safe to resume in-person inspections but no later than December 31, 2021 or HUD approved extension. For inspections normally due November 30, 2020 or later, the owner must provide a certification that the owner has no knowledge that life-threatening conditions exist in the unit. Deferred inspections must be conducted by June 30, 2022 or HUD approved extension. (Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13, Notice PIH 2020-33, REV-2, and Notice PIH 2021-14)

For the CoC and HOPWA programs, the in-person inspection may be deferred until June 30, 2021, but must be conducted no later than three (3) months after health officials determine special measures to prevent the spread of COVID-19 are no longer necessary. (Waiver authority under HUD CPD Memorandum dated March 31, 2020 and HUD CPD Memorandum dated March 31, 2021)

The following paragraph is added to Section 10.1.3 Reinspection:

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During the COVID-19 emergency, HACSB will not conduct in-person reinspections. In lieu of the in-person reinspection, HACSB may conduct an RVI or accept a certification of repairs from the tenant and owner along with photographs, invoices, or receipts to document the completion of the repairs requested by HACSB. No in-person reinspection will be conducted at a later date to confirm the repairs. (24 CFR 982.405 does not require in-person confirmatory reinspections)

The following paragraph is added to Section 10.1.4 Special/Complaint Inspections:

During the COVID-19 emergency but no later than December 31, 2021 or HUD approved extension, HACSB may not conduct in-person special/complaint inspections. In lieu of the in-person inspection, HACSB will conduct an RVI or notify the owner of the deficiencies, and the owner must either correct the deficiencies with 30 days or 24 hours for life threatening deficiencies or provide documentation that the reported deficiency does not exist. HACSB will accept a certification along with photographs or other documentation to support the correction of the deficiencies. (Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13, Notice PIH 2020-33, REV-2, and Notice PIH 2021-14)

The following paragraph is added to Section 10.1.5 Quality Control Inspections:

During the COVID-19 emergency and through the remainder of the Fiscal Year, HACSB may not conduct in-person HQS Quality Control Inspections. Quality Control Inspections must resume by December 31, 2021 or HUD approved extension. (Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13, Notice PIH 2020-33, REV-2, and Notice PIH 2021-14)

22.10 Owner Rents, Rent Reasonableness and Payment Standards

The following paragraph is added to Section 11.5.1 Term-Limited Lease Assistance Streamlined Lease Assistance and Veterans Affairs Supportive Housing (VASH) Programs:

The Local Payment Standards will be reviewed each fiscal year unless extenuating circumstances prevent the update from taking place. In the event of a delay, HACSB will update the Local Payment Standards as soon as circumstances permit. (Activity 12: Local Payment Standards and Alternative Flat Rents, 2020 MTW Plan Amendment No. 2)

The following paragraph is added to Section 11.6 Rent to Owner Increases:

During the COVID-19 emergency, HACSB will defer processing of rent increases to the earliest practical and feasible date. (Activity 22: Streamlined Lease Assistance Program, 2020 MTW Plan Amendment 2, implemented 6/10/2020 and ended 12/31/2020)

22.11 Recertifications

The following paragraph is added to Section 12.1.1 Term-Limited Lease Assistance:

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Due to the COVID-19 emergency, HASCB may extend the validity of a family's most recently completed biennial or triennial recertification by one year. The due date of the family's next biennial recertification will be one year from the original due date, and future recertifications will follow the biennial schedule. (Activity 4: Biennial and Triennial Recertifications, 2020 MTW Plan Amendment No. 2)

The following paragraph is added to Section 12.1.2 Streamlined Lease Assistance and Veterans Affairs Supportive Housing (VASH) Programs:

Due to the COVID-19 emergency, HASCB may extend the validity of a family's most recently completed biennial or triennial recertification by one year. The due date of the family's next biennial or triennial recertification will be one year from the original due date, and future recertifications will follow the biennial/triennial schedule. (Activity 4: Biennial and Triennial Recertifications, 2020 MTW Plan Amendment No. 2)

The following paragraph is added to Section 12.2 Scheduling Recertifications:

During a local disaster, emergency, or crisis situation, HACSB will extend deadlines for participants to provide records and documents needed to determine ongoing eligibility for the program. If documents are missing from the Recertification packet, a participant will be given at least two (2) notices to submit the requested items. Participants requesting extensions will be granted at least ten (10) additional days or other reasonable extension on a case by case basis.

The following paragraph is added to Section 12.9.5 Traditional, Regulatory Assistance for Special Purpose Programs:

During the COVID19 emergency, zero HAP families whose six month grace period is ending between April 1, 2020 and September 30, 2020 will be granted a six month extension up to December 31, 2020. (Waiver authority under Notice PIH 2020-05)

The following paragraph is added to Section 12.10.1 Hardship Exemption of Over-Income Families:

During the COVID-19 emergency, HACSB will extend the grace period for another six months for over-income families whose end of term is scheduled between April 1, 2020 and September 30, 2020. (Activity 24: Transition of Over-Income Public Housing/Housing Choice Voucher, 2020 MTW Plan Amendment No. 2)

22.12 Contract Terminations

The following footnotes are added to Section 14.3 Termination of the Contract by the Housing Authority:

(1) During the COVID-19 emergency but no later than December 31, 2021, a family may be absent from the unit for more than 180 days due to extenuating circumstances related to the emergency, including, but not limited to, hospitalization, extended stays at nursing

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homes, and caring for family members. (Waiver authority under Notice PIH 2020-05 and extended under Notice PIH 2020-33, REV-2 and PIH Notice 2021-14)

