



SAN DIEGO
HOUSING
COMMISSION

San Diego Housing Commission Administrative Plan for the Section 8 Rental Assistance Programs

Approved June 14, 2019

San Diego Housing Commission
Rental Assistance Division
1122 Broadway, Suite 300
San Diego, CA 92101
www.sdhc.org





Chapter 1 – Statement of Policies and Objectives

A. INTRODUCTION	1
B. MOVING FORWARD	1
C. PURPOSE OF THE PLAN	2
D. ADMINISTRATIVE FEE RESERVE	2
E. FAIR HOUSING POLICY	3
F. LIMITED ENGLISH PROFICIENT PERSONS	3
G. ACCOMMODATIONS TO A PERSON WITH A DISABILITY POLICY	3
H. MANAGEMENT ASSESSMENT OBJECTIVES	5
I. LANDLORD OUTREACH	5
1. Landlord Partnership Program	5
2. Landlord Advisory Committee	5
J. CONFLICT OF INTEREST	6
K. SIGNATURE	7

Chapter 2 – Waiting List, Admission, and Denial of Admission

A. INTRODUCTION	9
B. APPLICATION TAKING PROCESS AND WAITING LIST	9
C. COOPERATIVE WAITING LIST	9
D. FAMILY OUTREACH	10
E. APPLICANT STATUS WHILE ON WAITING LIST	10
F. SPLIT HOUSEHOLDS (Prior to Voucher Issuance)	10
G. WAITING LIST ORDER	11
H. SPECIAL ADMISSIONS	11
I. RANKING LOCAL PREFERENCES	11
J. INITIAL DETERMINATION OF LOCAL PREFERENCE	12
K. CHANGE OF PREFERENCE	12
L. CROSS LISTING OF PUBLIC HOUSING AND SECTION 8	12
M. PREFERENCE DENIAL	12



N. REMOVAL FROM WAITING LIST AND UPDATE	12
O. OPENING AND CLOSING THE WAITING LIST	13
P. SELECTION FROM WAITING LIST	14
Q. INCOME LIMITATIONS/INCOME TARGETING	14
R. ELIGIBILITY DETERMINATION PROCESS	15
S. COMPLIANCE WITH ELIGIBILITY PROCESS	15
T. VERIFICATION	15
U. FINAL DETERMINATION OF ELIGIBILITY	15
V. ELIGIBILITY FACTORS	16
W. FAMILY COMPOSITION	16
1. Definition of a Live-in Aide	17
2. Custody of Children	18
X. MANDATORY SOCIAL SECURITY NUMBERS	18
Y. CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS	19
Z. OTHER CRITERIA FOR ADMISSIONS	19
AA. TENANT SCREENING	20
BB. CHANGES PRIOR TO EFFECTIVE DATE OF THE CONTRACT	20
CC. INELIGIBLE FAMILIES	20

Chapter 3 – Verification, Income, Assets, and Allowances

A. INTRODUCTION	22
B. METHODS OF VERIFICATION	22
1. Methods of Verification for Moving Forward Participants	22
2. Mandated Use of the Enterprise Income Verification (EIV) System	23
C. DEFINITIONS OF METHODS OF VERIFICATION	23
1. Verification Hierarchy Definitions	23
2. Upfront Income Verification (UIV) and Income Verifications Timeframes	24
3. Use of Third-Party Verification to Supplement Upfront Income Verification	24
D. RELEASE OF INFORMATION	24
E. ITEMS TO BE VERIFIED	25
F. VERIFICATION OF PREFERENCES	26



1. Live in or Work in the City of San Diego	26
2. Verification of “Homeless” in the City of San Diego	26
3. Veteran	26
4. Family of a Veteran	26
5. Active Military	27
G. VERIFYING NON-FINANCIAL FACTORS	27
1. Verification of Legal Identity	27
2. Verification of Marital Status	28
3. Familial Relationships	28
4. Verification of Permanent Absence of Family Member	29
5. Verification of Change in Family Composition	29
6. Verification of Disability	29
7. Social Security Number Disclosure and Verification Requirements	29
8. Verification of Citizenship/Eligible Immigrant Status	31
9. Acceptable Documents of Eligible Immigration	33
H. VERIFICATION OF DRUG OR VIOLENT CRIMINAL HISTORY, REGISTERED SEX OFFENDERS AND ALCOHOL ABUSE	33
I. CONFIDENTIALITY OF CRIMINAL RECORDS	33
J. DEFINITION OF INCOME	33
1. Income of Person Confined to a Nursing Home	34
2. Regular Contributions and Gifts	34
3. Sporadic Income	34
4. Alimony and Child Support	34
5. Employer Mileage Reimbursement	34
6. Employer Paid Medical/Flex/Cafeteria Benefits	34
K. VERIFICATION OF INCOME	34
1. Employment Income	34
2. Social Security and Supplemental Security Income	35
3. Pensions and Disability Income	35
4. Unemployment Compensation	36
5. Welfare Payments	36
6. Alimony or Child Support Payments	36
7. Net Income from a Business/Self Employment	37
8. Child Care Business	38
9. Recurring Gifts	38
10. Zero Income Status (Work-Able Families Only)	38
11. Full-Time Student Deduction	38
12. Full-time Student Status – Financial Assistance	41
13. Graduation Incentive Program	41
14. Excluded Income Policy	41
15. Local Income Inclusion (Housing Choice Voucher Participants)	42
L. ALLOWANCES AND DEDUCTIONS	42



M. CHILD CARE EXPENSES	42
N. VERIFICATION OF CHILD CARE EXPENSES	43
O. MEDICAL EXPENSES	43
1. Verification of Medical Expenses	44
2. Assistance to a Person with a Disability	45
3. Verification of Reasonable Accommodation to Accommodate a Person with a Disability	46

Chapter 4 – Tenant Rent Calculation

A. INTRODUCTION	48
B. MINIMUM RENT	48
1. Elderly/Disabled Families	48
2. Work-Able Families	48
3. Hardship Request Process	49
4. Hardship for Zero Income Families	49
C. MINIMUM INCOME	50
D. REIMBURSEMENT POLICY WHEN HOUSING COMMISSION ERROR	50
E. PATH TO SUCCESS RENT CALCULATION	50
1. Elderly/Disabled Families	50
2. Work-Able Families	50
F. RENT CALCULATION CHANGES DUE TO CHANGE IN FAMILY STRUCTURE	51

Chapter 5 – Subsidy Standards, Voucher Issuance, and Briefings

A. INTRODUCTION	53
B. DETERMINING FAMILY SUBSIDY STANDARDS (VOUCHER SIZE)	53
1. Initial Issuance and Decreases in Household Composition	53
2. Changes for Applicants	55
3. Housing Commission Error	55
4. Increases in Household Composition for Participants	55
C. EXCEPTIONS TO SUBSIDY STANDARDS	56
1. Request for Exceptions to Subsidy Standards	56
D. UNIT SIZE SELECTED	56
E. ISSUANCE OF VOUCHERS	57



F. BRIEFINGS AND REQUIRED ATTENDANCE	57
1. Initial Applicant Briefing	57
2. Participant Briefing	57
G. ENCOURAGING PARTICIPATION IN HIGHER OPPORTUNITY AREAS	58
H. ASSISTANCE TO VOUCHER HOLDERS	58
I. ASSISTANCE TO FAMILIES WHO CLAIM DISCRIMINATION	58
J. TERM OF VOUCHER	58
1. Issuance at Admission and Move	59
2. Extensions	59
3. Reasonable Accommodation to Accommodate a Person with a Disability	59
4. Suspensions	59
5. Expirations	59
K. VOUCHER ISSUANCE FOR SPLIT HOUSEHOLDS	60
L. SECURITY DEPOSIT LOAN PROGRAM	60
1. Summary	60
2. Eligibility	60
M. CHANGES IN PAYMENT STANDARDS	61
1. Increase in Payment Standards	61
2. Decreases in Payment Standards	61

Chapter 6 – Request for Approval of Tenancy and Contract Execution

A. INTRODUCTION	63
B. AFFORDABILITY CAP ON FAMILY SHARE	63
C. REQUEST FOR TENANCY APPROVAL	63
1. Disapproval of the Request for Tenancy Approval	64
D. ELIGIBLE TYPES OF HOUSING	64
E. LEASE REVIEW	65
1. Actions before the Lease Term	65
F. SEPARATE AGREEMENTS	65
G. DISAPPROVAL OF PROPOSED RENT	66
H. INFORMATION TO LANDLORDS	66
I. CHANGE IN TENANT PAYMENT BEFORE HAP EFFECTIVE DATE	66



J. ZERO HAP CONTRACT RESTRICTIONS	66
K. CHANGES TO LEASE	67
L. CONTRACT EXECUTION AND TIMELY PROCESSING OF PAYMENT	67

Chapter 7 – Moves with Continued Assistance/Portability

A. INTRODUCTION	69
B. ALLOWABLE MOVES	69
C. RESTRICTIONS ON MOVES	69
D. PROCEDURE FOR MOVES	70
1. Issuance of Voucher	70
2. Notice Requirements	70
3. Time of Contract Change	70
E. PORTABILITY	70
1. Outgoing Portability	70
2. Incoming Portability	71

Chapter 8 – Recertifications and Interim Adjustments

A. INTRODUCTION	75
B. HOUSING CHOICE VOUCHER: RECERTIFICATION SCHEDULES	75
C. REPORTING INTERIM CHANGES FOR ELDERLY & DISABLED	76
1. Increases in Income	76
2. Decreases in Income	76
D. REPORTING INTERIM CHANGES FOR WORK-ABLE HOUSEHOLDS	76
1. Increases in Income	77
2. Decreases in Income	77
3. Interim Hardship Policy	78
E. FAMILY COMPOSITION CHANGES	79
1. Exceptions to Policy	79
F. TIMELY REPORTING OF HOUSEHOLD COMPOSITION CHANGES	79
1. Reporting Requirements	79
2. When the Change of Family Composition is Reported in a Timely Manner	79



3. When the Change is Not Reported Timely by the Family	80
4. When the Change of Family Composition is Not Processed Timely by SDHC	80
G. DECEASED HOUSEHOLD MEMBER	80
H. VOUCHER SIZE CHANGES – WORK-ABLE & ELDERLY/DISABLED HOUSEHOLDS	81
I. NOTIFICATION OF NOMINAL RENT PORTION INCREASES	81
J. DEFINITION OF TEMPORARILY ABSENT	81
1. Absence of Any Member	82
2. Absence Due to Medical Reasons	82
3. Absence Due to Full-time Student Status	82
4. Absence Due to Incarceration	82
5. Absence of Children Due to Placement in Foster Care	83
6. Absence of Entire Family	83
7. Caretaker for Children	83
8. Visitors	84
K. DEFINITION OF PERMANENTLY ABSENT	84
L. PROGRAM ABUSE PREVENTION POLICY	84
1. Decreases at Recertification	84
2. Transfer of Voucher/Head of Household Change	85

Chapter 9 – Landlord Rents, Rent Reasonableness and Payment Standards

A. INTRODUCTION	87
B. RENT TO OWNER IN THE HOUSING CHOICE VOUCHER PROGRAM	87
C. MAKING PAYMENTS TO LANDLORDS	87
1. Method of Rent Payment	87
2. Excess Payments	87
3. Late Payments to Landlords	87
4. Re-Issuance of Payments	88
D. RENT REASONABLENESS DETERMINATIONS	88
1. How Market Data is Collected	88
2. How Rent is Determined	88
E. HOUSING CHOICE VOUCHER PROGRAM: INCREASING THE PAYMENT STANDARDS IN LOW-POVERTY AREAS	89
F. PAYMENT STANDARDS FOR THE VOUCHER PROGRAM	89
G. ADJUSTMENTS TO PAYMENT STANDARDS	89
1. Rent Burdens of Assisted Families	89



2. Rent to Owner Increases	90
3. Lowering the Payment Standard	90
H. PAYMENT IN THE HOUSING CHOICE VOUCHER PROGRAM	90

Chapter 10 – Housing Quality Standards, Inspections, and Utility Allowances

A. INTRODUCTION	92
B. MANDATORY INSPECTIONS	92
C. MOVING FORWARD: INSPECTIONS AND RENT REASONABLENESS FOR HOUSING COMMISSION OWNED PROPERTIES	93
D. INITIAL HQS INSPECTION	93
1. Timely Initial HQS Inspection	93
2. Pre-inspection of Vacant Units	93
E. HQS INSPECTIONS	94
1. Time Standards for Repairs	94
2. Rent Increases	94
F. EMERGENCY REPAIR ITEMS	95
G. SPECIAL INSPECTIONS	95
H. QUALITY CONTROL INSPECTIONS	96
I. ACCEPTABILITY CRITERIA AND EXCEPTIONS TO HQS	96
1. Modifications	97
J. SELF-CERTIFICATION OF REPAIRS	97
K. CONSEQUENCES IF LANDLORD IS RESPONSIBLE	97
1. Abatement	97
2. Reduction of Payments	98
3. Termination of Contract	98
4. Lead Based Paint (LBP)	99
L. DETERMINATION OF RESPONSIBILITY	99
M. CONSEQUENCES IF FAMILY IS RESPONSIBLE	99
N. STANDARDIZED UTILITY ALLOWANCES	100
O. ROOMS USED FOR LIVING	100



Chapter 11 – Traditional Housing Choice Voucher Program

A. INTRODUCTION	102
B. VERIFICATIONS, INCOME, ASSETS ALLOWANCES	102
1. Methods of Verification and Verification Hierarchy Definitions	102
2. Mandated Use of the Enterprise Income Verification (EIV) System	103
3. Items to be Verified	104
4. Allowances and Deductions	109
C. MINIMUM RENT	109
1. Hardship Requests for an Exception to Minimum Rent	109
2. Criteria for Hardship Exception	109
3. Notification to Families of Right to Hardship Exception	110
4. Suspension of Minimum Rents	110
5. Temporary Hardship	111
6. Long-Term Duration Hardships	111
D. ANNUAL RECERTIFICATIONS	111
1. Regular Annual Activities	111
2. Regular Annual Recertifications	111
3. Collection of Information	111
4. Compliance with Annual Recertification Process	111
5. Notification of Results of Annual Recertifications	112
E. REPORTING INTERIM CHANGES	112
1. Increases in Income	112
2. Decreases in Income	112
F. HOUSING QUALITY STANDARDS INSPECTIONS	113
G. UTILITY ALLOWANCE AND REIMBURSEMENT PAYMENTS	113

Chapter 12 – Program Terminations and Program Integrity Unit

A. INTRODUCTION	115
B. CONTRACT TERMINATION	115
C. TERMINATION OF TENANCY BY THE OWNER: EVICTIONS	115
D. TERMINATION OF THE CONTRACT	117
1. Notice of Termination	117
E. GROUNDS FOR DENIAL OR TERMINATION	117



1. Form of Denial/Termination	117
2. Mandatory Denial and Termination	118
3. Grounds for Denial or Termination of Assistance	118
4. Denial of Prior SDHC Program Participants	121
F. CRIMINAL ACTIVITY POLICY	121
1. Purpose	121
2. Denial of Participation and Termination of Assistance	122
3. Address Match Program (AMP)	123
G. NOTICE OF TERMINATION OF ASSISTANCE	123
1. Required Evidence	123
H. HOUSING COMMISSION POLICY FOR CONSIDERATION OF CIRCUMSTANCES	124
1. Violence Against Women	124
2. Other Circumstances	126
I. DENIAL OR TERMINATION DUE TO INELIGIBLE IMMIGRANT STATUS	127
J. MISREPRESENTATION IN COLLUSION WITH LANDLORD	127
K. MISSED APPOINTMENTS AND DEADLINES	127
L. DISAPPROVAL OF LANDLORD	127
M. LANDLORD RESTRICTIONS AND PENALTIES	128
N. CHANGE IN OWNERSHIP	128
O. PAYMENT PLAN AGREEMENT FOR FAMILIES	129
P. DEBTS DUE TO NON-REPORTING OR SUBSTANTIAL UNDER-REPORTING OF INFORMATION	130
Q. DEBTS OWED - NATIONAL HUD REPOSITORY	131
R. DEBTS DUE FOR CLAIMS	131
S. OWNER DEBTS TO SDHC	132
T. COLLECTION TOOLS	132
U. HOUSING COMMISSION RETENTION OF MONIES	132
V. ADMINISTRATIVE REVIEW PROCEDURES	133
1. Applicants	133
2. Participants	133
W. WHEN AN INFORMAL HEARING IS REQUIRED AFTER COMPLETION OF ADMINISTRATIVE REVIEW PROCESS	133
X. INFORMAL HEARING POLICY	134
Y. PRE-HEARING PROCEDURES	135



Z. PRE HEARING RIGHTS AND RESPONSIBILITIES	135
AA. RIGHTS AT THE HEARING	136
BB. DENIAL OR DISMISSAL OF AN INFORMAL HEARING	137
CC. CONDUCT OF HEARING	137
1. Hearing Officer Responsibility	137
2. Evidence	138
3. Definition of Preponderance of Evidence	138
4. Credible Evidence	138
DD. HEARING DECISIONS	138
EE. RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS	139

Chapter 13 – Special Housing Types

A. INTRODUCTION	141
B. SINGLE ROOM OCCUPANCY (SRO)	141
1. SRO Rent and Housing Assistance Payment	141
2. Housing Quality Standards	141
C. CONGREGATE HOUSING	141
1. Congregate Housing Lease and HAP Contract	142
2. Housing Quality Standards	142
D. GROUP HOMES	142
1. Group Home Lease and HAP Contract	142
2. Group Home Rent and HAP Contract	143
3. Maximum Subsidy	143
4. Utility Allowance	143
5. Housing Quality Standards	143
E. SHARED HOUSING	143
1. Occupancy	143
2. Rent and HAP Contract	144
3. Maximum Subsidy	144
4. Utility Allowance	144
5. Housing Quality Standards	144
F. MANUFACTURED HOMES	144
1. Housing Quality Standards	145
2. Manufactured Home Space Rental	145
3. Reasonable Rent	145



4. Utility Allowance	145
--	-----

Chapter 14 – Special Programs

SECTION 1: MODERATE REHABILITATION PROGRAM	147
A. INTRODUCTION	147
B. LEASE AGREEMENT AND HAP CONTRACT	147
C. RENT CALCULATION METHODOLOGY FOR TENANT	147
D. MODERATE REHABILITATION PROGRAM WAITING LIST AND LEASE UP	147
E. TRANSFERS WITHIN THE MODERATE REHABILITATION PROGRAM	148
F. FAMILIES HOLDING A VOUCHER	148
G. VACANCY LOSS AND CLAIMS	148
1. Vacancy Loss	148
2. Damage Claims	149
SECTION 2: MOVING FORWARD - PROJECT BASED UNITS	149
A. INTRODUCTION	149
B. PROJECT-BASED VOUCHER POLICY	150
1. Annual Review of Project-Based Voucher Program	150
2. Qualified Agencies	150
3. Owner Proposal Selection	151
4. Housing Commission Owned Units and Units Owned by the Housing Commission’s Limited Liability Companies	153
5. Environmental Review	154
6. Designated Service Providers	154
7. Designated Service Provider Waiting List	154
8. Designated Service Provider Waiting List	154
9. Homeless Management Information System (HMIS) Participation	155
10. Non-Designated Service Providers/ Non-Service Providers	155
11. In-Place Families	156
12. Eligibility for PBV Assistance	156
13. Ongoing Eligibility	156
14. Occupancy Standards	157
15. Utility Allowances	157
16. Inspecting Units/Rent Reasonableness	157
17. Lease Agreement and HAP Contract	157
18. Vacancy Loss/Damage Claims	157
19. Exit Vouchers	157
20. Rent Calculation Methodology and Minimum Rent for Tenant	158
21. Hardship Policy	158



SECTION 3: VETERANS AFFAIRS SUPPORTIVE HOUSING (VASH)	158
SECTION 4: SPONSOR-BASE SUBSIDIES (SBS) FOR THE HOMELESS	159
SECTION 5: FAMILY UNIFICATION PROGRAM (FUP)	161
SECTION 6: NON-ELDERLY PERSONS WITH DISABILITIES VOUCHERS	162
SECTION 7: TRANSITIONAL PROJECT BASED SUBSIDIES FOR THE HOMELESS	162
SECTION 8: FLAT SUBSIDIES FOR YOUTH AGING OUT OF THE FOSTER CARE SYSTEM	163
SECTION 9: GUARDIAN SCHOLARS PROGRAM	163
SECTION 10: THE MONARCH SCHOOL PROJECT	164
SECTION 11: LOCAL NON TRADITIONAL ACTIVITIES IMPLEMENTED UNDER MTW	166
SECTION 12: THE MOVING ON PROGRAM	167
SECTION 13: MAINSTREAM VOUCHERS	167
SECTION 14: HOMELESS DEFINITIONS	168

Chapter 15 – Self-Sufficiency Action Plan

A. INTRODUCTION	172
B. OVERVIEW OF FAMILY SELF SUFFICIENCY	172
1. Program Description	172
2. Minimum Program Size	173
3. Coordination of Support Services	173
4. Outreach Strategies	174
5. Program Orientation	174
6. Incentives to Participate	174
7. Families not Participating in FSS	175
C. PARTICIPANT SELECTION	175
1. Non-Discrimination in Participant Selection	175
2. Eligibility for Participation	175
3. Prerequisites and Waiting List	176
4. Participants with Disabilities	177
5. Accommodations to a Person with a Disability	177
6. Denial of Participation	177
D. SERVICE DELIVERY	178
1. Contract of Participation	178
2. Individual Training and Service Plan	178
3. Graduation Requirements	179
4. Escrow Accounts	179



5. Career Planning and Personal Development Workshops	183
6. Career Support Activities	184
7. Education, Training, Technical Assistance and Employment	184
E. TERMINATION OF PARTICIPATION	185
F. SUPPORT SERVICES	185
1. General Policy for Financial Assistance	185
2. Escrow Account Interim Withdrawals	186
3. Book Scholarships	188
4. Bus Passes / Gas Cards	189
5. Moving	189
6. Withholding of Support Services and/or Termination of Contract	189
G. PROGRAM ADMINISTRATION	190
1. Portability	190
2. Grievance Procedure	192
H. REPORTING AND PROGRAM EVALUATION	193
1. Reporting	193
2. Program Evaluation	194

Chapter 16 – Moving Forward: Housing Choice Voucher Homeownership Program

A. INTRODUCTION	196
B. HOUSING CHOICE VOUCHER RULES APPLY	196
C. ELIGIBILITY REQUIREMENTS FOR FAMILIES	196
1. General Requirements	196
2. Employment Obligations	198
D. APPLICATION PROCESS	199
1. Application Form	199
2. Application Attachments	199
3. Application Review	199
E. DETERMINING “MORTGAGE READY” APPLICANTS	200
1. Incomplete Applications	200
2. Homeownership Counseling	200
F. CERTIFICATE OF ELIGIBILITY	202
1. Changes in Family Size or Composition	202
2. Changes in the Payment Standards	203
G. ELIGIBLE UNITS	203



H. FAMILY SEARCH AND OFFER TO PURCHASE	205
I. CONTRACT OF SALE	205
J. HOME INSPECTIONS	206
1. Independent Home Inspection	206
2. Housing Quality Standards (HQS) Inspection	207
K. FINANCING AND AFFORDABILITY OF PURCHASE	207
1. Down Payment Requirements	207
2. Foreclosure Incentives	208
3. Lending Partners	208
4. Underwriting Options	208
5. Loan Restrictions	209
L. CONTINUED ASSISTANCE: FAMILY OBLIGATIONS	209
1. Continuous Requirements	210
2. Continuous Employment Obligations	210
3. Mitigating Circumstances and Hardship Policy	211
4. Guests and Changes in Family Composition	211
5. Other Continued Family Obligations	211
M. MAXIMUM TERM OF HOMEOWNERSHIP ASSISTANCE	213
N. HOUSING ASSISTANCE PAYMENT (HAP)	214
O. PAYMENT STANDARD/SUBSIDY STANDARD	215
P. PORTABILITY	216
Q. MOVE WITH CONTINUED TENANT BASED ASSISTANCE	216
R. FORECLOSURE OF ASSISTED HOMES	216
S. TERMINATION OF HOMEOWNERSHIP ASSISTANCE	217
1. Failure to Comply with Homeowner Obligations	217
2. Occupancy of Home	217
3. Changes in Income Eligibility	217
4. Refusal to Meet Continuous Work Requirement	218
5. Family Request a Return to Rental Assistance	218
T. MORTGAGE DEFAULT	218
U. INFORMAL HEARINGS	218
V. RECAPTURE	218



GLOSSARY

A. ACRONYMS USED IN SUBSIDIZED HOUSING	220
B. GLOSSARY OF TERMS IN SUBSIDIZED HOUSING	223
C. GLOSSARY OF TERMS USED IN THE NON-CITIZEN RULE	237



A. INTRODUCTION

The Section 8 Program was enacted as part of the Housing and Community Development Act of 1974, which recodified the U.S. Housing Act of 1937. The Act is and has been amended from time to time, and its requirements, as they apply to the Section 8 tenant-based assistance program, are described in and implemented throughout this Administrative Plan. The Section 8 rental assistance programs are federally funded and administered for the City of San Diego by the San Diego Housing Commission (SDHC) through its Rental Assistance Division.

Administration of the Section 8 Program and the functions and responsibilities of SDHC staff shall comply with SDHC's Personnel Policy and the Department of Housing and Urban Development's (HUD) Section 8 regulations as well as all federal, state and local Fair Housing laws and regulations.

1. Jurisdiction

The jurisdiction of the SDHC is the City of San Diego, California.

B. MOVING FORWARD

On January 14, 2009, HUD approved the SDHC as a Moving to Work agency. The Moving to Work (MTW) demonstration program allows public housing authorities (PHA's) to design and test various approaches for providing and administering housing assistance. The Department of Housing and Urban Development's three main objectives of the program are to:

1. Reduce cost and achieve greater cost effectiveness in Federal expenditures;
2. Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
3. Increase housing choices for low-income families.

Locally, the Moving to Work program is known as "Moving Forward." Throughout this document, there are policy references to Moving Forward. These policies only apply to vouchers that qualify to be administrated under the Moving to Work program. Unless noted otherwise, all other policies in this plan apply to Moving Forward vouchers and other voucher programs.

SDHC's portfolio of units that are not part of the Moving Forward program include:

Moderate Rehabilitation (Mod Rehab);

Others as designated by HUD.

On September 16, 2011, the San Diego Housing Commission adopted the Fiscal Year 2012 MTW Annual Plan Amendment, which included the Path to Success initiatives. Path to Success modifies the method used to determine the rent portion for Housing Choice Voucher (HCV) Program families subject to



Moving to Work provisions. As part of Path to Success, families have been identified as either Work-Able or Elderly/Disabled. The Work-Able calculation was designed to encourage Work-Able families to increase income and become more financially self-sufficient. The SDHC Achievement Academy, a learning center with an emphasis on job skills and financial education, is available to all HCV families seeking economic independence. The Path to Success calculation used to calculate the rent portion for Elderly/Disabled families utilizes streamlining measures to reduce the burden of the recertification process. Path to Success was effective July 1, 2013.

The entire Moving Forward Plan is available on SDHC's website at:

<http://sdhc.org/Rental-Assistance/MovingForward-MTW/>

C. PURPOSE OF THE PLAN [24 CFR 982.54]

The purpose of the Administrative Plan is to establish policies for carrying out the programs in a manner consistent with HUD requirements and local goals and objectives contained in the Agency Plan. This Plan covers admission and continued participation in the Voucher, Moderate Rehabilitation, Moving Forward and Special Programs described in this Plan. Policies are the same for all programs unless otherwise noted or superseded by federal statute or regulation or HUD approved policy.

SDHC is responsible for complying with all changes in HUD regulations pertaining to these programs. If such changes conflict with this Plan, HUD regulations will have precedence. The Board of Commissioners of the agency must approve the Plan and any changes. Pertinent sections must be included in the Agency Plan, and a copy provided to HUD.

Applicable regulations include:

24 CFR Part 5: General Program Requirements;

24 CFR Part 8: Nondiscrimination;

24 CFR Part 982: Section 8 Tenant-Based Assistance; and

HUD approved Moving Forward Policy and related documents.

This Administrative Plan is set forth to define SDHC's local policies for operation of the housing programs in the context of federal laws and regulations. All issues related to Section 8 not addressed in this document are governed by such federal regulations, HUD memos, notices and guidelines, or other applicable law.

The Chief Executive Officer has the flexibility to grant exceptions to SDHC's adopted policy.

D. ADMINISTRATIVE FEE RESERVE [24 CFR 982.54]

Expenditures from the Administrative Reserve (Operating Reserve) for other housing purposes during each fiscal year will not be made without the prior approval of the Board of Commissioners.



E. FAIR HOUSING POLICY [24 CFR 982.54(d) (6)]

It is the policy of SDHC to comply fully with all federal, state, and local nondiscrimination laws and with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment.

SDHC shall not deny any family or individual the equal opportunity to apply for or receive assistance under the Section 8 programs based on race, color, sex, religion, creed, national or ethnic origin, age, familial or marital status, handicap or disability, sexual orientation, or gender identity.

To further its commitment to full compliance with applicable Civil Rights laws, SDHC will provide federal/state/local information to Section 8 clients regarding unlawful discrimination and any recourse available to families who believe they are victims of a discriminatory act.

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 SDHC's facilities may be inaccessible to, or unusable by a person with a disability.

F. LIMITED ENGLISH PROFICIENT PERSONS

It is the policy of the San Diego Housing Commission to ensure that persons with Limited English Proficiency (LEP) shall not be discriminated against nor denied meaningful access to, and participation in, any of SDHC's programs and activities. By identifying the language needs of clients and utilizing available bilingual resources to address those needs, SDHC staff will ensure that LEP clients have the necessary meaningful access to all available services.

Towards that end, SDHC has adopted a "Language Access Plan" (LAP) that applies to all programs, services, activities and facilities of the SDHC, regardless of receipt of Federal financial support. The LAP concentrates on improving access to Housing Commission resources, with a focus on those areas with regular and frequent contact with LEP persons.

The entire Language Access Plan is available on SDHC's website under the Plans and Policies section.

G. ACCOMMODATIONS TO A PERSON WITH A DISABILITY POLICY [24 CFR 100.202]

It is the policy of SDHC to be service-directed in the administration of the housing programs, and to exercise and demonstrate a high level of professionalism while providing housing services to families.

An applicant and/or a participant with a disability must first ask for a specific change to a policy or practice as an accommodation of their disability before SDHC will treat a person differently than anyone else. SDHC's policies and practices will be designed to provide assurances that a person with a disability will be accommodated, upon request, so that they may fully access and utilize the housing program and related services. The availability of requesting an accommodation may be made known by including notices on SDHC forms and letters. This policy is intended to afford a person with a disability 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 a disability. The policy is applicable to all situations described in



this Administrative Plan including when a family initiates contact with SDHC, when SDHC initiates contact with a family, and when SDHC schedules or reschedules appointments of any kind.

To be eligible to request an accommodation for a person with a disability, the requester must first certify (if apparent) or verify (if not apparent) that they meet at least one of three qualifying definitions under the Fair Housing Act/Americans with Disabilities Act/Section 504 definitions of handicap. The person must: [24 CFR 100.201]

Have a physical, mental or emotional impairment that substantially limits one or more of the person's major life activities;

Have a record of such impairment; or

Be regarded as having such an impairment

Rehabilitated former drug users and alcoholics are covered under the Americans with Disabilities Act (ADA). However, a current drug user is not covered. In accordance with 24 CFR 5.403, individuals are not considered disabled for eligibility purposes solely based on any drug or alcohol dependence. Individuals whose drug or alcohol addiction is a material factor to their disability are excluded from the definition. Individuals are considered disabled if disabling mental and physical limitations would persist if drug or alcohol abuse is discontinued.

Once a person's status as a qualified person with a disability is confirmed, SDHC will require that a licensed doctor, health care professional, or third party competent to make the assessment provide written verification that the person needs the specific accommodation due to their disability and the change is required for them to have equal access to the housing program.

If SDHC finds that the requested accommodation creates an undue administrative or financial burden, SDHC will deny the request and/or present an alternate accommodation that will still meet the need of the person.

An undue administrative burden is one that requires fundamental alteration of the essential functions of SDHC.

An undue financial burden is one that when considering the available resources of the agency as a whole, the requested accommodation would pose a severe financial hardship on SDHC.

SDHC will provide a written decision to the person requesting the accommodation within a reasonable time. If a person is denied the accommodation or feels that the alternative accommodation are inadequate, he/she may initiate the Administrative Review Process.

Accommodations will be made for persons with a disability that require an advocate or accessible office. A designee will be allowed to provide some information, but only with the permission of the person with the disability.

All SDHC mailings will be made available in an accessible format upon request, to accommodate a person with a disability.



H. MANAGEMENT ASSESSMENT OBJECTIVES

Although the Moving to Work Program exempts SDHC from the Section 8 Management Assessment Program (SEMAP), the agency operates its housing assistance program with efficiency and can demonstrate to HUD auditors that SDHC is using its resources in a manner that reflects its commitment to quality and service.

I. LANDLORD OUTREACH [24 CFR 982.54(d) (5), 982.153]

SDHC makes a concerted effort to keep private landlords informed of legislative changes in the tenant-based program, which are designed to make the program more attractive to landlords. This includes informing participant landlords of applicable legislative changes in program requirements.

In order to encourage landlords of decent, safe and sanitary housing units to lease to Section 8 families, SDHC has taken the following steps:

1. Landlord Partnership Program

SDHC established the Landlord Partnership Program (LPP) with the aim of expanding housing opportunities for families by increasing the appeal of landlord participation in the HCV Program. By providing financial and supporting incentives to landlords who rent to HCV Program participants within the City of San Diego, SDHC seeks to recruit new and retain existing landlords in the HCV Program while eliminating current barriers to landlord participation.

Incentives may include the following:

- Landlord Incentive Payments, consisting of a lump sum payment of \$500 to be issued to landlords for leasing to HCV families within SDHC jurisdiction.
- Assurance Fund to cover vacancy loss and damages caused by tenants beyond normal wear and tear exceeding the security deposit
- Move flexibility Allowance to cover up to five days of Housing Assistance Payment overlap in an instance of a HCV tenant vacating a subsidized unit to move to a new unit
- Landlord Liaison Team to provide dedicated customer service to landlords
- Participant Assistance, consisting of a dedicated team that will support families in the move process to ensure timely lease ups

The Landlord Partnership Program incentives is contingent on continued funding levels from HUD and will be offered based on funding availability.

2. Landlord Advisory Committee

The Landlord Advisory Committee (LAC) is made up of local city of San Diego Landlords, property owners, and representatives from both state and local housing and apartment associations. The committee was created to obtain feedback on how the HCV Program can succeed in the private/local rental market. Goals of LAC include eliciting feedback regarding streamlining section 8 processes by



working together with landlords, eliminating landlord barriers to participation in the program, and discussing best practices or new programs and incentives to market the benefits of the HCV program to new and existing landlords within the city of San Diego.

In addition to the initiatives described above, SDHC shall continue to:

- Develop working relationships with landlords and real estate broker associations.
- Establish contact with civic, charitable or neighborhood organizations which have an interest in housing for low-income families and public agencies concerned with obtaining housing for displaced families.
- Explain equal opportunity and nondiscrimination requirements, including Fair Housing Amendments Act of 1988 and Americans with Disabilities Act, to real estate agents, landlords, and other groups that have dealings with low-income families or are interested in housing such families.
- Maintain a list of units available for the Section 8 Program and update the list weekly.
- Maintain a list of available housing units submitted by landlords in all neighborhoods within SDHC's jurisdiction to ensure greater mobility and housing choice to very low-income households. The list of available units will be readily available for applicant briefings and participants searching for housing.
- Actively participate in community-based organizations including private landlords and property manager groups.
- Actively recruit landlords with property located outside areas of low income and poverty concentration and apply for exception payment standards if SDHC determines it is necessary to make the program more accessible in its jurisdiction.

J. CONFLICT OF INTEREST [24 CFR 982.161]

All SDHC employees shall abide by the Conflict of Interest regulation as follows:

Neither SDHC nor any of its contractors or subcontractors may enter into any contract or arrangement in connection with the tenant-based programs in which any of the following classes of persons has any interest, direct or indirect, during tenure or for one year thereafter:

Any present or former member or officer of SDHC (except an appointed resident commissioner);

Any employee of SDHC, or any contractor, subcontractor, or agent of SDHC, who formulates policy or who influences decisions with respect to the programs;

Any public office, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the program; or

Any member of the Congress of the United States.

Any of these members must disclose their interest or prospective interest to SDHC and HUD.

The conflict of interest prohibition may be waived by the HUD field office for good cause.



All SDHC staff is subject to the “Business Ethics and Conflict of Interest” provision as referenced in Section 109 of the SDHC Personnel Policy Handbook dated February 2, 2009.

K. ELECTRONIC SIGNATURE

The SDHC will implement the optional use of electronic signatures on program documents as permitted by law.



RESERVED



A. INTRODUCTION

This Chapter defines both HUD and SDHC’s criteria for the waiting list, admission, and denial of admission to the program. The policy of SDHC is to strive for objectivity and consistency in applying these criteria to evaluate the eligibility of families who apply and 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.

B. APPLICATION TAKING PROCESS AND WAITING LIST

The purpose of application taking is to permit SDHC to gather information and determine placement on the waiting list. The application will contain questions designed to obtain pertinent program information.

Families who wish to apply for any one of SDHC’s programs must complete an online Application for Housing Assistance.

Any family asking to be placed on the waiting list for Section 8 rental assistance will be given the opportunity to complete an application. The information is to be filled out by the applicant whenever possible. To provide specific accommodation for a person with a disability, a staff person may complete the information over the telephone.

Duplicate applications, including applications from a segment of an applicant household, will not be accepted. Duplicate applications will be combined and the applicant will be given the earliest date and time of the active applications only. Dropped application will remain in drop status.

The application process will involve two phases.

The first is the “initial” application for placement on the waiting list.

1. When the application is received by SDHC, it establishes the family's date and time of application for placement order on the waiting list.

The second phase is the “final determination of eligibility.”

2. The determination of eligibility takes place when the family is selected for eligibility processing. At this time, SDHC ensures that verification of HUD and SDHC eligibility factors is current in order to determine the family’s eligibility for the issuance of a voucher.

C. COOPERATIVE WAITING LIST

SDHC, the Housing Authority of the County of San Diego, Community Development Commission of the City of National City, City of Carlsbad Housing Authority, City of Oceanside Housing Authority, and the Housing and Development Department of the City of Encinitas agree to maintain a cooperative waiting list for those applicants who live in the jurisdiction of the other housing agency. Any other Housing



Agency within the region that requests to participate in the cooperative waiting list will be allowed to participate.

Each housing agency will exchange waiting list applications, preserving the original time and date of application (unless already pulled using original date and time), for applicants residing in the jurisdiction of the other agency.

D. FAMILY OUTREACH

SDHC will publicize and disseminate information to make known the availability of housing assistance and related services for very low-income families on a regular basis. When SDHC's waiting list is open, SDHC will publicize the availability and nature of housing assistance for very low-income families.

SDHC will communicate the status of housing availability to other service providers in the community, and advise them of housing eligibility factors and guidelines in order that they may make proper referrals for housing assistance.

E. APPLICANT STATUS WHILE ON WAITING LIST [24 CFR 982.204]

Applicants are required to inform SDHC of changes in address within 14 days using the Waiting List Applicant Portal. Applicants are also required to respond to requests from SDHC to update information on his/her application and to determine his/her interest in assistance.

To provide specific accommodation for a person with a disability, a staff person may complete the information over the telephone.

After submission of the Application for Housing Assistance, the online confirmation page will be the applicant's written notification of waiting list status.

F. SPLIT HOUSEHOLDS (Prior to Voucher Issuance)

During the time while a family is on the Section 8 waiting list, if the family were to decide to split into two otherwise eligible families (due to divorce or legal separation-verification must be provided) and the new families both wish to claim the same placement on the waiting list, a separate application will be made for each with the original date and time of application that they had as an intact family.

However, if a family is selected from the Section 8 waiting list and begins the eligibility process for voucher issuance, the household will no longer be able to separate into two families. Instead, SDHC will have the final authority to determine which of the new family members would be best served by Section 8 assistance. SDHC will consider the following factors to determine which of the families will be issued the voucher:

Which of the new families has custody of the dependent child(ren).



The composition of the new families, and whether they include elderly or disabled members.

Whether domestic violence was involved in the breakup.

Recommendations of reliable, knowledgeable third-party professionals.

Upon request of SDHC, documentation of these factors will be the responsibility of the family. If documentation is not provided, SDHC will deny eligibility based on failure to provide information necessary for the eligibility determination.

G. WAITING LIST ORDER [24 CFR 982.204]

Except for Special Admissions, applicants will be selected from SDHC waiting list in accordance with policies, preferences and income targeting requirements defined in this Administrative Plan. SDHC will maintain information that permits proper selection from the waiting list.

H. SPECIAL ADMISSIONS [24 CFR 982.54(d), 982.203]

If HUD awards SDHC program funding that is targeted for specifically named families, SDHC will admit these families under a Special Admission procedure.

Special admissions families will be admitted outside of the regular waiting list process. They do not necessarily have to qualify for any preferences, nor are they required to be on the program waiting list. SDHC maintains separate records of these admissions.

The Opt Out Conversions are examples of such special admissions.

I. RANKING LOCAL PREFERENCES

Within each of the following numbered categories, applicants will be served by date and time of application.

1. Applicants who live and/or work in the City of San Diego and who are families of two or more people that include a dependent, or individuals who are disabled or age 62 or older, or veterans, or active U.S. Service Person, or a homeless person with a disability, or a non-elderly person (under the age of 62) with a disability.
2. Other applicants who live and/or work in the City of San Diego.
3. Applicants who do not live and/or work in the City of San Diego and who are families of two or more people that include a dependent, or individuals who are disabled or age 62 or older, or veterans, or active U.S. Service Person, or a homeless person with a disability, or a non-elderly person (under the age of 62) with a disability.
4. Other applicants who do not live and/or work in the City San Diego.



J. INITIAL DETERMINATION OF LOCAL PREFERENCE

An applicant's certification that they qualify for a preference will be accepted without verification at the initial application. When the family is selected from the waiting list for the final determination of eligibility, the preference must be verified.

If the preference verification indicates that an applicant does not qualify for the preference, the applicant will be returned to the waiting list without the local preference, with his/her original date and time of application.

K. CHANGE OF PREFERENCE [24 CFR 982.207]

Changes in an applicant's circumstances while on the waiting list may affect the family's entitlement to a preference. Applicants are required to notify SDHC using the Waiting List Applicant Portal when his/her circumstances change.

L. CROSS LISTING OF PUBLIC HOUSING AND SECTION 8

SDHC will not merge the waiting lists for Public Housing and Section 8.

M. PREFERENCE DENIAL

If SDHC denies a preference, SDHC will notify the applicant in writing of the reason(s) why the preference was denied and offer the applicant an opportunity for a review with a staff member other than the one who made the decision. If the preference denial is upheld because of the review, or the applicant does not request a review, the applicant will be placed on the waiting list without benefit of the preference, with his/her original date and time of application.

If the applicant falsifies documents or makes false statements in order to qualify for any preference, he/she will be removed from the associated waiting list.

N. REMOVAL FROM WAITING LIST AND UPDATE [24 CFR 982.204(c)]

The wait list will be updated periodically as needed to ensure a viable list of applicants. The mailing will ask for confirmation of continued interest.

If an applicant is removed from the waiting list for failure to respond, they will not be entitled to reinstatement unless SDHC determines there were circumstances beyond the applicant's control.

If an applicant fails to respond to any mailings, which require a response, the applicant's name will be dropped from the waiting list without further notice.



To provide specific accommodation for a person with a disability, a staff person may complete the information over the telephone.

If the applicant did not respond to SDHC's request for information or updates because of a family member's disability, SDHC will reinstate the applicant in the family's former position on the waiting list.

If a letter or other correspondence is returned by the Post Office as undeliverable, the applicant will be removed without further notice.

Requests for reinstatement will be allowed up to 12 months after the update was conducted. Extenuating circumstances will be evaluated on a case-by-case basis.

O. OPENING AND CLOSING THE WAITING LIST [24 CFR 982.206; 982.54(c) (1)]

Closing the Waiting List

SDHC may close a waiting list anytime that the SDHC determines that the applicant pool is large enough to fill the estimated amount of available Vouchers for the next twenty-four (24) months.

SDHC will announce the closing of the waiting list by public notice.

SDHC may close an entire waiting list or close only a portion, keeping part of the waiting list open and accepting applications only from certain categories of families that meet particular preferences or funding criteria or for any special programs.

If the waiting list is only open for special programs, SDHC will only accept applications for those specific special programs. During the period when the waiting list is closed, SDHC will not maintain a list of individuals who wish to be notified when the waiting list is reopened.