(2) During the COVID-19 emergency, over-income SLA, TLA, and MTW families scheduled to expire between April 1 and September 30, 2020 will be extended six months. (Activity 24: Transition of Over-Income Public Housing/Housing Choice Voucher Families, 2020 MTW Plan Amendment No. 2) Zero HAP Contracts will be extended six months but such extensions shall not extend beyond December 31, 2020. (Waiver authority under Notice PIH 2020-05)

22.13 Termination of Assistance and Informal Hearing Policies

The following paragraph is added to Section 16.2.2.1 Term-Limited Lease Assistance Program:

During the COVID-19 emergency, the end of term (EOT) for any TLA participant with an EOT or extension EOT scheduled to occur between April 1 and September 30, 2020, will be delayed by six months. This timeframe may be extended to comply with local, state, and federal guidance/requirements surrounding the current crisis (Activity 20: Term-Limited Lease Assistance, 2020 MTW Plan Amendment No. 2)

The following paragraph is added to Section 16.2.2.1.5 Total Term of Assistance:

During the COVID-19 emergency, the end of term (EOT) for any TLA participant with an EOT or extension EOT scheduled to occur between April 1 and September 30, 2020, will be delayed by six months. The seven (7) year limitation on assistance is lifted for COVID-19 extensions only. (Activity 20: Term-Limited Lease Assistance, 2020 MTW Plan Amendment No. 2)

22.14 Portability

The following paragraph is added to Section 19.5 Incoming Portability Families:

During the COVID-19 emergency, HACSB temporarily suspended acceptance of Housing Choice Voucher Program port-ins (excluding VASH) from other housing authorities effective April 9, 2020. HACSB resumed processing of incoming portability requests on December 1, 2020. (Activity 8: Local Policies for Portability, 2020 MTW Plan Amendment No. 2)

22.15 Project-Based Assistance Program

The following paragraphs are added to Section 20.4.2 Turnover Inspections:

During the COVID-19 emergency, HACSB will defer in-person PBV unit turnover HQS inspections unless an RVI can be conducted or a lock-box is installed at the unit. In lieu of the HQS inspection, HACSB will accept self-certification by the family and property owner/manager that the unit meets all HQS requirements and that there are no life-threatening deficiencies. HACSB will require photographs to accompany the self-certification for some HQS components.

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For Term-Limited Lease Assistance, Streamlined Lease Assistance and Traditional Assistance for MTW Families, as soon as it is safe, feasible, and practical to do so, HACSB will conduct an HQS inspection to confirm that the unit meets HQS requirements. For these families, the deferred initial HQS inspections will be prioritized for processing as soon as HACSB is able to resume processing inspections. In the event that the unit does not pass the HQS inspection, HACSB will follow the same policies and procedures applicable to failed biennial inspections. (Activity 13: Local Inspection Policies, 2020 MTW Plan Amendment 2)

For VASH PBV, HACSB will resume in person inspections no later than December 31, 2021 or HUD approved extension. A deferred initial inspection where a self-certification was used will be inspected no later than June 30, 2022 (Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13, Notice PIH 2020-33, REV-2, and Notice PIH 2021-14) In the event that the unit does not pass the HQS inspection, HACSB will follow the same policies and procedures applicable to failed biennial inspections.

The following paragraph is added to Section 20.4.3 Annual Inspections:

During the COVID-19 emergency, HACSB may postpone PBV annual HQS inspections. The annual inspection may be postponed until it is safe to resume in-person inspections but no later than December 31, 2021 or HUD approved extension. Deferred inspections must be conducted by June 30, 2022. (Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13, Notice PIH 2020-33, REV-1, and Notice PIH 2021-14)

The following paragraph is added to Section 20.6.2 Determining Contract Rent to Owner:

During the COVID-19 emergency, HACSB will defer processing of rent increases to the earliest practical and feasible date. (Activity 22: Streamlined Lease Assistance Program, 2020 MTW Plan Amendment 2)

The following paragraph is added to Section 20.7.2.1 No Child Left Unsheltered (NCLU):

During the COVID-19 emergency, supportive services provided to NCLU families may be reduced and/or deferred based on the availability and ability of HACSB staff and partners to provide those services. Services will resume as soon as it is safe, feasible, and practical to do so. (Activity 23: No Child Left Unsheltered (NCLU), 2020 MTW Plan Amendment No. 2)

The following paragraph is added to Section 20.22 Adding, Substituting or Removing Units from the HAP Contract:

During the COVID-19 emergency, a unit may be kept under HAP contract due to a zero HAP family beyond 180 days but no later than December 31, 2021. Additionally, housing assistance payments may resume if the family's income changes at any point during the period of time covered by the extension. Extensions will not be automatic and will only be

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provided for extenuating circumstances, such as illness of a family member, to prevent homelessness, or as a reasonable accommodation. This waiver does not apply to RAD legacy families covered under Section 20.9.2.1. (Waiver Authority under Notice PIH 2020-33, REV-1 and Notice PIH 2021-14)

20.16 Homeownership Program

The following paragraph is added to Section 21.7 Home Inspections, Contract Of Sale, and Housing Authority Disapproval of Seller:

During the COVID-19 emergency but no later than December 31, 2021 or HUD approved extension, HACSB may conduct an RVI or in-person HQS inspection if the home is vacant and a lock box is provided. Otherwise, HACSB will review the independent inspection and may disapprove the unit if information in the inspection report lists HQS violations. (Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13, Notice PIH 2020-33, REV-2, and Notice PIH 2021-14)

The following paragraph is added to Section 21.10 Maximum Term of Homeownership Assistance:

HACSB may extend homeownership assistance for up to one additional year if the family is experiencing a financial hardship as a result of the COVID-19 pandemic and the family's term of assistance is ending prior to December 31, 2021. (Notice PIH 2021-14)