Opening the Waiting List

SDHC will give at least two weeks advance public notice that a family may apply for housing assistance prior to opening the waiting list.

The notice shall be circulated in a local newspaper of general circulation, by minority media, and any other media outlets that SDHC finds suitable. The notice will comply with HUD fair housing requirements and will specify the following:

1. The PHA name and address
2. The dates, times and locations of where a family may apply and how to submit a pre-application
3. The program(s) for which pre-applications will be taken
4. A brief description of the program and eligibility criteria



5. Any limitations on the criteria for the type of family that may apply
6. The time limitation of the application period

Once a waiting list is open, SDHC will accept on-line applications from eligible applicants unless there is good cause for not accepting the application, such as denial of assistance because of action or inaction by members of the family for the grounds stated in the “Program Terminations and Program Integrity Unit” chapter of this Administrative Plan.

Applications will be accepted up to the close of business on the date announced in the public notice. For the purpose of this Administrative Plan, applications that are post marked on or before the closing date will be accepted.

At no time will an application that is submitted by U.S. Mail be accepted later than 10 calendar days after the closing date of the waiting list.

The SDHC does not accept any liability or responsibility for applications that are lost and/or misdirected by the U.S. Post Office.

The open period shall be long enough to achieve a waiting list adequate to cover projected turnover and new allocations over the next 24 months.

The SDHC will give at least seven days' notice prior to closing the list.

Upon request from a person with a disability, additional time will be given as an accommodation for submission of an application after the closing deadline. This accommodation is to allow persons with disabilities the opportunity to submit an application.

P. SELECTION FROM WAITING LIST [24 CFR 982.204]

When funding is available, families will be selected from the waiting list in their preference-determined sequence, regardless of family size.

When a family has been selected from the waiting list, they must be prepared at that time to begin the eligibility process. If the family is unable to begin the process, the family will be dropped from the waiting list and may reapply.

Q. INCOME LIMITATIONS/INCOME TARGETING [24 CFR 982.201(b), 982.353]

Seventy five percent (75%) of new admissions shall not exceed 30% of the Area Median Income (AMI) as established by HUD. The remaining 25% may be between 31-80% of the AMI.

Meeting the income targeting requirements will require skipping higher income families on the waiting list as necessary to satisfy SDHC's annual targeting requirement.



To determine if the family is income-eligible, SDHC compares the Annual Income of the family to the applicable income limit for the family's size.

Families whose Annual Income exceeds the income limit will be denied admission and offered an administrative review.

For initial lease-up, families who exercise portability must be within the applicable income limit for the jurisdiction of the receiving Public Housing Authority.

R. ELIGIBILITY DETERMINATION PROCESS

All preferences declared on the Application for Housing Assistance, or while the family is on the waiting list, must be verified after the family is selected from the waiting list.

Applicants must complete a Personal Declaration and HUD 92006 and provide required verifications/documents for final eligibility determination. Household composition may not be changed, during eligibility determination, only to qualify for eligibility or a preference.

S. COMPLIANCE WITH ELIGIBILITY PROCESS

SDHC establishes procedures to gather the information and data necessary to determine a family's eligibility. The procedures require the participation and signatures of all adult family members, 18 years and older. When interviews are scheduled, all adult family members must attend. Failure to provide requested information and data may result in the denial of an application. Failure to attend the initial scheduled appointment will result in denial of the application. One reschedule will be allowed as a reasonable accommodation for a person with disabilities.

T. VERIFICATION [24 CFR 982.201(e)]

Information provided by the applicant will be verified, using the verification procedures in the 'Verification Procedures' chapter. Family composition, income, allowances and deductions, assets, full-time student status, eligibility and rent calculation factors, and other pertinent information will be verified. Verifications cannot be more than 180 days old at the time of issuance of the Voucher.

U. FINAL DETERMINATION OF ELIGIBILITY [24 CFR 982.201]

After the verification process is completed, SDHC will make a final determination of eligibility. This decision is based upon information provided by the family, the verification completed by SDHC and the current eligibility criteria in effect. If the family is determined to be eligible, the head of household will be scheduled for a briefing where he/she will receive a voucher and an orientation to the housing program.



V. ELIGIBILITY FACTORS [982.201]

SDHC accepts applications only from families whose head or spouse is at least 18 years of age or emancipated minors under State law. To be eligible for participation, an applicant must meet HUD's criteria, as well as any permissible additional criteria established by SDHC.

HUD eligibility criteria are:

An applicant must be a "family";

An applicant must be within the appropriate Income Limits;

An applicant must furnish Social Security Numbers for all family members;

An applicant must furnish declaration of Citizenship or Eligible Immigrant Status and verification when required;

Reasons for denial of admission are addressed in the "Terminations and Program Integrity Unit" chapter. These reasons for denial constitute additional admission criteria.

Evidence of Citizenship/Eligible Immigrant Status will not be verified until the family is selected from the waiting list for final eligibility processing for issuance of a Voucher.

W. FAMILY COMPOSITION [24 CFR 982.201]

The applicant must qualify as a Family. A Family may be a single person or a group of persons.

A Family includes:

A family with a child or children.

Two or more persons living together that include a dependent, or one or more elderly or disabled persons living with a live-in aide.

SDHC determines if any other group of persons qualifies as a family.

A single-person family may be:

An elderly person.

A homeless person with a disability.

A veteran or active U.S. Serviceperson...

A person with a disability. Individuals may not be considered disabled for eligibility purposes solely based on any drug or alcohol dependence.

A child who is temporarily away from home because of placement in foster care is considered a member of the family. This provision only pertains to the foster child's temporary absence from the home, and is not intended to artificially enlarge the space available for other family members.



A family will contain a Head of Household as defined in the Glossary. In addition, a family may contain either a Spouse or a Co-Head as defined in the Glossary.

1. Definition of a Live-in Aide

A family may include a Live-In-Aide (LIA) provided that such a live-in aide:

Is determined by SDHC to be essential to the care and well-being of an elderly person, a near elderly person, or a person with a 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);

A health care provider must document the need for a Live-In-Aide;

The Live-In-Aide and his/her adult family members must provide the following: Picture identification, Social Security number verification, a completed “Conviction Record” form, and the Live-In-Aide must sign and submit a completed “Certification of Live-In-Aide” form. Minor children who are part of the LIA’s family are only required to provide verification of their Social Security numbers;

Family members that are currently residing in the assisted unit cannot become a Live-In-Aide.

A Live-In-Aide is treated differently than family members:

Income/assets/deductions of Live-In-Aide will not be counted for purposes of determining eligibility or level of benefits;

A Live-In-Aide is not subject to Non-Citizen Rule requirements; and a

A larger unit cannot be approved until the Live-In-Aide has been identified and approved by SDHC (the Live-In-Aide’s family members may not cause over-crowding of the voucher or unit); and

Live-In Aide may not be considered as a remaining member of the participant family.

A relative is not automatically excluded from being a Live-In-Aide, but he/she must meet all of the elements in the Live-In-Aide definition described above. Landlord of the assisted unit may not be a Live-In-Aide.

A Live-In-Aide may only reside in the unit with the approval of SDHC. Written verification will be required from a reliable, knowledgeable professional. The verification provider must certify that a Live In-Aide is needed for the care of the family member who is elderly, near elderly (50-61) or disabled.

At any time, SDHC will refuse to approve a particular person as a Live-In-Aide or may withdraw such approval if:

The person has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;

The person has a history of drug-related criminal activity or violent criminal activity as defined by this Administrative Plan; or



The person currently owes rent or other amounts to SDHC or to another Housing Authority in connection with Section 8 or public housing assistance under the 1937 Act.

2. Custody of Children

Children who are subject to a joint custody agreement but live with one parent at least 51% of the time will be considered members of the household. "51% of the time" is defined as 186 days of the year, which do not have to run consecutively.

X. MANDATORY SOCIAL SECURITY NUMBERS [24 CFR 5.216, 5.218]

All applicants and participants (including each member of the household) are required to disclose his/her assigned Social Security Number and to provide verification of his/her Social Security Number. (This requirement also applies to persons joining the family after admission to the program.)

If a child under six years old was added to the household six months prior to the voucher issuance date, social security verification must be provided within 90 calendar days of the date of admission. If the applicant fails to produce documentation within the required time, the applicant will be terminated.

The applicant family will not be admitted to the program until all members of the household have met the Social Security Number disclosure and documentation requirements, except in cases in which an applicant family added a child under the age of 6 within 6 months of the voucher issuance date. The applicant family will have 90 days from the voucher issuance date to provide the social security verification for the child. Applicant families may request a 90-day extension to provide the social security verification if there are circumstances that could not reasonably be foreseen and were outside of the control of the applicant family. If the applicant family fails to provide the documentation within the required timeframe, the applicant family will be denied assistance.

Individuals who do not contend eligible immigration status may not have a Social Security Number to disclose and must sign a Social Security Number Declaration Form that they do not have an assigned Social Security Number. All applicants who disclose their Social Security Number must provide verification within 30 calendar days. An extension for an additional 30 calendar days will be granted when requested in writing. All applicants who fail to provide the requested verifications within the timeframe stated above will be dropped from the Waiting List.

SDHC will deny eligibility for assistance if the applicant (including each member of the household) does not disclose and/or provide documentation of Social Security Numbers within the specified time frame.

SDHC will verify each disclosed Social Security Number in the Enterprise Income Verification (EIV) system.



Y. CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS [24 CFR Part 5, Subpart E]

In order to receive assistance, at least one family member must be a U.S. citizen or eligible immigrant. Individuals who are neither may elect not to contend their status. Eligible immigrants are persons who are in one of the immigrant categories as specified by HUD.

For the Citizen/Eligible Immigration requirement, the status of each member of the family is considered individually before the family's status is defined.

Mixed Families: A family is eligible for assistance as long as at least one member is a citizen or eligible immigrant. Families that include eligible and ineligible individuals are called "mixed." Such applicant families will be given notice that their assistance will be pro-rated and that they may request a hearing if they contest this determination.

All Members Ineligible: Applicant families that include no eligible members are ineligible for assistance. Such families will be denied admission and offered an opportunity for a hearing.

Non-citizen Students: Defined by HUD in the non-citizen regulations at 24 CFR 5.522. Not eligible for assistance.

Appeals: For this eligibility requirement only, the applicant is entitled to a hearing exactly like those provided for participants.

Z. OTHER CRITERIA FOR ADMISSIONS [24 CFR 982.552(c)]

In addition to the HUD eligibility criteria, SDHC will apply the following criteria:

Before SDHC will allow participation in its Section 8 program, the family must be in good standing regarding any current payment agreement made with any PHA for a previous debt incurred, or have paid it in full.

SDHC will check criminal history for all adults in the household in accordance with the section on Criminal Activity Policy in the "Terminations and Program Integrity Unit" chapter to determine whether any member of the family has violated any of the prohibited behaviors.

SDHC will conduct searches in the Enterprise Income Verification (EIV) system related to Debts Owed to PHAs & Terminations and Verification Reports to avoid providing duplicate rental assistance to families already assisted.

If any applicant misrepresents the information on which eligibility or tenant rent is established, SDHC may deny assistance and may refer the family file for appropriate disposition.

The family must not have been terminated for violating any family obligation during a previous participation in the Section 8 program prior to final eligibility determination.

SDHC will deny program admission to applicants if any member of the family has a present ownership interest in a suitable home for which they have the legal right to reside and legal authority to sell, unless



the home is being purchased with a voucher or the family includes a person who is a victim of domestic violence or is offering the home for sale. This policy is not applicable to families with a mobile home.

AA. TENANT SCREENING [24 CFR 982.307]

SDHC will take into consideration any of the criteria for admission described in the "Denial or Termination of Assistance" chapter.

SDHC will not screen family behavior or suitability for tenancy. SDHC will not be liable or responsible to the landlord or other persons for the family's behavior or the family's conduct in tenancy.

The landlord is responsible for screening families based on their tenancy histories.

BB. CHANGES PRIOR TO EFFECTIVE DATE OF THE CONTRACT

Changes in eligibility that occur during the period between issuance of a voucher and lease up may affect the family's eligibility or share of the rental payment.

CC. INELIGIBLE FAMILIES

Families who are determined to be ineligible will be notified in writing of the reason for denial and given an opportunity to request an administrative review, or an informal hearing if they were denied due to non-citizen status. See "Terminations and Program Integrity Unit" chapter for additional information about reviews and hearings.



RESERVED



A. INTRODUCTION

SDHC will use the methods as set forth in this Administrative Plan to verify and determine that family income at admission and recertification is correct. The accurate calculation of Annual Income and Adjusted Income will ensure that families are not paying more or less money for rent than their obligation under the Regulations.

Applicants and program participants must provide true and complete information to SDHC whenever information is requested. SDHC's verification requirements are designed to maintain program integrity. This Chapter explains SDHC's procedures and standards for verification of preferences, income, assets, allowable deductions, family status, and changes in family composition. SDHC will obtain proper authorization from the family before requesting information from independent sources.

HUD regulations require the factors of eligibility and Total Tenant Payment be verified by SDHC. SDHC staff will obtain written verification and will document the method of verification used in participant file.

This Chapter defines the allowable expenses and deductions to be subtracted from annual income, and how the presence or absence of household members may affect the family's contribution. Income and the family's contribution are calculated in accordance with 24 CFR Part 5, Subparts E and F, and further instructions set forth in HUD notices and memoranda. The formula for the calculation of the family's contribution is specific and not subject to interpretation. SDHC's policies in this Chapter address those areas that allow SDHC discretion to define terms and to develop standards in order to assure consistent application of the various factors that relate to the determination of the family's contribution.

B. METHODS OF VERIFICATION

1. Methods of Verification for Housing Choice Voucher Participants

The SDHC will verify information through the methods of verification in the following order of priority:

1. Review of Documents or Up-front Income Verification (UIV)
2. Third-party Written/Oral
3. Self-Declaration

Note: Enterprise Income Verification (EIV) System reports will continue to be generated and must be used in conjunction with review of documents to compare employment and income information provided by participant.

Verifications cannot be older than 180 days from the effective date of the certification for participants. For applicants, verifications cannot be more than 180 days old at the time of the issuance of the voucher.



2. Mandated Use of the Enterprise Income Verification (EIV) System

[24 CFR §5.233]

SDHC will review the EIV Income Report of each family at full recertifications of family income and/or composition to reduce participant under reporting of income and improper subsidy payments. The EIV Income Report is not required at interim recertifications for Housing Choice Voucher participants.

C. DEFINITIONS OF METHODS OF VERIFICATION

This Section defines methods of verification but does not take precedence over Section A of this Chapter.

1. Verification Hierarchy Definitions

HUD Upfront Income Verification (UIV)

The verification of income before or during a family recertification, through an independent source that systematically and uniformly maintains income information in computerized form for a number of individuals using HUD's Enterprise Income Verification (EIV) system.

Non-HUD Upfront Income Verification (UIV)

The verification of income before or during a family recertification, through an independent source that systematically and uniformly maintains income information in computerized form for a number of individuals using a non-HUD System (i.e., Work Number, Cal-Win, etc.)

Written Third Party Documents:

Reliable documentation generated by a third party source. Used to supplement EIV-reported income sources, other income sources and when participant disputes EIV-reported income information.

Examples of third-party documents include:

- Pay stubs
- Payroll summary report
- Notice or letter of hire or termination from an employer
- Benefit verification letter from the Social Security Administration (SSA)
- Child support payment stubs/printout
- Welfare benefit letter or printout
- Unemployment monetary benefit letter

EIV may be used to verify termination of employment and unemployment benefits.



The SDHC may, at its discretion, reject any participant-provided documents and follow up directly with the source to obtain verification.

Exception for Averaging

Housing Choice Voucher Applicants and Participants

For the purpose of averaging annual income, at least one document used for averaging will be within 180 days at the time of voucher issuance for moves, new admissions, or the effective date of a recertification or interim certification.

Written Third Party Verification Forms

A standard form sent directly to a third party source requesting specific information. The form is completed by the third party and returned directly to SDHC.

Oral Third Party Verification

Used when written third party verification is not made available, SDHC staff will attempt to contact via telephone or email third party requesting information. Documentation of the phone call, person contacted and the information obtained will be included in the case file.

Self-Declaration

Utilized when obtaining verification via all other verification techniques are unsuccessful. An affidavit statement directly from the participant declaring reported income, assets and/or expenses to SDHC will be obtained. SDHC will document in the case file why third party verification was not available.

2. Upfront Income Verification (UIV) and Income Verifications Timeframes:

New Admissions and Moves - Housing Choice Voucher

For applicants and participant families the UIV response is valid if dated 180 days from the time of voucher issuance.

For participant families the UIV response is valid if dated 180 days from the time of voucher issuance for moves or in advance of the recertification or interim certification.

3. Use of Third-Party Verification to Supplement Upfront Income Verification [24 CFR 5.236(b)]

Third party verification may be used to supplement or compliment UIV information when appropriate.

D. RELEASE OF INFORMATION [24 CFR 5.230]

Adult family members will be required to sign the HUD-9886 Release of Information/Privacy Act form.

Adult family members will be required to sign an authorization form that extends the timeframe of the HUD Form 9886, Authorization of Release of Information/Privacy Act Notice, for a total period of 39 months, and allows verification of any information that is not covered by the HUD authorization.



HUD's Supplement to Applicant for Federally Assisted Housing Authorization form (HUD 92006) will be used to obtain authorization to release information to third parties and SDHC will verify the identity of the person signing the authorization form before releasing information.

Family members requesting to consent to the release of specific information may be provided with a copy of the appropriate forms for their review and signature, if requested.

It is a family obligation to supply any information and sign consent forms requested by SDHC or HUD. Family refusal to cooperate may result in denial of admission or termination of assistance.

E. ITEMS TO BE VERIFIED [24 CFR 982.516]

The following items will be verified at recertifications, except when superseded by Moving Forward policies:

- All income not specifically excluded by the regulations.

- Full-time student status.

- Child care expense when it allows an adult family member to be employed, to further his/her education, or seek employment.

- Total medical expenses of all family members in households whose head, spouse, or co-head is elderly or disabled.

- Disability assistance expenses that allow an adult family member to be employed include only those costs associated with attendant care or an auxiliary apparatus for a disabled member of the family.

- Familial or marital status when needed for head or spouse definition.

The following items will be verified at mandatory recertifications, based on a licensed doctor or a health care professional's certification of how long the condition will continue:

- Disability for determination of preferences, allowances or deductions.

- The need for a live-in aide and other types of reasonable accommodation.

In addition to the above, the following items will be verified when determining eligibility and when adding household members, including live-in aides:

- Preference status (when determining eligibility only).

- Picture Identification for all adults (age 18 or older) including live-in aides.

- U.S. citizenship/eligible immigrant status.

- Social Security Numbers for all family members over six years of age or older who have been issued a social security number.

- History of criminal activity, illegal drug activity and alcohol abuse.



F. VERIFICATION OF PREFERENCES [24 CFR 5.410-5.430]

All preferences must be verified.

1. Live in or Work in the City of San Diego

Copy of Lease Agreement and three most recent rent receipts, canceled checks or money order receipts.

A California driver's license or California ID in conjunction with copies of recent bills sent to the address.

Copy of paycheck stubs that indicate the location of the place of employment or third-party verification that indicates the place of employment.

2. Verification of "Homeless" in the City of San Diego:

1) Moving from an emergency shelter; or

2) Moving from transitional housing; or

3) Currently Homeless which means:

a) An individual who lacks a fixed, regular, and adequate nighttime residence; or

b) An individual who has a primary nighttime residence that is:

i) A supervised publicly or a privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and Transitional Housing for the mentally ill); or

ii) An institution that provides temporary residence for individuals intended to be institutionalized; or

iii) A public or private place not designated for, or ordinarily used as, a regular sleeping accommodation for human beings.

3. Veteran

DD214 discharge document.

Letter from the Veteran's Administration verifying the branch of service, date and place of discharge and type of discharge.

4. Family of a Veteran

One of the above forms of verification must be provided for the veteran and familial status verified as follows:

Marriage certificate or license.

If veteran is deceased and the spouse has not remarried, a copy of the marriage certificate/license and a copy of the veteran's death certificate.



5. Active Military

Current military paycheck stub or current military ID.

G. VERIFYING NON-FINANCIAL FACTORS [24 CFR 5.508(b), 982.153(b) (15)]

1. Verification of Legal Identity

There must be verification of all applicants that reside in the household. Birth certificates or some proof of residence must be submitted for all minors. Picture ID are required of all adult household members, including live-in aides.

Verification for adults includes one of the following:

- Certificate of Birth
- Naturalization Papers (cannot be copied - use document viewed statement)
- Acceptable documents from the U.S. Citizenship and Immigration Services (USCIS) Agency
- Legal driver's license
- US military discharge
- US passport
- Company ID
- Health and Human Services ID
- Social Security Card
- Department of Motor Vehicles California ID

Verification for minors includes one of the following:

- Certificate of Birth
- Acceptable USCIS documents
- Adoption papers
- Custody agreement
- Health and Human Services ID
- School records
- U. S. passport



2. Verification of Marital Status

Verification of divorce status will be a certified copy of the divorce decree, signed by a Court Officer.

Verification of a separation may be a copy of court-ordered maintenance or other records.

Verification of marriage status is a marriage certificate.

3. Familial Relationships

The definition of “family” includes but is not limited to:

A family with or without children (a child temporarily absent from the home due to placement in foster care shall still be considered in determining family composition and family size);

An elderly family;

A disabled family;

A displaced family;

The remaining member of a family; and

A single person who is not elderly, disabled, or displaced.

Certification will normally be considered sufficient verification of family relationships. In cases where reasonable doubt exists, the family may be asked to provide additional verification, such as:

Verification of relationship

Official identification showing names

Birth Certificates

Baptismal Certificates

Verification of guardianship

Court-ordered assignment

Notarized affidavit from the parent

Verification from social services agency

School records

Parent designation of responsibility for medical care.



4. Verification of Permanent Absence of Family Member

If an adult member who was formerly a member of the household is reported permanently absent by the family, SDHC will accept a self-certification from the head of household. If the head is the absent member, the spouse, co-head, or other adult member can report the change in household composition.

SDHC reserves the right to require any of the following as verification that the household member is absent from the home:

- Divorce action paperwork.

- Legal separation paperwork.

- Order of protection/restraining order obtained by one family member against another.

- Proof of another home address, such as utility bills, canceled checks for rent, driver's license, or lease or rental agreement.

- Statements from other agencies such as social services or a written statement from the landlord or manager that the adult family member is no longer living at that location.

- Document from the Court or prison stating how long the adult family member will be incarcerated.

5. Verification of Change in Family Composition

SDHC may verify changes in family composition (either reported or unreported) through letters, telephone calls, utility records, inspections, landlord, neighbors, credit data, school or DMV records, and other sources.

6. Verification of Disability

Verification of disability must be receipt of SSI or SSA disability payments under Section 223 of the Social Security Act or 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act 42 U.S.C. 6001(7) or verified by a reliable, knowledgeable third-party professional, using the HUD language as the verification format.

7. Social Security Number Disclosure and Verification Requirements [24 CFR 5.216, PIH Notice 2010-3]

Social Security Number Disclosure

Applicants, participants (including each member of the household) and live-in aides are required to disclose their assigned SSN, with the exception of the following individuals:

- Participants who have previously disclosed a valid SSN that has been verified by EIV.

- Individuals who do not contend to have eligible immigration status (individuals who may be unlawfully present in the United States) and have not been assigned an SSN.



Existing program participants, who as of January 31, 2010, were 62 years of age or older (born on or before January 31, 1948).

SSN Documentation

All assisted household members not exempt must provide documentation of a valid SSN.

Acceptable evidence of the SSN consists of:

Original SSN card issued by SSA;

Original SSA-issued document, which contains the name and SSN of the individual; or

Original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual.

Participants that do not have a SSN and are not exempt from disclosing a SSN will have thirty (30) days to provide verification of a SSN. In addition, they must sign a written declaration in writing under penalty of perjury that they have not been assigned a SSN.

Rejection of Documentation

SDHC may reject documentation of the SSN provided by the applicant or participant for the following reasons:

Document is not an original document; or

Original document has been altered, mutilated, or not legible; or

Document appears to be a forged document (i.e. does not appear to be authentic).

SDHC will explain to the applicant or participant the reason(s) the document is not acceptable and will request the individual to obtain acceptable documentation of the SSN and submit it to SDHC within a specified time frame.

Verification of the SSN

SDHC will retain a copy of the acceptable documentation until the SSN has been verified through EIV.

SSA Requirements for Additions of New Household Members

Six Years or Older

Must provide acceptable documentation of their SSN. If the required documentation is not provided, the new household member cannot be added until such documentation is provided.

Under Six Years Old

With an assigned SSN: Must provide acceptable documentation of the SSN. If the required documentation is not provided, the new household member cannot be added until such documentation is provided.



Without an assigned SSN: The required documentation must be provided within 90 calendar days of the child being added to the household. If the family is not able to disclose and provide the required documentation within 90 calendar days, the family will be granted an extension if they provide documentation that they were unable to comply with the requirements due to unforeseen circumstances that were outside the control of the family.

Penalties for Failure to Disclose and/or Provide Documentation of SSN

In accordance with 24 CFR 5.218, the following penalties apply for noncompliance with the SSN disclosure and documentation requirements:

Applicants

SDHC will deny eligibility of assistance to the applicant family if any member of the household, required to disclose a valid SSN, does not disclose and/or provide documentation of such SSN.

If the family is otherwise eligible to participate in the program, the family may maintain his/her position on the waiting list for a period of 30 calendar days. An extension for an additional 30 calendar days will be granted when requested in writing.

Participants

SDHC will terminate the assistance of any participant family if any family member does not disclose his/her SSN and provide the required documentation within 30-days.

If the family is otherwise eligible for continued assistance or tenancy in the program, SDHC has the discretion to defer the family's termination. The family will be provided an opportunity to comply with the requirement. A period not to exceed 90 calendar days from the date SDHC determined the family noncompliant with the SSN disclosure and documentation requirement, if the PHA determines:

The failure to meet the SSN disclosure and documentation requirements was due to circumstances that could not have been foreseen and were outside the control of the family; and

There is a reasonable likelihood that the family will be able to disclose the SSN and provide such documentation of the SSN by the deadline.

8. Verification of Citizenship/Eligible Immigrant Status

To be eligible for assistance, individuals must be U.S. citizens or eligible immigrants. Citizens or Nationals of the United States are required to sign a declaration under penalty of perjury. Individuals who are neither U.S. citizens nor eligible immigrants may elect not to contend their status. Eligible immigrants must fall into one of the categories specified by the regulations and must have their status verified by the U.S. Citizenship and Immigration Services Agency. Each family member must declare under penalty of perjury his or her status only one time using one of the following forms: Declaration of Citizenship (Section 214)



Declaration of Lawful Resident Status (Section 214)

Declaration of Ineligible Family Members (Section 214)

Assistance cannot be delayed, denied, or terminated while verification of status is pending except that assistance to applicants may be delayed while an SDHC hearing is pending.

SDHC may require citizens to provide documentation of U. S. citizenship. Acceptable documentation may include:

- U. S. birth certificate

- U. S. passport

- Social Security card

- Other documentation as determined by SDHC

Eligible Immigrants who are 62 years of age or older are required to sign a declaration of eligible immigration status form and provide proof of age.

Non-citizens with eligible immigration status must sign a declaration of status and verification consent form and provide their original immigration documents that are copied front and back and returned to the family. SDHC verifies the status through the USCIS SAVE system. If this primary verification fails to verify status, SDHC must request that the USCIS conduct a manual search.

Ineligible family members who do not claim to be citizens or eligible immigrants must be listed on a statement of ineligible family members signed by the head of household, spouse, or co-head.

Non-citizen students on student visas are ineligible members even though they are in the country lawfully. They must provide their student visa but their status will not be verified and they do not sign a declaration but are included on the statement of ineligible members.

If an applicant or participant family member fails to sign required declarations and consent forms or provide documents as required, they must be included as an ineligible member. If the entire family fails to provide and sign as required, the family may be denied or terminated for failure to provide required information.

For applicants, verification of U.S. citizenship/eligible immigrant status occurs at the same time as verification of other factors of eligibility for final eligibility.

For participants, the verification occurs when adding any new family member into the household composition.

Once verification is completed, it does not need to be verified again.

SDHC will not assist any family prior to the affirmative establishment and verification of the eligibility of the individual or at least one member of the family.



9. Acceptable Documents of Eligible Immigration

The regulations stipulate that only the following documents are acceptable unless changes are published in the Federal Register.

Resident Alien Card (I-551)

Alien Registration Receipt Card (I-151)

Arrival-Departure Record (I-94)

Temporary Resident Card (I-688)

Employment Authorization Card (I-688B)

Receipt issued by the USCIS for issuance of replacement of any of the above documents that shows the individual's entitlement has been verified.

A birth certificate is not an acceptable form of verification of status.

All documents concerning U.S. citizenship/eligible immigrant status must be kept for five years.

H. VERIFICATION OF DRUG OR VIOLENT CRIMINAL HISTORY, REGISTERED SEX OFFENDERS AND ALCOHOL ABUSE

SDHC will perform a criminal history check and sex offender registration records search on every adult (18 years or older) household member and live-in aide, utilizing a third-party source, the San Diego Police Department and other applicable comprehensive methods of verification.

I. CONFIDENTIALITY OF CRIMINAL RECORDS

SDHC will ensure that any criminal record received is confidentially maintained, not misused or improperly disseminated, and destroyed not more than 30 days after SDHC's final decision. A decision on the individual's eligibility is not final until the period for all possible appeals has elapsed.

J. DEFINITION OF INCOME [24 CFR 5.609]

Income is defined as all monetary amounts received on behalf of the family. In accordance with this definition, all income that is not specifically excluded in the HUD regulations or by MTW policy is counted. Annual Income is defined as the gross amount of income anticipated to be received by the family during the 12 months after certification or biennial recertification. Gross income is the amount of income before any allowable expenses or deductions, and does not include income that has been excluded by HUD and/ or MTW policy. Annual income is used to determine whether applicants are within the applicable income limits.



1. Income of Person Confined to a Nursing Home

If a family member is permanently confined to a hospital or nursing home and there is a remaining household member(s), SDHC will remove the permanently confined member.

2. Regular Contributions and Gifts

A regular gift or contribution is counted when there is an agreement between the parties, oral or written, that the gift or contribution will be received on a regular basis.

3. Sporadic Income

A source of income or contribution that is neither reliable nor periodic and that cannot be anticipated because no historic, stable pattern of income exists is not counted as income.

4. Alimony and Child Support

Alimony and child support payments are counted as income.

It is the family's responsibility to supply verification of alimony and child support payments.

5. Employer Mileage Reimbursement

Employment reimbursement for mileage expenses for use of personal vehicle will not be counted as income.

6. Employer Paid Medical/Flex/Cafeteria Benefits

Benefits paid by the employer to purchase medical, dental, visual, disability insurance, and/or other benefits allowable to be purchased by the employee under paid benefits, will not be counted as income. Excess amount not used by the employee to purchase benefits and paid directly to the employee as taxable income will be counted as income.

K. VERIFICATION OF INCOME [24 CFR 982.516]

The following defines the methods SDHC will use to verify various types of income.

1. Employment Income

Verification forms may request the employer specify the following:

Dates of employment

Amount and frequency of earnings

Date of last pay increase

Earnings history

Year-to-date earnings

Expected change in employment status



Effective date of any anticipated wage increase during the next twelve months

Anticipated unpaid time off

Acceptable methods of verification include, in order of priority:

- 1) Upfront Income Verification.
- 2) Employment verification form completed by the employer (third-party written).
- 3) Oral third-party verification.
- 4) Check stubs or earnings statements, which indicate the employee's gross pay, frequency of pay or year-to-date earnings (review of documents).
- 5) W-2 forms plus income tax return form (review of documents).
- 6) Self-certifications or income tax returns signed by the family may be used for verifying income from tips and other gratuities.

In cases where there are questions about the information provided by the family, SDHC may require the most recent federal income tax statements and returns.

2. Social Security and Supplemental Security Income

Acceptable methods of verification include, in order of priority:

- 1) Upfront Income Verification through EIV for Social Security and Supplemental Security Income.
- 2) Third-party documents. A computer report, SSA annual award letter, SSA benefit notification or cost of living adjustment letters provided by the family.

Note: SDHC may verify changes in standard benefit amounts and establish an effective date for implementation.

3. Pensions and Disability Income

Acceptable methods of verification include, in order of priority:

- 1) Upfront verification
- 2) Third party documents provided by the participant, i.e., an award letter, benefit notification or cost of living adjustment letter dated within the last 60 days.
- 3) Third party verification forms; benefit verification form completed by the agency providing the benefits.
- 4) Third-party oral verification by staff contacting the income source via telephone or in person.
- 5) Self-certifications (sworn statement provided by the participant). This method will be used when higher levels of verification are not available.



4. Unemployment Compensation

Acceptable methods of verification include, in order of priority:

- 1) Upfront verification through EIV.
- 2) Upfront Income Verification UIV.
- 3) Third party documents provided by the participant, i.e., a computer report, benefit amount award letter or payment stubs from EDD/printout.
- 4) Third party verification forms provided by the participant completed by the unemployment compensation agency or unemployment report that is e-mailed, faxed, or mailed directly from EDD.
- 5) Third-party oral verification by staff contacting the income source via telephone or in person.
- 6) Self-certifications (sworn statement provide by the participant). This method will be used when higher levels of verification are not available.

5. Welfare Payments

Acceptable methods of verification include, in order of priority:

- 1) Upfront Income Verification (UIV).
- 2) Third-party documents provided by the participant, i.e., a computer report, Notice of Action letter from DHHS.
- 3) Third-party forms. SDHC verification form completed by the DHHS agency/payment provider.
- 4) Third-party oral verification by staff contacting the income source via telephone or in person.

6. Alimony or Child Support Payments

Acceptable methods of verification include, in order of priority:

- 1) Upfront Income Verification (UIV).
- 2) Third-party verification documents provided by the participant, i.e., a copy of a separation or settlement agreement or a divorce decree stating amounts and types of support and payment schedules.

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

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

A written declaration from the person paying the support.



Copies of personal checks and/or payment stubs from Court Trustee.

- 3) Third-party verification form completed by the Child Support Agency or the party responsible for enforcement or collection; or
- 4) Third-party oral verification by staff contacting the income source via telephone or in person.
- 5) Self-certifications (sworn statement provided by the participant). This method will be used when higher levels of verification are not available.

7. Net Income from a Business/Self Employment

In order to verify the net income from a business, SDHC accepts third-party documents provided by the participant and will view IRS and financial documents from prior years and use this information to anticipate the income for the next 12 months.

Acceptable methods of verification include:

IRS Form 1040, including:

- Schedule C (Small Business)
- Schedule E (Rental Property Income)
- Schedule F (Farm Income)

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 must be submitted.

Audited or unaudited financial statement(s) of the business.

Documents such as manifests, daily logs, appointment books, cashbooks, bank statements, and receipts will be used as a guide for the prior six months (or lesser period if not in business for six months) to project income for the next 12 months. The family will be advised to maintain these documents in the future if they are not available.

Credit report or loan application.

Family's self-certification as to net income realized from the business during previous years. After the initial eligibility appointment, rental costs associated with the rental unit will not be counted as a business expense. For some self-employment types, where there is the potential for substantial income, self-certification is unacceptable and business receipts will be required.

In cases of large gross income yet minimal net income to applicant or participant, additional documentation may be required, for example, documentation of wages and payroll taxes, receipts for expenses, etc.

Income from self-employment can be positive or zero. Self-employment losses cannot reduce other income to the household.



8. Child Care Business

If an applicant/participant is operating a licensed childcare business, income will be verified just as any other business.

If the applicant/participant is operating a "cash-only" operation (which may or may not be licensed), SDHC will require that the applicant/participant complete a form for each customer that indicates:

Name of person(s) whose child (children) is/are being cared for

Phone number

Number of hours child is being cared for

Method of payment (check/cash)

Amount paid, and

Signature of person

If the family has filed a tax return, the family will be required to provide it.

9. Recurring Gifts

The applicant/participant family must furnish a self-certification, which contains all of the following information:

The person who provides the gifts; and

The value of the gifts;

The regularity (dates) of the gifts;

The purpose of the gifts.

10. Zero Income Status (Work-Able Families Only)

The family will be required to complete Monthly Budget forms and a Zero Income certification statement.

Families claiming to have no income will be required to provide verification that they are not receiving any income from sources such as unemployment benefits, CALWorks, etc.

SDHC may request information from the State Employment Development Department.

SDHC may run a credit report.

11. Full-Time Student Deduction

Households with full-time student(s) 18 to 23 years of age, not including the head of household or spouse, are eligible to receive a Full-Time Student Income Deduction when calculating the annual income if proper verification/documentation is provided.

The deduction includes:



Exclusion of 100% of earned wages per year.

In order to qualify for the deduction, each adult in the household who is a full-time student (18 to 23 years of age, not including the head of household or spouse), must provide documentation from the school that verifies his/her student status, which includes a complete transcript with the current term.

A school transcript may be provided in the following instances:

Intake process

Recertification

Move

As required by SDHC

Required Information

In order to qualify for the Full-Time Student Deduction, the family must provide the following school verification and documentation to SDHC in a timely manner for each full-time student. A separate page containing any information not listed on the transcript must be obtained from the school and attached to the transcript before it is submitted to SDHC.

School name and mailing address

Student's name

Transcript of student's complete enrollment history, including the current term. Note: If the student has not been enrolled long enough to have a transcript, they must provide written school verification of their current enrollment status

The equivalency for the enrolled units listed on the transcript (full-time, part-time, not enrolled, withdrawn, etc.) Unless otherwise specified by the school, full-time student status equals 12 or more units/hours

The Full-Time Student Certification form must be signed and dated by the Head of Household and each adult student.

Change in Student's Status

When there is a change in the student's status, a written notice to SDHC is required within ten (10) days of the change.

Note: Full-time student status will not be approved if information is missing from the form.

The SDHC form must be signed and dated by the Head of Household and each adult full-time student in order to acknowledge their understanding of the following:

A complete transcript of student's enrollment history, including the current term, must be obtained from the school. The transcript and or supporting verification must include all required information.



The SDHC may conduct periodic follow-up verifications to ensure students are enrolled full-time as reported (the student may be required to provide additional documentation as deemed appropriate).

Any changes to the enrollment status from full-time to a lesser level must be reported in writing within ten (10) days. The case will then be re-evaluated and may result in an increase to the rent portion.

If the student did not maintain his/her full-time status and assistance was overpaid, a repayment agreement will be executed.

Failure to provide complete and accurate information regarding full-time student status may result in termination of rental assistance.

Minors who turned 18 years old since the last recertification review may not be designated as a full-time student without obtaining the proper status verification and signed certification form. The full time student status will not be allowed

Change to Part-Time Student Enrollment Status

When the participant reports a change from full-time to part-time enrollment status, an interim is processed to remove full-time student status.

If the part time student is employed, the full wages of the student are counted

The interim may be processed based on the letter from the participant reporting that they no longer have full-time student status when:

- No income was reported on the last Personal Declaration, or

- Reported wages on the last Personal Declaration were verified by Review of Documents or EIV.

Failure to Stay Enrolled Full-Time

If the participant has signed a Full-Time Student Certification and fails to report a change in his/her enrollment status within ten (10) days, the participant:

- Must repay any overpayment that may have resulted from his/her non-reporting.

- Will not be granted Full-Time Student Status until his/her transcript indicates completion of full-time course work in the most recent semester/quarter.

Verifying Full-Time Student Status during the Summer Months

A student's status will be considered full time if:

- Verification from the school indicates that they attend full time

- Transcripts indicate a record of attending school full time during the regular school year

- Student has not graduated from the school

Verification of Exempt Wages after Full-Time Student Status verified:



Only one paystub is necessary for calculating the amount of exempt wages for a full-time student.

12. Full-time Student Status – Financial Assistance

Verification of full-time student status includes:

Written verification from the registrar's office or other school official.

School records indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution.

For Housing Choice Voucher participants, SDHC will exclude all financial aid from the income calculation in all circumstances. The student rule surrounding the determination of programmatic eligibility for applicants still applies per the current Federal regulations and Public Law.

13. Graduation Incentive Program

The Graduation Incentive Program rewards program participants for pursuing and completing higher education while receiving rental assistance. Students graduating with a post-secondary degree, diploma, or certificate of completion may be eligible to receive a monetary award upon completing and submitting a program application with proof of graduation from an eligible post-secondary educational facility.

An applicant may be eligible for the monetary award upon graduating from one of the following types of institutions of higher learning who:

Awards a bachelor's degree, or

Provides a program of not less than 2 years that is acceptable toward a bachelor's degree, and are accredited or in pre-accredited status, or

Accredited institutions that provide a one-year (or longer) program preparing students for gainful employment, or

Admits only students with a certificate of graduation from secondary school or the equivalent of such a certificate, or

Admits students who are beyond the age of compulsory school attendance.

Any adult family member in the assisted household (including the head, spouse, or co-head) is eligible to receive the award. Live-in Aides are excluded from participating in the Graduation Incentive Program.

An eligible program participant may receive only one award per lifetime for acquiring a degree, diploma, or certificate of completion.

14. Excluded Income Policy

SDHC will not verify, count, or report income amounts specifically identified by HUD and/ or MTW policy as 100% excluded from the income calculation process, as well as earnings for full-time students ages 18 to 23, which are 100% excluded. Examples of 100% excluded income are earnings from minors,



amounts paid by a State agency to the family for the care of a family member with a developmental disability, and food stamps.

15. Local Income Inclusion (Housing Choice Voucher Participants)

Income received as KinGap, Foster Care, and Adoption Assistance payments are not excluded as income in the Housing Choice Voucher program per Moving Forward initiative. The entire amounts received from these income sources will be counted as income and used in the rent calculation.

L. ALLOWANCES AND DEDUCTIONS

Adjusted Income is defined as the Annual income minus allowable expenses and deductions.

Allowable allowances and deductions for families subject to the Path to Success rent calculation are as follows:

Child Care Expenses: Deducted for the care of children under 13 when childcare is necessary to allow an adult member to work, attend school or actively seek employment.

Medical Expenses: Eligible elderly/disabled family members may receive an allowance for unreimbursed medical expenses.

Disability Assistance Expenses: An allowance for attendant care or auxiliary apparatus for a person with a disability if needed to enable the individual or an adult family member to work.

Medical and disability expenses are calculated and verified as explained in Section P of this chapter. The allowable medical expenses and allowable disability expenses have been combined and simplified into bands with deduction amounts as shown below:

Medical Expenses	Medical Deduction Given
\$0 - \$2,499	\$0
\$2,500 - \$4,999	\$2,500
\$5,000 - \$7,499	\$5,000
\$7,500 - \$9,999	\$7,500
\$10,000 +	Actual Expenses

M. CHILD CARE EXPENSES [24 CFR 5.603]

Child care expenses for children under 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. The cost of tuition for a child attending private school will not be counted as child care expenses; only after-hours care can be counted as child care expenses.



Deductions for child care expenses are based on the following guidelines:

1) **Child Care to Work:** The maximum childcare expense allowed must be less than the amount earned by the person enabled to work. The person enabled to work will be the adult member of the household who earns the least amount of income from working;

a) **Child Care for School:** The number of hours claimed for child care may not exceed the number of hours the family member is attending school, including reasonable travel time to and from school; or

b) **Child Care for Seeking Employment:** The number of hours claimed for child care may not exceed 20 hours per week.

N. VERIFICATION OF CHILD CARE EXPENSES

Written verification from the person who receives the payments is required.

Verification must specify the child care provider's name, address, telephone number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods.

Family's certification as to whether any of those payments have been or will be paid or reimbursed by outside sources.

O. MEDICAL EXPENSES [24 CFR 5.609, 5.603]

Anticipated medical expenses will be calculated by using one of the two following methods, (whichever is more beneficial to the family);

1. **Current Circumstances:** Use the family's current medical bills, accumulated over the last twelve months, as anticipated medical expenses.

2. **Estimated Circumstances:** Estimate the cost of medical bills based on current or anticipated medical bills that will be on-going expenses.

Examples of allowable medical expenses include:

Services of doctors and health care professionals

Services of health care facilities

Medical insurance premiums

Prescription medicines

Transportation to treatment (cab, bus fare, or other public transportation)

Dental expenses, eyeglasses, hearing aids, batteries



Live-in or periodic medical assistance

Acupressure, acupuncture, and chiropractic services will be considered allowable medical expenses

Non-prescription medicines and non-traditional treatments, vitamins and herbal supplements will be counted toward medical expenses for families who qualify if the family furnishes legible receipts when prescribed by a physician.

Medical marijuana usage is not allowable as a medical expense.

When it is unclear in the HUD rules as to whether or not to allow an item as a medical expense, IRS Publication 502 will be used as a guide.

Receipts or other record of medical expenses paid by the family during the previous year (appointment date to appointment date, or in the case of mail-in biennial recertification, due date to due date) can be used to anticipate future medical expenses. If an applicant/participant will become entitled to a deduction, medical expenses will be anticipated based on verification provided.

SDHC will not duplicate a medical expense that was already allowed during the prior years.

1. Verification of Medical Expenses

Families may only claim medical expenses that have not been and will not be reimbursed by an outside source. All expense claims will be verified by one or more of the methods listed below:

Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, of:

The anticipated medical costs to be incurred by the family and regular payments due on medical bills; and

Extent to which those expenses will be reimbursed by insurance or a government agency;

Written confirmation by the insurance company or employer of health insurance premiums paid by the family;

Written confirmation from the Social Security Administration of Medicare premiums to be paid by the family over the next 12 months. A computer printout is acceptable verification.

Receipts from medical professionals, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next 12 months. When using these receipts to verify medical expenses, receipts must indicate the name of the provider, name of patient, date of purchase/transaction, service/product provided, and amount paid by patient. If the receipt comes from an individual, for example a care-provider, the receipt should also provide the address and phone number as contact information.

Receipts for non-prescription medicines, non-traditional treatments, vitamins and herbal supplements must be in conjunction with a prescription from a physician for expenses likely to be incurred in the next 12 months.



Copies of payment agreements or most recent invoice that verify payments made on outstanding medical bills that will continue over all or part of the next 12 months.

Receipts or other record of medical expenses incurred during the past 12 months that can be used to anticipate future medical expenses. SDHC may use this approach for "general medical expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not as reimbursement for one-time expenses from the previous year.

Mileage at the IRS rate, or cab, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment.

For attendant care:

A reliable, knowledgeable professional's certification that the assistance of an attendant is necessary as a medical expense and a projection of the number of hours the care is needed for calculation purposes; and

Attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family or agency (or copies of canceled checks the family used to make those payments) or stubs from the agency providing the services.

2. Assistance to a Person with a Disability

In All Cases:

Written certification from a licensed third-party professional or certified social service agency that the person with a disability requires the services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function independently to enable another family member to be employed;

Family's certification as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.

Attendant Care:

Attendant's written certification of amount received from the family, frequency of receipt, and hours of care provided; or

Certification of family and attendant and/or copies of canceled checks family used to make payments.

Auxiliary Apparatus:

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

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



3. Verification of Reasonable Accommodation to Accommodate a Person with a Disability

All applicable information must be provided. Acceptable verification of reasonable accommodation to accommodate a person with a disability include, in this order:

All requested information may be provided on the SDHC's verification form completed by a licensed doctor, or other health care professional.

A letter from a licensed doctor or other health care professional with expertise related to the condition of the participant that provides the following information:

Whether or not the nature of the patient's disability requires an accommodation in order to make the program equally accessible;

How long the need will last;

Accommodation that is being requested by the family and recommended by the health provider health care professional;

An explanation or nexus of how this accommodation to the patient's disability is reasonably necessary to make the program accessible; or

If the accommodation cannot be provided, a list of all alternatives that would serve to make the Section 8 program accessible to the family.

The requested housing type must be approvable by all other HUD standards and HQS requirements in accordance with 24 CFR 982 Section M, Special Housing Types.



RESERVED



A. INTRODUCTION

SDHC will use the methods as set forth in this Administrative Plan to verify and determine that family income at admission and recertification is correct. The accurate calculation of Annual Income and Adjusted Income will ensure that families are not paying more or less money for rent than their obligation under the Regulations.

B. MINIMUM RENT

1. Elderly/Disabled Families

The minimum rent for elderly/disabled families is zero dollars. If a family is paying a premium because the contract rent plus the utility allowance exceeds the payment standard, the premium will be added to the minimum rent.

2. Work-Able Families

The minimum rent for work-able families is based on the number of work-able adults in the family. If the tiered table tenant rent portion calculation results in a lower number than the minimum rent, the minimum rent amounts for work-able families will prevail. A family's rent portion calculation cannot be less than the minimum rent. The minimum rents were implemented in two phases. The minimum rent for a family with one work-able adult was \$200 in phase 1, and \$300 in phase 2. The minimum rent for a family with two or more work-able persons was \$350 in phase 1, and \$500 in phase 2. A third phase will be implemented beginning January 1, 2020. The minimum rent for a family with one work-able adult will be \$400. The minimum rent for a family with two or more work-able persons will be \$650.

Path to Success (PTS) Hardship Request for an Exception to Minimum Rent

SDHC recognizes that in some circumstances the minimum rent may create a financial hardship for families. All requests for the hardship exemption must be in writing. SDHC will review all relevant circumstances brought to SDHC's attention regarding financial hardship as it applies to the minimum rent. Gross income before exclusions will be considered for purposes of determining eligibility for the hardship exemption. The family must sign a document consenting to participate in required self-sufficiency activities with the Achievement Academy. Criteria for hardships may include but not be limited to:

Family's shelter burden is greater than the acceptable level as calculated by SDHC, 40% for elderly/disabled families and 45% for work-able families.

The family must consist of a single adult head of household with one or more dependents.



Families approved for a hardship will have their rent calculated per the Hardship Rent Table below.

HARDSHIP RENT TABLE	
Annual Income	Hardship Rent
\$0 - \$2,499	\$0
\$2,500 - \$4,999	\$55
\$5,000 - \$7,499	\$150
\$7,500 - \$9,999	\$245

3. Hardship Request Process

All requests for minimum rent hardship exceptions are required to be in writing. SDHC may request documentation as proof of financial hardship. The requests will be reviewed by the Hardship Review Committee and analyzed on a case by case basis. The Hardship Review Committee will then make the final determination.

SDHC will provide in writing the decision of the minimum rent hardship request. If approved, SDHC will suspend the minimum rent for the family, effective the first day of the month after the request is received by SDHC. The approval letter will also contain the length of the term of the exemption.

SDHC will monitor the family’s compliance with the hardship requirement to participate in Achievement Academy activities. Failure to participate in self-sufficiency activities will result in a loss of the hardship. In deciding whether or not to approve or deny a hardship, SDHC has discretion to consider all of the circumstances in each case.

An Administrative Review or Informal Hearing is not required when the discretionary decision to terminate the comprehensive hardship due to the family's non-compliance or expiration of the hardship is made by SDHC. The decision to terminate the hardship for non-compliance will be made on a case-by-case basis and will consider extenuating circumstances and the family's ongoing level of engagement. The decision is final and not reviewable.

4. Hardship for Zero Income Families

Families with zero income will receive a temporary hardship from the minimum rents if the family agrees to participate in Achievement Academy self-sufficiency activities. The rent portion will be set to zero dollars for a maximum of six months, after which the rent portion will default to the minimum rent. Families will be required to sign a document of consent to participate in required self-sufficiency activities and work with the Achievement Academy. Failure to participate in self-sufficiency activities will result in a loss of the hardship. At the expiration of the temporary hardship, families may apply for the comprehensive hardship policy as described in Section 3.

An Administrative Review or Informal Hearing is not required when the discretionary decision to terminate the zero income hardship, due to the family's non-compliance or expiration of the hardship, is made by SDHC. The decision to terminate the hardship for non-compliance will be made on a case-by-case basis and will consider extenuating circumstances and the family's ongoing level of engagement. The decision is final and not reviewable.



C. MINIMUM INCOME

There is no minimum income requirement. Families who report zero income will be required to submit supporting documentation and report any increase of income in writing within ten (10) days for the purpose of an interim adjustment in their share of the rent.

If SDHC is subsidizing a family's entire Contract Rent despite the family's income, the family will be required to report any increase of income in writing within ten (10) days for the purpose of an interim adjustment in the share of the rent.

D. REIMBURSEMENT POLICY WHEN HOUSING COMMISSION ERROR

For every change in the rent, SDHC will provide the participant with an updated rent portion letter. The letter will give information regarding the method for calculating the rent and it will allow 17 calendar days to dispute the calculation. If the participant disputes the calculation within the 17-day period and it is determined that an error was made, the rent will be corrected retroactively and reimbursement will be made. If an error is found after the 17 day period, SDHC will correct the error at the time of discovery, and make it effective the first of the following month.

E. PATH TO SUCCESS RENT CALCULATION

1. Elderly/Disabled Families

The family's rent portion for elderly/disabled families will be calculated at 28.5% of the adjusted monthly income. As applicable, the utility allowance, child care allowance, and streamlined medical expense allowances will be applied to the rent calculation. The minimum rent for elderly/disabled families is zero dollars. If a family is paying a premium because the contract rent plus the utility allowance exceeds the payment standard, the premium will be added to the rent portion.

2. Work-Able Families

The family's rent portion for work-able families will be calculated at 30% of the adjusted monthly income and will be subject to tiers. The lower level of the tier will be used to calculate the tenant rent portion. The family will be subject to minimum rents as described in Section 3 of Chapter 4. As applicable, the utility allowance, child care allowance, and streamlined medical expense allowances will be applied to the rent calculation. If a family is paying a premium because the contract rent plus the utility allowance exceeds the payment standard, the premium will be added to the rent portion.

*The tenant portion will be the higher of the minimum rent or the calculation based on the rent table.



F. RENT CALCULATION CHANGES DUE TO CHANGE IN FAMILY STRUCTURE

If a household composition change (from work able to elderly/disabled or vice versa) results in a change in the rent calculation used to determine the family's rent portion, the applicable policies will apply at the effective date of the family initiated certification or regularly scheduled recertification.



RESERVED



A. INTRODUCTION

HUD guidelines require that SDHC 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 also be within the minimum unit size requirements of HUD's Housing Quality Standards. This chapter explains the subsidy standards, which will be used to determine the voucher size for families when they are selected from the waiting list, as well as SDHC's procedures when a family's size changes or a family selects a unit size that is different from the Voucher size issued.

SDHC's goals and objectives are designed to assure that families selected to participate are equipped with the tools necessary to locate an acceptable housing unit. Families are provided sufficient knowledge and information regarding the program and how to achieve maximum benefit while complying with program requirements. When eligibility has been determined, SDHC will conduct a mandatory briefing to ensure that families know how the program works. The briefing will provide a broad description of landlord and family responsibilities, SDHC procedures, and how to lease a unit. The family will also receive a briefing packet that provides more detailed information about the program, including the benefits of moving to neighborhoods that offer more opportunities for transportation, schools, employment and services. This Chapter describes how briefings will be conducted, the information that will be provided to families, and the policies for how changes in the family composition will be handled.

B. DETERMINING FAMILY SUBSIDY STANDARDS (VOUCHER SIZE)

1. Initial Issuance and Decreases in Household Composition

SDHC does not determine who shares a bedroom/sleeping room.

All standards in this section relate to the number of bedrooms on the Voucher, not the family's actual living arrangements. The subsidy standards for voucher size shall be applied in a manner consistent with fair housing guidelines.

SDHC may make the administrative decision to change its subsidy standards at any time, without prior notice to its participants, should the circumstances warrant it, such as in the case of funding reductions.

The unit size on the Voucher remains the same as long as the family composition remains the same, regardless of the actual unit size rented, except when there is a Subsidy Standard change. Subsidy Standard changes will be implemented at the next recertification or move, whichever occurs first. For Housing Choice Voucher households, subsidy standard changes will be implemented three (3) months after the effective date of the certification for the change in family size, or with the next recertification or move; whichever occurs first. For purposes of reasonable accommodation, the subsidy standard may change prior to the next recertification or move.

The guidelines below will be used to determine initial eligibility and decreases in household size.



SDHC must approve all members of the family residing in the unit.

One bedroom will be assigned to each two household members, regardless of sex, age or relationship. When funding is available, one bedroom will be assigned for the head of household and/or spouse or co-head, and one bedroom awarded to each two family members, regardless of sex, age or relationship.

Exceptions to these standards may be made in accordance with state and federal law to accommodate a disability. When a disabled family member requires and qualifies for their own bedroom as a reasonable accommodation, the remaining household members will be assigned one bedroom for each two household members regardless of sex, age or relationship.

Live-in aides must be approved by SDHC prior to moving into the assisted unit. To receive approval, live-in aides must perform vital assistance that cannot be provided in any other way to an elderly household member or a household member with disabilities. An additional bedroom will be assigned for the live-in aide. A change in Voucher size occurs after the Live in Aide has moved in. The live-in aide’s family members may reside in the unit as long as the unit is not over-crowded.

Foster children will be included in determining voucher size only if verification completed by a social service agency confirms that they will be in the unit for at least six months. If a Foster child (children) is temporarily (less than six months) placed in the unit the Voucher size will not increase.

Space will not be provided for a family member, other than a spouse/co-head, who will be absent more than 50% of the time (more than 185 days), such as a member absent due to military service or a student who does not live at home during the school year.

Bedroom sizes are based on available funding. For initial issuance only, a single pregnant woman with no other members must be treated as a two-person family.

Note: If the Voucher size is being decreased due to a household member no longer qualifying for an extra bedroom as a reasonable accommodation, the Voucher will revert back to previous size.

INITIAL VOUCHER SIZE ISSUANCE CHART

VOUCHER SIZE	PERSONS IN HOUSEHOLD	
	Minimum	Maximum
0 Bedroom	1	1
1 Bedroom	1	2
2 Bedroom	2	4
3 Bedroom	4	6
4 Bedroom	6	8
5 Bedroom	8	10
6 Bedroom	10	12



2. Changes for Applicants

The voucher size is determined before the briefing by comparing the family composition to SDHC subsidy standards. If an applicant requires a change in the voucher size, the above guidelines will be applied.

3. Housing Commission Error

If SDHC assigns an incorrect bedroom size, the family will be reissued the correct size voucher at the time of discovery.

4. Increases in Household Composition for Participants

The family must obtain prior approval from the landlord and SDHC, for additional family members, before any new adult member occupies the unit. Prior approval is not required for additions by birth, adoption, or court-awarded custody; however, the family must inform SDHC in writing within ten (10) calendar days. Requests by the family to add additional family members, other than by marriage or minors through birth, adoption, marriage or court-awarded custody, will be approved if they do not require an increased voucher size.

The guidelines below on Chart 2 will be used to determine the maximum number of people that can be added to a household without increasing the voucher size. In addition, Chart 2 will be utilized when the number of household members who have been added to the family, due to additions by birth, adoption, marriage or court-awarded custody, exceeds the maximum number allowed for their voucher size. In these instances, the family will be assigned a larger voucher size based on the voucher size issuance standards on Chart 2.

VOUCHER SIZE ISSUANCE FOR INCREASES

VOUCHER SIZE	MAXIMUM NUMBER IN HOUSEHOLD
0 Bedroom	1
1 Bedroom	4
2 Bedroom	6
3 Bedroom	8
4 Bedroom	10
5 Bedroom	12
6 Bedroom	14



Note: The participant will decide how to best use the assigned voucher size to meet their housing needs.

C. EXCEPTIONS TO SUBSIDY STANDARDS [24 CFR 982.402(a) & (b)]

SDHC may grant exceptions to the subsidy standards, upon request, in order to accommodate a legally recognizable disability. Exceptions to the subsidy standards shall be made in accordance with state and federal law. When an exception is granted as a reasonable accommodation for a disabled family member of an applicant or participant household, the remaining household members will be assigned one bedroom for each two household members regardless of sex, age or relationship.

The disability must meet the HUD definition of disability that requires a reasonable accommodation.

1. Request for Exceptions to Subsidy Standards

The family may request a larger size voucher than indicated by SDHC's subsidy standards as a reasonable accommodation for a family member with disabilities. The family's request for a larger voucher size must be in writing. In addition, the request must fully describe how the additional bedroom will allow the person with disabilities better access to the program and why there is no other reasonable alternative solution. The additional bedroom requested must be to accommodate the person with disabilities, not the family member without disabilities. Documentation from a health professional verifying the need or justification will be required by SDHC.

A licensed doctor or other health care professional with expertise related to the condition of the client, such as a nurse, psychiatrist, psychologist, or a social service professional must provide a certification of the need for additional bedrooms as a reasonable accommodation for a family member with disabilities. The health care professional must explain why the extra bedroom is necessary to provide a reasonable accommodation for the disabled family member. SDHC will only require information necessary to determine the need for an additional bedroom and not to determine the nature of the disability.

D. UNIT SIZE SELECTED [24 CFR 982.402(c)]

The family may select a different size unit than the size listed on the Voucher. The payment standard will be the smaller of the voucher size or the actual unit size. In either case, the unit must meet the HUD affordability standard that specifies that the family cannot pay more than 50% of their monthly adjusted income for their share of the rent.

In addition, the maximum number of people who can reside in a unit is based on the Housing Quality Standards. The standards allow two persons per living/sleeping room and permit maximum occupancy levels (a living room as a living/sleeping area). The levels may be exceeded if a room in addition to bedrooms and living room qualifies as a living/sleeping room, e.g. den, family room, etc.



E. ISSUANCE OF VOUCHERS [24 CFR 982.204(d), 982.54(d) (2)]

When funding is available, SDHC will issue vouchers to applicants who have been determined eligible. The number of vouchers issued must ensure that SDHC stays as close as possible to 100% lease-up. SDHC determines on a monthly basis whether applications can be processed and the number of vouchers that can be issued.

F. BRIEFINGS AND REQUIRED ATTENDANCE [24 CFR 982.301]

1. Initial Applicant Briefing

A full HUD-required briefing will be conducted for applicant families who are determined to be eligible for assistance. The briefings will be conducted in groups or individual meetings and will be in English, Spanish and Vietnamese.

The purpose of the briefing is to explain to the family how the program works and to go over the information and documents in the briefing packet. This will enable them to use the program to their advantage, and it will prepare them to discuss it with potential landlords and property managers.

SDHC will not issue a voucher to a family unless the head of household has attended a briefing and signed the voucher. Scheduled applicants who provide prior notice of inability to attend a briefing will be rescheduled. Applicants who fail to attend two scheduled briefings, without good cause, may be denied admission based on failure to supply information needed for certification. If required to accommodate a person with a disability, SDHC will conduct individual briefings for families with a disability.

2. Participant Briefing

A Participant Briefing will be required for families who have ported into SDHC's jurisdiction; received a change to the Head of Household member; families referred by SDHC's Program Integrity Unit due to program violations; and other families determined necessary by SDHC. The Head of Household member will be required to attend the briefing.

The purpose of the briefing is to explain to the family how the housing choice voucher program works; the family's rights and responsibilities; and discuss enrichment programs offered through SDHC's Achievement Academy. This briefing will equip families to fully access and utilize the program.

Failure to attend the briefing will be subject to the missed appointment policy.

G. ENCOURAGING PARTICIPATION IN HIGHER OPPORTUNITY AREAS

At the briefing, families will be provided with information about neighborhood features in high opportunity areas through its Mobility Counseling Program. SDHC has information about employment services, schools, and transportation for various communities.



SDHC will investigate and analyze when Voucher holders are experiencing difficulties locating or obtaining housing units outside areas of concentration.

The assistance provided to such families includes:

- Direct contact with landlords.
- Counseling with the family.
- Providing information about services in various low poverty areas.
- Meeting with neighborhood groups to promote understanding.
- Formal or informal discussions with landlord groups.
- Formal or informal discussions with social service agencies.
- Meeting with rental referral companies or agencies.
- Meeting with fair housing groups or agencies.

H. ASSISTANCE TO VOUCHER HOLDERS

Voucher holders will be notified at the briefing session on how they may obtain a listing of available units in the community and will be referred to the Mobility Counseling Program if they are interested in moving to an Enterprise or Choice Community.

I. ASSISTANCE TO FAMILIES WHO CLAIM DISCRIMINATION

SDHC will give clients a copy of HUD form 903 to file a complaint.

J. TERM OF VOUCHER [24 CFR 982.303, 982.54(d) (2)]

During the briefing session, each household will be issued a voucher, which represents a contractual agreement between SDHC 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 and is executed by SDHC staff.

1. Issuance at Admission and Move

The initial term of the voucher will be for a minimum of 60 days and maximum of 120 days and is based on available funding and the rental housing market at the time.

2. Extensions



A family may submit a written request for an extension of the voucher period. All requests for extensions must be received before the expiration date of the voucher.

Extensions may be granted for a minimum of an additional 60-day period or a maximum of a 120-day period for the following reasons:

When there are extenuating circumstances such as hospitalization or a family emergency for an extended period of time, which affects the family's ability to find a unit within the initial period (verification is required).

When the family has evidence that they have made an effort to locate a unit and communicated with SDHC during the initial term of the voucher with regard to their inability to locate a unit. Families will meet these criteria by completing the Request for Extension form, and providing a minimum of three addresses where they searched for housing.

When the family meets the "Hard to House" criteria.

When the family needs additional time to port to another jurisdiction.

The voucher extension will be based on the availability of funding. If there is not sufficient funding to extend the voucher, the family will not be granted an extension.

3. Reasonable Accommodation to Accommodate a Person with a Disability

If the family needs and requests an extension of the initial voucher term as a reasonable accommodation to make the program accessible to a family member who is a person with a disability, and the family has already been given 120 days, SDHC may grant an extension to the Voucher of 120 additional days. The family must submit a completed Reasonable Accommodation Request Form. Subsequent extension requests will be reviewed on a case-by-case basis.

4. Suspensions

If a Request for Tenancy Approval (RFTA) is received, the term of the Voucher will be suspended as of the day it was received. If the RFTA is not approved, SDHC will add the number of days that were required to process the RFTA to the term of the voucher.

5. Expirations

The voucher is valid for a period of at least 60 calendar days from the date of initial issuance. The family must submit a Request for Tenancy Approval and Lease within the initial term of the voucher unless an extension has been granted by SDHC.

If the voucher has expired, the applicant family will be denied assistance. The family will not be entitled to a review or hearing. If the participant family is currently assisted, and the voucher expires, assistance will continue as long as the family and the unit remain eligible.

K. VOUCHER ISSUANCE FOR SPLIT HOUSEHOLDS [24 CFR 982.315]



If a court determines the disposition of property between members of the assisted family in a divorce or separation under a settlement or judicial decree, SDHC will be bound by the court's determination as to which family members will receive the rental assistance.

In the absence of a court decision or mutual agreement by the family members, SDHC will have the final authority to determine which family members would be best served by continued assistance of housing benefits. SDHC will consider the following factors to determine which of the family members will continue to be assisted:

Which of the two new family units has custody of the dependent child(ren).

Which family member was the head of household when the voucher was initially issued.

The composition of the two new family units, and whether they include elderly or disabled members.

Whether domestic violence was involved.

Recommendations of reliable, knowledgeable third-party professionals.

Upon request of SDHC, documentation of these factors will be the responsibility of the requesting parties. If documentation is not provided, SDHC will terminate assistance based on failure to provide necessary information for a recertification.

L. SECURITY DEPOSIT LOAN PROGRAM

1. Summary

SDHC will offer a Security Deposit Loan Program to assist low-income HCV families moving to (or within) SDHC's Enterprise or Choice Communities. The family may apply for a loan from SDHC for an amount not to exceed the Security Deposit required by the landlord or the maximum amount set by SDHC, whichever is less. The Security Deposit will be issued after SDHC processes the HAP contracts.

If the family defaults on the Promissory Note with SDHC, the family's file can be referred to the Program Integrity Unit.

2. Eligibility

The family must be participating in Rental Assistance Voucher Programs and must meet all eligibility requirements.

The family must be moving into (or within) SDHC's targeted high opportunity zip codes.

Security Deposit Loans may be limited due to the utilization of the program and funding.

M. CHANGES IN PAYMENT STANDARDS



1. Increase in Payment Standards

When there is an increase in the payment standards for any bedroom size, the change will be made effective at the next scheduled full re-examination, rent increase certification or move, whichever comes first.

2. Decreases in Payment Standards

When there is a decrease in the payment standards for any bedroom size, the change will be made effective with the next move or next scheduled full re-examination following a twelve-month notification, whichever comes first.



RESERVED



A. INTRODUCTION

SDHC'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. SDHC'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 voucher, they may search for a unit anywhere within the jurisdiction of SDHC, or outside of SDHC's jurisdiction if they qualify for portability. The family must find an eligible unit under the program rules with a landlord who is willing to enter into a Housing Assistance Payments Contract with SDHC. This chapter defines the types of eligible housing and SDHC's policies that pertain to initial inspections, lease requirements, landlord disapproval, and the processing of Requests for Tenancy Approval.

B. AFFORDABILITY CAP ON FAMILY SHARE

With the exception of the VASH program, families will be allowed to pay up to 50% of their adjusted income toward their rent portion.

All other policies described in this chapter will apply to Housing Choice Voucher clients.

C. REQUEST FOR TENANCY APPROVAL [24 CFR 982.54(d)(8), 982.161, 982.302, 982.305(b), 982.306, 982.308(e)]

The Request for Tenancy Approval (RFTA) and a copy of the proposed lease, including the HUD prescribed tenancy addendum, must be submitted by the family or prospective landlord during the term of the voucher. The family must submit the RFTA in the form and manner required by SDHC. Both the landlord and voucher holder must sign the RFTA.

SDHC will not permit the family to submit more than one RFTA at a time.

SDHC will only accept one RFTA per rental unit at a time.

SDHC will review the proposed lease and the RFTA documents for approval.

The request will be approved if:

The unit is an eligible type of housing.

The unit meets HUD's Housing Quality Standards (and any additional criteria as identified in this Administrative Plan).

The rent has been determined to be reasonable based on the current fair market rents.



The proposed lease complies with HUD and SDHC requirements (See "Lease Review" section below).

The landlord is approved and there are no conflicts of interest. If the landlord is new to the Housing Choice Voucher program, a completed W-9 Request for Taxpayer Identification Number and Certification must be submitted with the RFTA. SDHC will verify that the legal owner of record reported on the RFTA matches the tax records. If there is a discrepancy, verification of ownership status is required or the landlord may demonstrate adequate legal site control of the proposed rental property prior to lease approval.

The landlord shall provide information for direct deposit of HAP prior to contract execution.

In addition to the above, when a family initially receives assistance (new admissions and moves), the family's share of rent may not exceed 50% of the family's monthly-adjusted income, with the exception of certain programs. Families subject to the Path to Success minimum rent may not be approved for a unit where the gross rent exceeds the payment standard.

1. Disapproval of the Request for Tenancy Approval

If SDHC determines that the RFTA cannot be approved for any reason, the landlord and the family will be notified. SDHC will instruct the landlord and family of the steps necessary to approve the RFTA.

If for any reason, a RFTA is not approved, SDHC will furnish another RFTA form to the family upon their verbal request, so that the family may continue to search for eligible housing.

D. ELIGIBLE TYPES OF HOUSING [24 CFR 982.352, 982.601(a)]

SDHC will approve any of the following types of housing in the voucher program:

All residential structure types.

Manufactured homes where the tenant leases the mobile home and the pad.

Manufactured homes where the tenant owns the mobile home and leases the pad.

Single Room Occupancy.

Homeownership is not allowable under the program unless the home was purchased through the Home of Your Own program. Existing program participants who purchased a home before 10/1/15 are not subject to the policy.

SDHC may not permit a voucher holder to lease a unit that is receiving Project-Based Section 8 assistance or any duplicative rental subsidies.



E. LEASE REVIEW [24 CFR 982.305(b), 982.308]

The tenant must have legal capacity to enter into a lease under state and local law. Responsibility for utilities, appliances and optional services must correspond to those provided on the RFTA. It is recommended that the family and landlord submit the standard lease used by the landlord for other unassisted tenants on the premises. SDHC will provide a model lease in lieu of a standard lease when the landlord indicates they do not have a standard lease. The initial term of the lease must be for a minimum of six months. The terms and conditions of the lease must be consistent with state and local law. The lease must specify what utilities and appliances are to be supplied by the landlord, and what utilities and appliances are to be supplied by the family. The HUD prescribed tenancy addendum must be included in the lease word-for-word.

House Rules of the landlord may be attached to the lease as an addendum providing they do not violate any fair housing provisions and do not conflict with the tenancy addendum.

1. Actions before the Lease Term

All of the following must be completed before the beginning of the initial term of the lease for a unit:

SDHC has inspected the unit and has determined that the unit satisfies the HQS.

The landlord and the tenant have executed the lease, including the HUD-prescribed tenancy addendum, and provided a copy to the Housing Commission.

SDHC has approved leasing of the unit in accordance with program requirements.

SDHC has determined that the rent charged by the landlord is reasonable.

F. SEPARATE AGREEMENTS [24 CFR 982.404(b)(2)]

Separate agreements are not necessarily illegal. Families and landlords will be advised of the prohibition of illegal side payments for additional rent, items normally included in the rent of unassisted families, or for items not shown on the approved lease.

The family is not liable under the lease for unpaid charges for items covered by separate agreements. Nonpayment of these charges cannot be cause for eviction.

Landlords and families may execute separate agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease.

Any appliances, services or other items that are routinely provided to unassisted families as part of the lease (such as air conditioning, dishwasher or garage) or are permanently installed in the unit, cannot be put under separate agreement and must be included in the lease. For there to be a separate agreement, the family must have the option of not utilizing the service, appliance or other item.

If the family and landlord have come to a written agreement on the amount of allowable charges for a specific item, as long as those charges are reasonable and not a substitute for higher rent, they will be



allowed. If the family and landlord have agreed upon a move-in incentive, the term of the lease and Housing Assistance Payments Contract may commence the following month.

G. DISAPPROVAL OF PROPOSED RENT [982.305(a)(4), 982.507]

If the proposed Rent to Owner is not reasonable, or the family share is more than 50% of the family's monthly-adjusted income (40% for VASH households), SDHC, at the family's request, may negotiate with the landlord to reduce the rent to a reasonable rent.

If SDHC and the landlord have tried and failed to negotiate a revised rent, SDHC will inform the family and the landlord that the lease is disapproved.

H. INFORMATION TO LANDLORDS [24 CFR 982.54(d)(7), 982.307(b)(2)]

Upon written request and authorization for release of information signed by the client, SDHC will provide landlords information in the voucher holder's file regarding the family's tenancy history and verified drug or violent criminal activity.

SDHC will make an exception to this requirement if the family's whereabouts must be protected due to domestic abuse or witness protection.

SDHC will inform landlords that it is the responsibility of the landlord to determine the suitability of prospective tenants. Landlords 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, activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy.

A statement of SDHC's policy on release of information to prospective landlords will be included in the briefing packet provided to the family.

I. CHANGE IN TENANT PAYMENT BEFORE HAP EFFECTIVE DATE

At admission, when the family reports changes in factors that will affect the TTP before the effective date of the HAP contract, the information must be verified before the TTP will be recalculated.

J. ZERO HAP CONTRACT RESTRICTIONS

SDHC shall not enter into a new HAP contract if there will not be a HAP payment made on behalf of the family.



K. CHANGES TO LEASE

After the initial term of the lease, the landlord may offer the tenant a new lease by providing 60 days' notice to the tenant and SDHC.

L. CONTRACT EXECUTION AND TIMELY PROCESSING OF PAYMENT

SDHC and the landlord must sign the Housing Assistance Payments Contract within 60 days of the effective date. If the date of the signature by either the landlord or the Housing Commission is missing, the date stamp will be used as the date the contract was executed.



RESERVED



A. INTRODUCTION

HUD regulations permit families to move with continued assistance to another unit within SDHC's jurisdiction, or to a unit outside of SDHC's jurisdiction under Portability policies. The regulations also allow SDHC the discretion to develop policies that define any limitations or restrictions on moves. This Chapter defines the policies for moves, both within and outside of SDHC's jurisdiction, and the policies for restriction and limitations on moves.

B. ALLOWABLE MOVES

A family may move to a new unit with continued assistance one time within a twelve-month period if:

The assisted lease for the old unit has terminated because SDHC has terminated the HAP contract for landlord breach, or the lease was terminated by mutual agreement of the landlord and the family.

The landlord has given the family a notice to vacate, or has commenced an action to evict the tenant, or has obtained a court judgment or other process allowing the landlord to evict the family (unless assistance to the family will be terminated).

The family has given proper notice of lease termination (and the family has a right to terminate the lease on notice to landlord).

The move has been approved as a reasonable accommodation.

An exception has been approved by a Supervisor.

C. RESTRICTIONS ON MOVES [24 CFR 982.314(e), 982.551, 982.552(a) &(c)]

Families will not be permitted to move within SDHC's jurisdiction during the initial term of assisted occupancy.

Families will not be permitted to move more than once in a 12-month period.

SDHC will deny permission to move if there is insufficient funding for continued assistance.

SDHC will deny permission to move if:

SDHC has evidence that the family has violated a Family Obligation.

The family owes SDHC money and is not up to date with their repayment agreement.

The family has moved within the last 12 months.

The family is a zero income household.

The family has been issued a Notice of Intended Action to terminate assistance.



The Housing Supervisor may make exceptions to these restrictions if there are compelling circumstances for the move.

D. PROCEDURE FOR MOVES [24 CFR 982.302(a), 982.305(a)(5), 982.314]

1. Issuance of Voucher

Subject to the above restrictions on moves, SDHC will issue the family a voucher.

2. Notice Requirements

The family must give the landlord a written notice of intent to vacate and simultaneously give a copy of the written notice to SDHC. The notice given by the family must be at least a 30-day notice, unless extenuating circumstances are present and verified and SDHC waives the 30-day requirement. The rent on the family's new unit will begin no sooner than the day after the expiration of the tenant's notice to vacate.

3. Time of Contract Change [24 CFR 982.311(d)]

A move within the same building or project, or between buildings owned by the same landlord, will be processed as any other move. The Housing Supervisor may make exceptions to these restrictions for purposes of reasonable accommodation, or to prevent a hardship to the family.

In a move, assistance stops at the old unit at the end of the notice provided by the tenant. When the notice is provided by the landlord, assistance stops when the tenant vacates the unit, provided both the unit and the tenant remain eligible for the program. When the landlord issues a notice and the tenant remains in the unit, SDHC will stop the HAP at the end of the landlord's initial notice to the tenant. SDHC will provide the landlord HAP for the additional period of time the tenant remains in the unit upon receipt of confirmation of the date the tenant moved out. Assistance may start on the new unit the day after the tenant moves out of the old unit. Discrepancies in the move-out date will be resolved by SDHC. The move-out date must be confirmed by both the tenant and the landlord. Exceptions to HAP may be implemented as necessary outlined by HUD guidelines.

E. PORTABILITY

1. Outgoing Portability [24 CFR 982.353, 982.355, 982.552 9(a) &(c)]

Within the limitations of the regulations and this policy, a participant family has the right to receive tenant-based voucher assistance to lease a unit outside SDHC's jurisdiction, anywhere in the United States, in the jurisdiction of a PHA with a tenant-based program. When a family requests to move outside of SDHC's jurisdiction, the request must specify the area to which the family wants to move.



If there is more than one PHA in the area in which the family has selected a unit, SDHC will select the receiving PHA.

The receiving PHA must comply with HUD regulations in order for SDHC to reimburse the HAP subsidy.

a. Restrictions on Portability

SDHC will not permit families to exercise portability if:

The family is within the initial term of their lease.

The family is in violation of a family obligation.

The family owes money to SDHC.

The family has moved within the last 12 months.

The family's voucher will expire in 30 days or less.

Portability move outs are only granted if the port creates an employment opportunity, an educational opportunity for adult family members (defined as post-secondary education or other education-related opportunity furthering self-sufficiency), due to a safety reason, or meets a medical/disability need. Exceptions to the policy may be granted on a case-by-case basis if verified with supporting documentation.

Administered port-ins will not be subject to this restriction as they are not an SDHC voucher holder.

b. Compliance

When a receiving PHA is administering a voucher for SDHC, the receiving PHA is to comply with regulatory requirements as prescribed by HUD.

2. Incoming Portability [24 CFR 982.353, 982.355]

a. Absorption or Administration

SDHC will accept a family with a valid voucher from another jurisdiction and administer or absorb the voucher. If administering, SDHC will issue a portable voucher to the family. The term of the voucher will not expire before the expiration date of the initial PHA voucher. The family must submit a RFTA for an eligible unit to SDHC during the term of the initial PHA voucher. SDHC may grant extensions in accordance with this Administrative Plan, and if the initial PHA extends the billing date as needed. However, if the family decides not to lease-up in SDHC's jurisdiction, the family must contact the initial PHA to inform them of the family's return to that jurisdiction. All families who lease-up within SDHC's jurisdiction must attend a Participant Briefing.

When SDHC does not absorb the incoming voucher, the initial PHA's voucher will be administered and SDHC's policies will prevail. The exception will be the policy which prohibits work-able families from porting out. Administered port-ins will be allowed to port out without



restrictions and will be referred back to the initial PHA if the family requests to port to a new receiving PHA.

SDHC will issue a portability voucher according to its own Subsidy Standards. If the family has a change in family composition that would change the voucher size, SDHC will change it to the proper size based on the subsidy standards.

Income and Total Tenant Payment of Incoming Portables

SDHC may perform a full recertification of income when the family ports to SDHC.

If it is determined before lease-up that the family's income will result in a zero subsidy amount in SDHC's jurisdiction, SDHC will not enter into a contract on behalf of the family.

Requests for Tenancy Approval

When the family submits a RFTA, the request will be processed using SDHC's policies. If the family does not submit a RFTA, the initial PHA will be notified within 30 days of the expiration of the voucher, whenever possible.

If the family successfully completes the lease-up process, SDHC will notify the initial PHA within 60 days, and the billing process will commence.

If SDHC denies assistance to the family, SDHC will notify the initial PHA within ten (10) days from the date of denial and the family will be offered a review or hearing.

SDHC will notify the family of its responsibility to contact the initial PHA if the family wishes to move outside SDHC's jurisdiction under continued portability.

Regular Program Functions

SDHC will perform all functions applicable to the tenant-based assistance program, such as:

- Biennial recertifications of family income and composition.

- Biennial inspection of the unit.

- Interim examinations when requested by the family or deemed necessary by SDHC.

Terminations

SDHC will notify the initial PHA in writing of any termination of assistance within ten (10) days of the termination. If eligible for and requested by the family, an Informal Hearing will be conducted by SDHC.

The Initial PHA will be responsible for collecting amounts owed by the family for claims paid and for monitoring repayment. If the Initial PHA notifies SDHC that the Family is in arrears or the family has refused to sign a Repayment Agreement, SDHC will terminate assistance to the family.



Required Documents

SDHC will require the documents listed on the HUD-52665 Family Portability Information form, Part I from the initial PHA. When administering a portable voucher, SDHC must submit billing documents within the prescribed HUD timelines.

Billing Procedures

When administering incoming portable families, SDHC will bill based on HUD procedures and the HUD- 52665 Family Portability Information form, Part II. SDHC will calculate rental assistance subsidy in accordance to their internal fiscal practice.

SDHC will notify the initial PHA of changes in subsidy amounts and will expect the initial PHA to notify SDHC of any changes in the Administrative Fee amount.



RESERVED



A. INTRODUCTION

In accordance with HUD requirements, SDHC will reexamine the income and household composition of all families. Recertifications and interim recertifications will be processed in a manner that ensures families are given reasonable notice of rent increases. All activities will be coordinated in accordance with HUD regulation. It is a HUD requirement that families report all changes in household composition. This Chapter defines SDHC's policy for conducting recertifications and coordinating activities. It also explains the interim reporting requirements for families, and the standards for timely reporting.

B. HOUSING CHOICE VOUCHER RECERTIFICATION SCHEDULES

Elderly/Disabled and Work-Able household are subject to the recertification cycle. SDHC will conduct a full recertification of household income and family composition every two years for work-able and disabled households.

A recertification packet will be mailed to families at least 90 days in advance of the recertification effective date.

SDHC has established appropriate recertification procedures necessary to ensure the household income and composition provided by families are complete and accurate. Families are required to complete the recertification packet as a condition of continued program participation. The Personal Declaration form ensures the income data provided by families are complete and accurate.

SDHC has established procedures to gather information and data necessary to complete the recertification. The procedures require the participation and signatures of all adult family members, 18 years and older, and family members who will turn 18 years of age by the effective date of the recertification. When interviews are scheduled, all adult family members and family members who will turn 18 years of age by the effective date of the recertification must attend. Failure to provide requested information and data and or failure to attend scheduled appointments may result in termination of continued eligibility.

SDHC will have all required recertifications completed within 30 days before the certification date. Families will be notified at least 30 days before the scheduled date of any increase to the rent portion.

HUD Form 50058 will be completed and transmitted as required by HUD.

The Rent Portion Letter is mailed to the landlord and the family. Signatures are not required by SDHC. If the family disagrees with the rent adjustment, the family may request an administrative review by following the procedures stated on the Notice of Intended Action Rent Portion letter.



C. REPORTING INTERIM CHANGES FOR ELDERLY & DISABLED

All program participants must report all changes in household composition to SDHC between recertifications in writing within ten (10) days of the change. This includes additions due to birth, adoption and court-awarded custody. For all other additions to the household, the family must obtain SDHC and landlord approval in writing. The landlord's approval is required, in writing, to add any adult member(s) prior to initiating adult family composition change(s). Any additions not reported within the ten (10) days will be considered unauthorized household members.

If a new family member is added, any income of the new family member must be included. SDHC will conduct an interim examination to determine such additional income and will make the appropriate adjustments in the HAP and family unit size. In addition, criminal activity and the U.S. citizenship and/or eligible immigrant status of additional family members must be declared and verified.

1. Increases in Income

Elderly/disabled program participants are not required to report increases in income between regular recertifications.

Exceptions:

Zero Income households must report any increase of income within ten (10) days of the increase for the purpose of an interim adjustment in their share of the rent.

Family Self-Sufficiency (FSS) program participants may request an interim adjustment through the FSS program coordinator.

Full-time student status changes from full-time enrollment status to part-time or less.

2. Decreases in Income

Elderly/disabled program participants who lose a source of income or have a reduction of income that will last 90 days or more may be eligible for an interim certification at any time to reduce their portion of the rent, including a review of their medical deductions. If it is determined that a reduction of rent is warranted, the reduced rent will begin the first of the month after the verification of the decrease and any replacement income is received.

Exceptions:

Decreases in public assistance income that is the result of a finding of fraud.

D. REPORTING INTERIM CHANGES FOR WORK-ABLE HOUSEHOLDS [24 CFR 982.516]

All program participants must report all changes in household composition to SDHC between recertifications in writing within ten (10) days of the change. This includes additions due to birth, adoption and court-awarded custody. For all other additions to the household, the family must obtain SDHC and landlord approval in writing. The landlord's approval is required, in writing, to add any adult



member(s) prior to initiating adult family composition change(s). Any additions not reported within the ten (10) days will be considered unauthorized household members.

If a new family member is added, any income of the new family member must be included. SDHC will conduct an interim examination to determine such additional income and will make the appropriate adjustments in the housing assistance payment and family unit size. In addition, criminal activity and the U.S. citizenship and/or eligible immigrant status of additional family members must be declared and verified.

1. Increases in Income

Work-Able program participants are not required to report increases in income or assets between regular recertifications.

Exceptions:

Zero Income households must report any increase of income within ten (10) days of the increase for the purpose of an interim adjustment in their share of the rent.

Family Self-Sufficiency participants may request an interim adjustment through the FSS program coordinator.

Full-time student status changes from full-time to part-time status or less.

SDHC establishes timeframes and processing procedures for gathering complete and accurate information for the recertification. Participants who report other increases of income outside of the established recertification process will be notified that no changes will be made to their share of the rent.

2. Decreases in Income

Work-Able program participants may report a decrease in income and other changes that would reduce the amount of tenant rent, such as an increase in allowances or deductions if the loss of income is anticipated to last more than 90 days. If it is determined that a reduction of rent is warranted, the reduced rent will begin the first of the month after receipt of all verification of decrease and any replacement income.

For work-able households, interim adjustments will be limited as follows:

Work-able households may only receive an interim reduction to the rent portion once in a twelve (12) month period.

No reduction based upon loss of job will be processed until SDHC receives documentation of eligibility or ineligibility for unemployment benefits.

Decreases in public assistance income that are the result of a finding of fraud or a failure to comply with work/school requirements will not be processed.



In calculating the reduction, all household income, including previously unreported income, and replacement income will be counted to determine if there is an actual decrease in income since the last completed certification.

The household's loss or reduction of income must be expected to last more than 90 days.

No reduction in tenant rent portion will be made if the decrease in the household's rent portion is less than 21%.

The loss of income must be through no fault of the family. A decrease to the rent portion will not be processed if the family voluntarily terminates an income source.

Note: When an individual family member reports a loss of income, replacement income is any income the family receives. For example, if the family reports the loss of the welfare grant because a family member started a job, then the income from their job is considered replacement income. A decrease in the share of the rent will only occur if the replacement income is less than the amount of income that was lost. The family is eligible for a decrease under the requirements of the interim policy.

3. Interim Hardship Policy

To be considered for a hardship exemption the participant household must demonstrate that the household is experiencing a financial hardship due to an unexpected or unprecedented economic burden on the family.

After an interim has been denied for a reduction in rent, a family may submit a written request for a hardship exemption to the interim rent reduction policy.

A household must meet the following two requirements in order to receive a hardship exemption:

1. The participant household must provide proof the household is unable to continue to pay the current rent share because of a financial hardship, including:

- A death has occurred in the family which eliminates a prior source of income; or

- Other circumstances determined to warrant an exemption by SDHC.

2. The qualifying financial hardship must be long-term (a minimum of four months).

- Until the request for a hardship exemption is reviewed and approved by the SDHC, the participating household is expected to continue to pay the portion of rent and utilities as previously determined by the SDHC.

The family is required to abide by all other requirements of the program and failure to do so is grounds for termination.

If approved, the interim adjustment to the rent portion will be processed effective the first of the month following the hardship approval.



E. FAMILY COMPOSITION CHANGES

The landlord's approval is required prior to adding an adult member(s). SDHC and landlord's approval are required to add other family members, foster children, or live-in aide prior to moving into the assisted unit.

Staff will verify the income and deductions of the person being added. Criminal history will be verified if the person is 18 years of age or older. Newly approved adult members must attend a Participant Briefing.

If a household member is removed, the head of household's signature on the Personal Declaration or on the Interim Application-Income and Household Changes will be sufficient verification to certify, under penalty of perjury, that the person has moved from the unit.

If he/she requests to be added back into the household, the Housing Commission allows adults only one return to the household within a twelve month period.

A person(s) may not be added to the household if this causes the unit to be overcrowded. Note: The voucher size may be increased in accordance with the subsidy standards.

The income of the person(s) removed from the household can be deleted from the record without re-verifying the household income.

1. Exceptions to Policy

The following requests for exceptions to this policy will be considered on a case-by-case basis:

Medical reasons.

Reasonable accommodation to accommodate a person with a disability.

F. TIMELY REPORTING OF HOUSEHOLD COMPOSITION CHANGES [24 CFR 982.516(c)]

1. Reporting Requirements

Participants are required to report family composition changes in writing within 10 days of when the change occurs. Any information, documents or signatures needed from the family, which is needed to verify the change, must be provided when requested.

If the family composition change is not reported within the required time period, or the family fails to provide documentation or signatures, it will be considered untimely reporting. Untimely reporting may result in the family being required to sign a repayment agreement or termination of assistance.

2. When the Change of Family Composition is Reported in a Timely Manner

The effective date of the rent portion changes are as follows:



Increases in the tenant rent due to family changes are effective on the first of the month, after at least 30-days notice to the family.

Decreases in the tenant rent are effective the first of the month following the month in which verifications are received.

3. When the Change is Not Reported Timely by the Family

If the family does not report the change as described under Timely Reporting, the family will have caused an unreasonable delay in the interim recertification processing and the following guidelines will apply:

Increase in tenant rent will be effective retroactive to the date it would have been effective had it been reported in a timely manner. The family will be liable for any overpaid HAP and may be required to sign a Repayment Agreement or make a lump sum payment.

Decrease in tenant rent will be effective on the first of the month following the month that the verification is received.

4. When the Change of Family Composition is Not Processed Timely by SDHC

If there is an administrative delay, the following will be the effective date:

An increase will be effective the first of the month following 30-days notice to the family. In the event of a decrease, the overpayment of rent paid by the family will be calculated retroactively. An adjustment will be paid to the landlord.

G. DECEASED HOUSEHOLD MEMBER

Upon verification of a deceased household member from the EIV Deceased Tenants report or other reliable source, the landlord and participant will be notified of the household member who has been removed from the household and the effective date of the change of household composition. In addition, SDHC will take the following actions:

Single Member Households: The Housing Assistance Payments contract will be terminated and payments stopped effective the last day of the month in which the participant passed away. The landlord will receive the full Housing Assistance Payment amount for the month in which the death occurred and no additional payments

Multiple Person Households – Deceased Household Member: An interim household composition change will be effective the first day of the month after the month in which the participant passed away.

In cases where there is no spouse, co-head, or domestic partner, SDHC will designate the oldest remaining household member as the Head of Household unless the household provides a written request that another adult household member be designated as the Head of Household.



The interim household composition change will be effective the first day of the month after the month in which the participant passed away.

H. VOUCHER SIZE CHANGES – WORK-ABLE & ELDERLY/DISABLED HOUSEHOLDS

Decreases in the voucher size resulting from changes in the household's composition will be effective either three (3) months after the certification effective date that changed the family size, or with the next recertification or move; whichever occurs first.

Increases in the voucher size resulting from changes in the household's composition will be effective the first of the month following receipt of all requested verification.

The household members, as of the date of the notification of change letter, become the official household members of record. For voucher decreases, once the interim is processed and the Notification of Change letter is generated and sent, if the family cancels or rescinds their household composition change request on or after the date of the letter, the voucher size will not be restored to the previous voucher size.

I. NOTIFICATION OF NOMINAL RENT PORTION INCREASES

SDHC will notify program participants at least 30 days in advance of any increases to their share of the rent. However, an increase to the participant's share of the rent that is \$20 or less as a result of a recertification, interim, move, rent increase or correction, can be effective without a 30-day notice, when given prior to the effective date of the change.

J. DEFINITION OF TEMPORARILY ABSENT [24 CFR 982.54(d)(10), 982.551]

Temporarily absent is defined as being away from the unit 50% or less (185 calendar days or less) of the time.

SDHC must compute all applicable income of every family member who is on the lease, including those who are temporarily absent. In addition, SDHC must count the income of the spouse or the head of the household if that person is temporarily absent.

If the spouse is temporarily absent and in the military, all military pay and allowances (except hazardous duty pay when exposed to hostile fire and any other exceptions to military pay HUD may define) is counted as income.

It is the responsibility of the head of household to report changes in family composition. SDHC will evaluate absences from the unit using this policy.



1. Absence of Any Member

Any member of the household will be considered permanently absent if he/she is away from the unit for more than 51% (186 days) of the time, except as otherwise provided in this Chapter.

2. Absence Due to Medical Reasons

If any family member leaves the household to enter a facility such as a hospital, nursing home, or rehabilitation center, SDHC will seek advice from a reliable qualified source to the likelihood and timing of the family members return. If the verification indicates that the family member will be permanently confined to a nursing home, the family member will be considered permanently absent. If the verification indicates that the family member will return in less than 186 days, the family member will not be considered permanently absent.

If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated in accordance with SDHC's "Absence of Entire Family" policy.

3. Absence Due to Full-time Student Status

Full-time students who attend school away from the home will be treated in the following manner:

A student (other than head of household, spouse, or co-head) who attends school away from home but lives with the family during school recesses may, at the family's choice, be considered either temporarily or permanently absent.

If the family decides that the student is permanently absent, income of that student will not be included in total household income, the student will not be included on the lease. The student will not be included for determination of voucher size. If applicable, the voucher size will be decreased effective with the recertification or move, whichever comes first.

If the family decides that the student is temporarily absent, income of that student will be included in total household income, the student will be included on the lease and the student will not be included for determination of voucher size. If applicable, the voucher size will be decreased effective with the recertification or move, whichever comes first.

If the temporarily absent student returns to live at home full time, SDHC may restore the prior voucher size. If approved, the voucher size increase will be effective with an interim, recertification or move, whichever comes first.

4. Absence Due to Incarceration

If any member of the household is incarcerated for other than drug related or violent criminal activity and is absent more than 186 calendar days he/she will be considered permanently absent.

If he/she is incarcerated for drug related or violent criminal activity, SDHC will begin the termination process.



5. Absence of Children Due to Placement in Foster Care

If the family includes a child or children temporarily absent from the home due to placement in foster care, SDHC will determine from the appropriate agency when the child(ren) will be returned to the home.

If the period is to be greater than 186 days from the date of removal of the child(ren), the voucher size will be reduced in accordance with SDHC's subsidy standards.

6. Absence of Entire Family

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, SDHC will terminate assistance in accordance with appropriate termination procedures contained in this Plan.

"Absence" means that no family member is residing in the unit.

Families must notify SDHC in writing if they are going to be absent from the unit for more than 30 consecutive days.

If the entire family is absent from the unit for more than 30 consecutive days without notifying SDHC, the unit will be considered to be vacated and the assistance will be terminated.

In order to determine if the family is absent from the unit, SDHC may:

- Mail notification to family's unit address.

- Telephone the family at the unit.

- Contact the landlord.

- Verify if utilities are in service.

- Send Post Office verification.

7. Caretaker for Children

If neither parent nor adult household member remain in the household, and the appropriate agency has determined that another adult is to be brought into the assisted unit to care for the child(ren) for an indefinite period, SDHC will consider the adult a visitor for the first 180 calendar days. The visitor's income will be included. The visitor will not qualify as a remaining family member and is not entitled to the voucher.

When court-awarded custody or legal guardianship has been awarded, the Voucher will be transferred to the appointed caretaker.

If the appropriate agency cannot confirm the guardianship status by the end of 180-day period, SDHC will review the status at 90-day intervals.

If the court has not awarded custody or legal guardianship, but the action is in process, SDHC 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 visitor, until a determination of custody is made.

When SDHC approves a person to reside in the unit as caretaker for the child(ren), the income will be counted pending a final disposition. SDHC will work with the appropriate service agencies and the property landlord to provide a smooth transition in these cases.

8. Visitors

Any adult not included on the HUD 50058 who has been in the unit more than 30 consecutive days without SDHC approval will be considered to be living in the unit as an unauthorized household member.

Absence of evidence of any other address may be considered verification that the visitor is an unauthorized member of the household.

Statements from neighbors and/or the landlord will be considered in making the determination.

Use of the unit address as the visitor's current residence for any purpose that is not explicitly temporary shall be construed as permanent residence.

The burden of proof that the individual is a visitor rests on the family. In the absence of such proof, the individual will be considered an unauthorized member of the household and SDHC will terminate assistance because prior approval was not requested or granted for the additional household member.

Minors and students who were part of the family but who now live away from home during the school year and are no longer on the lease may visit for up to 90 days per year.

In a joint custody arrangement, if the minor is in the household less than 186 days per year, the minor will be considered an eligible visitor.

K. DEFINITION OF PERMANENTLY ABSENT

Any member of the household will be considered permanently absent if he/she is away from the unit for 51% or more(186 days or more) of the time, except as otherwise provided in this Chapter.

L. PROGRAM ABUSE PREVENTION POLICY

1. Decreases at Recertification

If a pattern of regularly reporting a decrease in income during the recertification timeframe is discovered by utilizing UIV (Upfront Income Verification) or other methods for two or more years, it may be considered program abuse. For example, the family member(s) was employed and then became unemployed prior to the recertification, causing a lowered Total Tenant Payment (TTP) and it is discovered that after the effective date of the recertification, the family's income increases. In



such cases, SDHC may increase the tenant rent upon an increase in the family's income, or issue a Notice of Intended Action for committing program abuse.

2. Transfer of Voucher/Head of Household Change

In order to maintain the integrity and fairness of the HCV Rental Assistance waiting list, a family will not be allowed to move persons into the home for the sole purpose of transferring the voucher to the newly added members.

The only member to request a change of head of household must be the current head.

The adult member (18 years of age or older) being appointed as the new head of household must be part of the household for 12 months or more prior to change.

The new head of household must attend a Participant Briefing.



RESERVED



A. INTRODUCTION

SDHC will determine rent reasonableness in accordance with 24 CFR 982.507(a). It is SDHC's responsibility to ensure that the rents charged by landlords are reasonable based upon unassisted comparables in the rental market, using the criteria specified in 24 CFR 982.507(b).

This Chapter explains SDHC's procedures for determination of rent-reasonableness, payments to landlords, adjustments to the Payment Standards, and rent adjustments.

B. RENT TO OWNER IN THE HOUSING CHOICE VOUCHER PROGRAM

The Rent to Owner is limited by rent reasonableness. SDHC must demonstrate that the Rent to Owner is reasonable in comparison to rent for other comparable unassisted units.

The other limitation on rent to owner is the maximum rent standard at initial occupancy (24 CFR 982.508). When a family initially receives tenant-based assistance for occupancy of a dwelling unit, whether it is a new admission or a move to a different unit, the family share of rent may not exceed 50% of the family's monthly-adjusted income.

C. MAKING PAYMENTS TO LANDLORDS [24 CFR 982.451]

1. Method of Rent Payment

Housing Assistance Payments to landlords will be paid through direct deposit to the landlord's financial institution.

2. Excess Payments

The total of rent paid by the participant plus SDHC housing assistance payment to the landlord may not be more than the contract rent due to the landlord. The landlord must immediately return any excess payment to SDHC.

Landlords who do not return excess payments will be subject to penalties as outlined in the "Owner or Family Debts to SDHC" chapter of this Administrative Plan.

3. Late Payments to Landlords

SDHC will pay a \$50 late fee, if requested, for housing assistance payments that are not issued or mailed to the landlord by the tenth day of the month. Proof of date mailed will be the postmark date on the envelope that the landlord shall submit with the request for late fees.

The HAP contract specifies that late fees may only be requested after the first two calendar months of the HAP contract term and will not be paid if the HAP payments are delayed due to a landlord's breach of contract.



SDHC will not be obligated to pay any late payment penalty if HUD determines that the late payment is due to factors beyond SDHC's control, such as a delay in the receipt of program funds from HUD.

Late fees will not be paid for partial payments of less than \$100.

4. Re-Issuance of Payments

If a landlord has not received a Housing Assistant Payment (HAP) after (10) ten days from the initial mailing date, they may request a re-issuance. If eligibility for the re-issuance is determined, a "stop payment" will be placed on the original payment and a new check will be re-issued.

NOTE: SDHC will not re-issue payments after seven (7) years of original issuance date. This complies with the agency Fiscal Retention Policy.

D. RENT REASONABLENESS DETERMINATIONS [24 CFR 982.507]

SDHC will determine and document on a case-by-case basis that the approved rent is reasonable in comparison to rent for other comparable unassisted units in the open market. This does not apply to the Moderate Rehabilitation program.

SDHC will not approve a lease or increase rent until SDHC determines that the requested rent to landlord is a reasonable rent.

SDHC must re-determine rent reasonableness if directed by HUD and based on a need identified by SDHC's auditing system. SDHC may elect to re-determine rent reasonableness at any other time. The rent to owner may not exceed the reasonable rent at any time during the assisted tenancy.

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

When requested, the landlord must give SDHC information on rents charged by the landlord for other units in the premises or elsewhere.

1. How Market Data is Collected

The PHA will collect and maintain data on unit information and market rents in the PHA's jurisdiction internally or by utilizing a contractor. Information sources may include newspapers, realtors, appraisers, professional associations, market surveys, landlords, GoSection8.com and other available sources. Unit data will include the location, quality, size, type and age of the unit as well as amenities, housing services, maintenance and utilities to be provided by the landlord. Data will be updated on an ongoing basis and rent information that is more than 12 months old will not be used to determine rent reasonableness.

2. How Rent is Determined

At initial move-in and for each rent increase request SDHC uses a unit-to-unit comparison, which compares the rent for the assisted unit to the rents for one or more unassisted units selected as a



comparable within the same market area and generally within a two (2) mile radius. Maps will be used to identify the unsubsidized units in closest proximity to the subject unit and unit data information will be used to select the most similar units.

In comparing rents, the SDHC will take into account critical market factors that impact rent, including, but not limited to, the location, quality, size, unit type and age of the contract unit, as well as any amenities, housing services, maintenance and utilities to be provided by the landlord in accordance with the lease.

E. HOUSING CHOICE VOUCHER PROGRAM: INCREASING THE PAYMENT STANDARDS IN LOW-POVERTY AREAS

In an effort to enhance opportunities for HCV participants in employment and education and to increase housing choices for low-income participants, SDHC may apply higher payment standards in Enterprise and Choice Communities, per the HUD approved Choice Communities MTW activity.

F. PAYMENT STANDARDS FOR THE VOUCHER PROGRAM [24 CFR 982.503]

The Payment Standard is used to calculate the housing assistance payment for a family.

SDHC utilized an MTW initiative to establish a new Payment Standard schedule to calculate the housing assistance payment for participating families. The MTW payment standards are informed by HUD's Small Area Fair Market Rents.

SDHC may approve a higher payment standard for a unit with an adjusted gross rent of not more than 120 percent of the MTW Payment Standard, if required as a reasonable accommodation for a family that includes a person with a disability. If the adjusted gross rent of the unit, for which an exception to the payment standard is requested as a reasonable accommodation, is more than 120 percent of the MTW Payment Standard, the request will be submitted to HUD Field Office for review and approval.

G. ADJUSTMENTS TO PAYMENT STANDARDS [24 CFR 982.503]

Payment Standards may be adjusted, within HUD regulatory limitations, to increase Housing Assistance Payments in order to keep families' rents affordable. SDHC may use some or all of the measures below in making its determination whether an adjustment should be made to the Payment Standards.

1. Rent Burdens of Assisted Families

If it is determined that particular unit sizes in SDHC's jurisdiction have payment standard amounts that are creating rent burdens for families, SDHC will modify its payment standards for those particular unit sizes.



SDHC may increase its payment standard within the basic range for those particular unit sizes to help reduce the percentage of annual income that participant families in SDHC’s jurisdiction are paying.

SDHC may establish a separate voucher payment standard, within the basic range, for designated areas if it is determined that a higher payment standard in these areas provides families with quality housing choices.

2. Rent to Owner Increases

SDHC may review a sample of the units to determine how often landlords are increasing rents and the average percent of increase by bedroom size.

3. Lowering of the Payment Standard

Lowering of the FMR may require an adjustment of the Payment Standard. Additionally, statistical analysis may reveal that the Payment Standard should be lowered.

H. PAYMENT IN THE HOUSING CHOICE VOUCHER PROGRAM

Landlords may request a rent increase after the initial term of the lease by submitting the request in writing, with a 60-day advance notice to SDHC. Rent increases will be effective the first of the month following the 60th day from the date of the written notice to SDHC or the effective date stated in the written notice, whichever is later. Landlord shall comply with providing tenant proper notice as required by state law as well as all federal and local Fair Housing laws and regulations.

The notice of rent change does not affect the automatic renewal of the lease and does not require a new lease, contract, or executed amendment. If the landlord requires a new lease term, the notice must state the requirement and a copy of the signed lease for the new lease term should be submitted to SDHC upon approval of the rent increase.



RESERVED



A. INTRODUCTION

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

SDHC will inspect each unit under contract at least biennially, with the exception of Moderate Rehabilitation units, which require annual inspections. SDHC may perform quality assurance inspections annually to maintain SDHC's required standards and to assure consistency in SDHC's program as required by the Moving Forward Plan. This Chapter describes SDHC's procedures for performing HQS and other types of inspections, and SDHC standards for the timeliness of repairs. It also explains the responsibilities of the landlord and family, and the consequences of non-compliance with HQS requirements for both families and landlords. The use of the term "HQS" in this Administrative Plan refers to the combination of both HUD and SDHC requirements. (See the additions to HQS listed under "Acceptability Criteria and Exceptions to HQS" later in this chapter.)

B. MANDATORY INSPECTIONS [24 CFR 982.401(a), 982.405]

SDHC has adopted the HUD mandated HQS Regulations.

All utilities must be in service by the effective date of the HAP contract. Landlord supplied utilities must be on at the time of the inspection. For participant responsible utilities, if they are not in service at the time of inspection, the Inspector will mark the inspection "Inconclusive" and provide an Inconclusive Form for the participant and landlord to complete and sign certifying when the utilities were turned on.

SDHC may conduct a QC inspection to determine if appliances and fixtures, not tested due to the issuance of an inconclusive form, are functioning in accordance with Housing Quality Standards and SDHC policy.

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

SDHC will perform seven (7) types of inspections:

1. **Initial/Move-in:** Conducted upon receipt of Request for Tenancy Approval (RFTA).
2. **Annual:** Must be conducted within 12 months of the last annual inspection.
3. **Biennial:** Must be conducted within 24 months of the last biennial inspection.
4. **Move-Out:** For Moderate Rehabilitation contracts when landlord files a Damage Claim.
5. **Special/Emergency:** At request of landlord, family or third party.
6. **Quality Control:** As determined by SDHC.



7. **Quality Assurance:** Conducted on biennial units selected at random in the skip year.

C. MOVING FORWARD: INSPECTIONS AND RENT REASONABLENESS FOR HOUSING COMMISSION OWNED PROPERTIES

SDHC may utilize its staff to perform the required Housing Quality Standards inspections for SDHC owned property. These inspections will be conducted in conformance with the Housing Quality Standard criteria, and will include a system of random quality assurance inspections to ensure compliance.

As vacancies occur within SDHC-owned properties, the Rental Assistance Department will conduct rent reasonableness determinations using the standard currently used to perform all other HCV rent reasonableness determinations.

SDHC may utilize MTW flexibility granted in the Fiscal Year 2011 MTW Plan to charge rents for unassisted units below the “reasonable rent” charged for voucher-assisted units in SDHC-owned developments.

D. INITIAL HQS INSPECTION [24 CFR 982.401(a)]

1. Timely Initial HQS Inspection

To the extent practicable, the inspection will be completed within 15 days after the family and the landlord submit a RFTA.

The Initial Inspection will be conducted to:

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

Document the current condition of the unit.

Document the information used for determination of rent-reasonableness.

Document those items that may be considered tenant preference as permissible by HUD regulations.

If the unit fails the initial HQS inspection, the family and landlord will be advised to notify SDHC once repairs are completed.

If two failed re-inspections occur, the unit will be disqualified.

2. Pre-inspection of Vacant Units

Landlords can request SDHC to pre-inspect vacant rental units they will consider renting to participants in Section 8 HCV Program.

The unit must be vacant, or occupied by a tenant who has been notified that they will be receiving a new Section 8 Housing Choice Voucher.



Pre-inspections are valid for 60 days from the date the unit passed inspection.

No occupant may reside in the unit between the date the unit passes the pre-inspection and when a Voucher recipient moves in, unless the occupant has begun the eligibility process to receive HCV assistance.

All owner-provided utilities and appliances must be in place and operational at the time of the pre-inspection.

E. HQS INSPECTIONS

All units will be subject to an HQS inspection on a biennial basis with the exception of limited Special Programs units, which can require annual inspections. Units will be subject to random quality assurance inspections to ensure that they are maintained to a minimum Housing Quality Standards. At the discretion of SDHC, landlords that do not maintain units within minimum HQS standards may be reverted back to an annual inspection cycle.

Special or Emergency inspections may be scheduled between inspection dates.

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

The family must allow SDHC to inspect the unit at reasonable times with reasonable notice.

The family and landlord are notified of the date and timeframe of the inspection appointment by mail, phone and/or email. If the family misses/cancels three inspection appointments, SDHC will consider the family in violation of a Family Obligation and the family's assistance may be terminated in accordance with this Plan.

Participants will retain the right to request special inspections at any time in accordance with the Special Inspection policy.

1. Time Standards for Repairs

Emergency Inspections

The landlord and/or participant must correct emergency items that endanger the family's health or safety within 24 hours of notification. (See Emergency Repair Items section).

Special Inspections

For non-emergency items, repairs must be made within 30 days.

For major repairs, SDHC may approve an extension beyond 30 days on a case-by-case basis.

2. Rent Increases

Rent to owner increases may not be given until the unit passes HQS.



F. EMERGENCY REPAIR ITEMS [24 CFR 982.401, 24 CFR 982.404]

The following are considered emergency repair items and must be corrected by the responsible party within 24 hours of notice by SDHC:

Units that cannot be secured.

Waterlogged ceiling in imminent danger of falling.

Major plumbing leaks or flooding.

Natural gas leak or fumes.

Electrical problem that could result in shock or fire.

Fire damage.

No heat when outside temperature is below 65 degrees Fahrenheit and temperature inside unit is below 65 degrees Fahrenheit.

Utilities not in service.

No running water.

Lack of one functioning toilet.

Lack of a functioning stove, microwave or other means of cooking food.

Lack of one functioning smoke alarm on each level of the unit.

Carbon Monoxide detector missing or not working as it should.

If the emergency repair item(s) are not corrected in the period required by SDHC, and the landlord is responsible, the Housing Assistance Payment will be abated and the HAP contract will be terminated.

If the family does not correct an HQS breach for which they are responsible, in the time required, SDHC will refer the family to the Program Integrity Unit for action to terminate assistance to the family.

G. SPECIAL INSPECTIONS [2 CFR 982.405(c)]

If at any time SDHC is notified that the unit does not meet HQS, SDHC will conduct an inspection.

Prior to requesting a special HQS inspection, except in cases of an emergency inspection, the family must provide verification to SDHC to show they have made prior requests to the landlord to resolve the issue and the landlord has failed to do so.

SDHC will inspect the items that were reported, but if the Inspector observes additional deficiencies while conducting the special inspection that would cause the unit to fail HQS, the responsible party will be required to make the necessary repairs.



If a unit is reported to be infested by bed bugs, the landlord and the family will be sent notices that the deficiency caused the unit to fail HQS. The landlord will be responsible for meeting HQS criteria. SDHC will not conduct an inspection until a certificate of clearance is provided. The landlord may be allowed a maximum of 60 days to complete the process. Failure to provide clearance will result in abatement of the Housing Assistance Payment and can result in termination of the Housing Assistance Payments Contract.

H. QUALITY CONTROL INSPECTIONS [24 CFR 982.405(b)]

Designated staff will perform ongoing Quality Control and Quality Assurance inspections. SDHC deploys a quality assurance approach for inspections to ensure the integrity of assisted properties remains consistent with HUD requirements. SDHC inspects contract units in accordance with HUD-established housing quality standards.

Quality Assurance Inspections conducted in the skip year of selected units will be considered a biennial inspection, which will allow SDHC to reset the biennial inspection cycle.

I. ACCEPTABILITY CRITERIA AND EXCEPTIONS TO HQS [24 CFR 982.401 (a)]

SDHC applies the HUD acceptability criteria with the additions described below:

No graffiti is allowed on the exterior of the rental unit/rental complex, sidewalks, and/or fences.

One operable window in each room must have a screen in good condition.

No excessive chipping and peeling paint. Excessive defined as more than 15% of the wall or a component (windowsill, window frame, doorframe, etc.) with deteriorated paint.

Soiled floor coverings that are serious health hazards (e.g. mildewed, severely soiled with food, animal or human urine/feces, etc.).

The water heater must have a discharge line the same diameter as the pressure relief valve. The discharge line must be directed downwards to the floor, to a drain, or to the outside, reaching 6 – 24 inches from the ground, and must be hard copper, galvanized steel, or CPVC pipe marked “4120 100 PSI.”

A bedroom must have a floor area of no less than seventy (70) square feet (the closet space may be counted).

No simple bolt, barrel, or hasp locks allowed on outside of interior doors, preventing exit from a room.

Units should have a permanently installed heater. For units that do not have a permanently installed heater, or have rooms that do not have sufficient heat, either directly or indirectly, the landlord must provide space heaters. Additions to the original structure must have a heat source.



Participant preference to substitute a microwave oven in the place of a landlord or participant supplied oven and stove will be allowed. A microwave oven will be considered passed if the microwave is in a safe and working condition.

The street number must be present and visible from the street.

The landlord may not access any portion of the assisted unit for their personal use.

A garage attached to the unit with access to the assisted unit is part of the assisted unit.

All exterior doors must be lockable, have no holes, have all trim intact, and have a threshold.

Bedroom and bathroom doors may not have a double cylinder deadbolt.

If window security bars or security screens are present on emergency exit window, they must be equipped with a fluid motion quick release system. The landlord is responsible for ensuring that the family is instructed on the use of the quick release system.

1. Modifications

Modifications or adaptations to a unit must meet all applicable HQS and be permitted by the city of San Diego. The landlord may be required to provide copies of permits when requested.

J. SELF-CERTIFICATION OF REPAIRS

Landlords and participant will be permitted to self-certify the repair of minor (non-life threatening) HQS fail items on all inspection types, including Initial Inspections. If a unit fails an inspection for one or more minor items, the Housing Inspector will determine if it is appropriate to provide the option of self-certifying the repair(s) rather than having the inspector return to the unit to verify that the repair(s) has been completed. The landlord and/or participant can also choose not to self-certify the repair and have the unit re-inspected.

Items that are considered health or safety issues would not qualify for self-certification and must be re-inspected.

K. CONSEQUENCES IF LANDLORD IS RESPONSIBLE [24 CFR 982.404(a), 982.405, 982.453]

When it has been determined that a unit on the program fails to meet HQS for non-emergency items, and the landlord is responsible for completing the necessary repair(s) in the time period specified by SDHC, the assistance payment to the landlord will be abated.

1. Abatement

A Notice of Abatement will be sent to the landlord, and the abatement will be effective the first day of the month after the unit has been in a failed status for 30 days. If the unit passes inspection prior to the end of the month, the HAP will not be abated.



SDHC will inspect abated units as soon as possible after the landlord's notification that the work has been completed. If a landlord calls prior to the end of the abatement month to schedule a re-inspection, because the repairs have been made, and a re-inspection cannot be made prior to the end of the month, SDHC may pay the full HAP for the month if the unit passes inspection.

If the landlord makes repairs during the abatement period, payment will resume on the day SDHC is notified of the completion of the repairs as long as the unit passes inspection on the scheduled inspection date.

If the unit is in abatement status, only the landlord or manager may cancel or reschedule the inspection. The family and landlord will be notified of the re-inspection date.

No retroactive payments will be made to the landlord for the period of time the rent was abated and the unit did not comply with HQS. The Housing Assistance Payment Contract (HAPC) advises the landlord that the participant is not responsible for SDHC's portion of the rent while the HAPC is in effect. If the landlord disputes the abatement, SDHC will review the issue to determine if the abatement dates remain in effect or could be adjusted.

2. Reduction of Payments

SDHC may grant an extension in lieu of abatement in the following cases:

There is an unavoidable delay in completing repairs due to difficulties in obtaining parts or contracting for services.

The landlord makes a good faith effort to make the repairs.

The repairs are expensive (such as exterior painting or roof repair) and the landlord needs time to obtain the funds.

The repairs must be delayed due to climate conditions.

The landlord may be required to provide documentation to support his request for an extension (i.e., invoice, work order, estimate of repair costs, etc.). The extension will be made for a period not to exceed 30 days, or at the discretion of SDHC. Once the extension period has lapsed, if the work is not completed, SDHC will begin the abatement.

3. Termination of Contract

If the landlord is responsible for repairs, and fails to correct all the deficiencies cited before the end of the abatement period, the HAP Contract will terminate. Both the landlord and the family are notified of the contract termination date on the Abatement Notice that is provided by the Inspection Department. If the repairs are completed before the effective termination date, and the unit passes inspection, the assistance on the unit will continue. If the repairs are completed after the HAP Contract has already been terminated, a re-inspection will be required and the effective date of the new Lease and HAP contract will be the date the unit passed inspection.



4. Lead Based Paint (LBP)

HUD requires that the unit fail inspection under the Lead-Based Paint guidelines when there is deteriorated paint and the unit was built prior to 1978, is occupied by a child under the age of six and has not been certified lead-based paint free. Deteriorated paint includes any painted surface that is peeling, chipping, chalking, damaged or otherwise separated from the painted surface.

SDHC will notify the landlord that the corrections must be made utilizing Lead Safe Work Practices by an EPA Certified Renovator. A copy of the clearance test must be provided to SDHC within the required timeframe.

For units that are currently unassisted, the deteriorated paint and clearance must be completed before SDHC can enter into a contract.

On currently assisted units, the repairs/corrections and clearance must be completed within 30 days of the visual inspection. Extensions of the time required to meet these requirements may be granted for reasonable cause. Per HUD regulations, the extension cannot extend beyond 90 days after the date of notification to the landlord of the results of the visual inspection.

The HAP contract will be terminated if the timeframes are not met.

L. DETERMINATION OF RESPONSIBILITY [24 CFR 982.404]

Certain HQS deficiencies are the responsibility of the family:

Participant-paid utilities that are not in service.

Failure to provide or maintain participant-supplied appliances.

Damage to the unit or premises beyond normal wear and tear caused by a household member or guest.

Note: "Beyond normal wear and tear" is defined as items that could be charged against the participant's security deposit under state law or court practice.

The landlord is responsible for all other HQS violations.

The inspector will make a determination of landlord or family responsibility during the inspection.

M. CONSEQUENCES IF FAMILY IS RESPONSIBLE [24 CFR 982.404(b)]

If emergency or non-emergency violations of HQS are determined to be the responsibility of the family, SDHC will require the family make any repair(s) or corrections within 30 days. If the repair(s) or correction(s) are not made within the 30-day time frame, SDHC will terminate assistance to the family, after providing an opportunity for an informal hearing. In these cases, a Housing Supervisor must approve extensions. The HAP will not be abated for items that are the family's responsibility.



If the participant is responsible and corrections are not made, the HAP Contract will terminate when assistance is terminated.

N. STANDARDIZED UTILITY ALLOWANCES

The utility allowance will be calculated using the lesser of the voucher size or unit size. SDHC has set two utility schedules. The two schedules will provide each household responsible for participant supplied utilities with the average allowance based upon the unit bedroom size. One schedule will be applied for households that have sewer/water included in the utility allowance and one for those that do not have sewer/water included. Standardized utility allowances will only apply to those households that are currently receiving a utility allowance or moving to a unit where they are required to pay for utilities. SDHC will no longer provide a Utility Reimbursement Payment to a family.

O. ROOMS USED FOR LIVING

When the unit includes a detached room/living space, the same criteria are used as if rating the room to be used for a sleeping/living room. It must meet the requirements set forth by HUD HQS.



RESERVED



A. INTRODUCTION

This chapter relates to the traditional Housing Choice Voucher program or “non-moving forward” vouchers. SDHC will use the methods as set forth in this Chapter to verify and determine that family income at admission and recertification is correct. The accurate calculation of Annual Income and Adjusted Income will ensure that families are not paying more or less money for rent than their obligation under the Regulations. Unless noted otherwise in this chapter, SDHC will use all other policies set forth in this Administrative Plan to apply to non-moving forward vouchers and other voucher programs.

B. VERIFICATIONS, INCOME, ASSETS ALLOWANCES

1. Methods of Verification and Verification Hierarchy Definitions

This Section defines methods of verification. SDHC will verify information through six methods of verification acceptable to HUD in the following order:

a. Up front income verification (UIV) EIV

The verification of income before or during a family recertification, through an independent source that systematically and uniformly maintains income information in computerized form for a number of individual using HUD’s Enterprise Income Verification (EIV) system.

b. Up front Income Verification (UIV)

The verification of income before or during a family recertification, through an independent source that systematically and uniformly maintains income information in computerized form for a number of individuals using non-HUD System (i.e., Work Number, Cal-Win, etc.)

c. Written Third-party Documents

Reliable documentation generated by a third party source. Used to supplement EIV-reported income sources, other income sources and when tenant disputes EIV-reported income information.

Examples of third-party documents include:

- Pay stubs
- Payroll summary report
- Notice or letter of hire or termination from an employer
- Benefit verification letter from the Social Security Administration (SSA)
- Bank statement
- Child support payment stubs/printout
- Welfare benefit letter or printout



Unemployment monetary benefit letter

SDHC may, at its discretion, reject any tenant-provided documents and follow up directly with the source to obtain verification.

SDHC will obtain at a minimum, two months of current and consecutive pay stubs for determining annual income from wages. For new income sources or when two pay stubs are not available, the SDHC will project income based on written third party verification or the most reliable information available.

Exception for Averaging

For the purpose of averaging annual income or income from assets, at least one document used for averaging will be within 180 days at the time of voucher issuance for moves or the effective date of the annual recertification or interim certification effective date.

d. Written Third-party Verification Forms

A standard form sent directly to a third party source requesting specific information. The form is completed by the third party and returned directly to SDHC.

e. Oral Third-party Verification

Used when written third party verification is not made available, SDHC staff will attempt to contact via telephone or email third party requesting information. Documentation of the phone call, person contacted and the information obtained will be included in the case file.

f. Self-Declaration

Utilized when obtaining verification via all other verification techniques are unsuccessful. An affidavit statement directly from the client declaring reported income, assets and/or expenses to SDHC will be obtained. SDHC will document in the case file why third party verification was not available.

If the applicant/participant “self-declares” that the combined total net value is less than \$10,000, the Housing Assistant will not verify the assets through any method. The Housing Assistant will not request verification from the client. The Housing Assistance will not enter any asset information in ECS except in Resident Note History.

2. Mandated Use of the Enterprise Income Verification (EIV) System [24 CFR §5.233]

SDHC will utilize the EIV system and review the EIV Income Report of each family at Annual and Interim recertification of family income and/or composition to reduce tenant under reporting of income and improper subsidy payments.

Upfront Income Verification (UIV) and Income Verifications Timeframes:



a. Moves

For applicants: EIV is valid if dated within 120 days of the PIC submission date for confirming/validating the family-reported income. Other types of UIV are valid if dated within 60-days of the date of SDHC’s request.

For participants: EIV and other types of UIV are valid if dated 120 days in advance of the annual recertification, move or interim certification.

The SDHC will allow two weeks for return of third-party verifications. If third party is not used or available, SDHC will document the justification.

b. Use of Third-Party Verification to Supplement Upfront Income Verification [24 CFR 5.236(b)]

Third party verification may be used to supplement or compliment UIV information when appropriate.

3. Items to be Verified [24 CFR 982.516]

The following items will be verified annually:

a. All income not specifically excluded by the regulations.

b. Full-time student status.

Full-time Student Deduction: Households with full-time student/s **18 years of age or older, not including the head of household or spouse**, are eligible to receive a “Full-Time Student Deduction” when calculating the annual income if proper verification/documentation is provided.

The deduction includes: \$480 per year for each full-time student and not counting earned wages in excess of \$480 per year.

In order to qualify for the deduction, each adult in the household who is a full-time student (18 years of age or older, not including the head of household or spouse), must provide proof (from the school) that verifies his/her student status which includes a complete transcript (with the current term). A school transcript must be provided at Intake, recertification and as required by SDHC.

c. Student financial assistance.

SDHC will abide by HUD’s Final Rule on Student Financial Assistance in accordance with [24CFR 5.609 (b) (9) and FR 4/10/2006]

Financial assistance will be included in annual income to determine financial eligibility for the following students:

Students who are enrolled in an institution of higher education, as defined under the Higher Education Act (HEA) of 1965, and are:



Under the age of 24

Not a veteran

Unmarried, and

Do not have any children, and

The student has not established their own household for a minimum of not less than one year, and is not included on their parent's last tax return.

Student financial assistance in excess of tuition received will be included in annual income if they are:

Under the 1965 HEA,

From a private source, or

From an institution of higher education, as defined under the 1965 HEA

d. Student financial assistance excluded from annual income.

Any student financial assistance not subject to inclusion is fully excluded from annual income, whether it is paid directly to the student or to the education institution the student is attending. This includes any financial assistance received by:

Students residing with parents who are seeking or receiving Section 8 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 23 AND have at least one dependent child

Students who are receiving financial assistance through a governmental program not authorized under the 1965 HEA

Only the first \$480 of the earned income of full-time students, other than head, spouse, or co-head, will be counted towards family income.

e. Current assets, including assets disposed of for less than fair market value in the preceding two years. Assets include:

Checking and Savings Accounts

Stocks

Bonds

Certificates of Deposit

Money Market Funds



Current cash value of a family's assets is the net amount the family would receive if the assets were converted to cash. The current value of assets will be counted unless there is evidence provided by the family that an average of the balance for the last 2-6 months is a better reflection of anticipated income. Interest will be calculated based on the interest rate reflected on the most current statement, or on the CD set rate, unless third party verification reflects a higher interest rate. For stocks, the asset income will be based on the earnings for the most recent reporting period unless there is evidence provided by the family that an average of the earnings for a prior 12 months is a better reflection of anticipated income.

Assets Totaling \$5,000 or Less

The total family assets under \$5,000 will be considered nominal and will not require third party verification. Nominal assets will be verified by review of documents using the current balance.

Assets that Exceed \$5,000

SDHC will attempt third party verification of all family assets and will utilize the current balance for savings and checking accounts.

Acceptable verification may include any of the following:

- Third-party written verification forms, letters, or documents provided directly by a financial institution or broker, unless not cost effective;
- Checking account statements (3–6 bank statements), certificates of deposit, bonds, or financial statements supplied by a family if completed by a financial institution or broker;
- Estimates by a stockbroker or real estate agent of the net amount a family would receive if it liquidated securities or real estate;
- Real estate tax statements if the approximate current market value can be deducted from them;
- Financial statements for business assets;
- Copies of closing documents showing selling price and distribution of sales proceeds;
- Appraisals of personal property held as an investment; or
- A family's self-certification describing assets or cash held at the family's home or in safe-deposit boxes.

Note: When SDHC determines that requesting third-party written verifications to verify asset accounts for applicants/participants constitutes a cost burden to the family and SDHC, SDHC will use the Review of Documents method to verify all asset accounts.

Assets Disposed of for Less Than Fair Market Value (FMV) During Two Years Preceding Effective Date of Certification or Recertification



At admissions and recertifications, SDHC will obtain each family’s certification that it has or has not disposed of assets for less than fair market value during the two years preceding the effective date of the certification or recertification.

If the family certifies that it has disposed of assets for less than fair market value, the applicant/participant must complete the “Declaration of Assets Disposed of for Less than Cash Value” form. The certification must show:

- All assets disposed of for less than fair market value
- The date they were disposed of
- The amount the family received for each asset, and
- The market value of each asset at the time of disposition

Third-party verification will be obtained whenever possible in conjunction with review of documents.

Savings or Checking Account Interest and Dividend Income

Acceptable methods of verification include, in order of priority:

Verification form completed by the financial institution;

Financial institution generated account statements, certificate of deposit statements, three (3) to six (6) months of statements for checking accounts; supplied by the family;

Broker statements showing the value of stocks or bonds and the earnings credited to the family (Earnings can also be obtained from current newspaper quotations or orally from brokers);

IRS Form 1099 from a financial institution; or

Life insurance policy/statement from Financial Institution showing cash surrender value table.

Interest Income from Mortgages and Similar Arrangements

Acceptable methods of verification include, in this order:

A letter received directly from an accountant, attorney, real estate broker, the buyer, or a financial institution stating the interest due for the next 12 months (A copy of the check paid by the buyer to the family is not sufficient unless a breakdown of interest and principal is shown); or

An amortization schedule showing interest for the 12 months following the effective date of certification or recertification.

Net Rental Income from Property Owned by Family

Acceptable methods of verification include, in this order:



IRS Form 1040 with Schedule E (Rental Income);

Copies of latest rent receipts, leases, or other documentation of rent amounts;

Documentation of allowable operating expenses of the property including tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense; or

Lessee's written statement verifying rent payments to the family and the family's self-certification of net income realized.

Jointly Owned Assets

If the asset is owned by more than one person, the asset will be prorated according to the percentage of ownership. If no percentage is specified, the asset will be prorated evenly among owners. When the asset is prorated, the value of the asset and the anticipated income from the asset are both allocated in the same proportions.

If the asset is not effectively owned by an individual, it should not be counted as an asset. An asset is not effectively owned when the asset is held in an individual's name, but:

The asset and any income it earns accrue to the benefit of someone else who is not a member of the family, and

That other person is responsible for income taxes incurred on the income generated by the assets.

This would apply to a person who is a signatory solely for the purpose of handling payments for someone else (e.g. an elderly parent) in the event of an emergency.

f. Child care expense when it allows an adult family member to be employed, to further his/her education, or seek employment.

g. Total medical expenses of all family members in households whose head, spouse, or co-head is elderly or disabled.

h. Disability assistance expenses that allow an adult family member to be employed include only those costs associated with attendant care or auxiliary apparatus for a disabled member of the family.

i. Familial or marital status when needed for head or spouse definition.

The following items will be verified annually, every five years or one time only, based on the medical professional's certification of how long the condition will continue:

Disability for determination of preferences, allowances or deductions.

The need for a live-in aide.

In addition to the above, the following items will be verified at Eligibility and when adding household members, including live-in aides:



Preference status (at Eligibility only).

Picture Identification for all adults (age 18 or older) including live-in aides.

U.S. citizenship/eligible immigrant status.

4. Allowances and Deductions

Adjusted Income is defined as the Annual income minus any HUD allowable expenses and deductions. HUD has five allowable deductions from Annual Income.

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

Households receiving the Earned Income Disallowance (EID) as of July 1, 2013, will continue to receive the deduction until the EID term is satisfied.

C. MINIMUM RENT [24 CFR 5.630]

The Minimum rent is \$50. Minimum rent refers to the Total Tenant Payment (TTP) and includes the combined amount a family pays towards rent and/or utilities when it is applied.

1. Hardship Requests for an Exception to Minimum Rent

SDHC recognizes that in some circumstances even the minimum rent may create a financial hardship for families. SDHC will review all relevant circumstances brought to SDHC's attention regarding financial hardship as it applies to the minimum rent. The following section states SDHC's procedures and policies concerning minimum rent financial hardship as set forth by the Quality Housing and Work Responsibility Act of 1998.

2. Criteria for Hardship Exception

In order for a family to qualify for a hardship exception, the family's circumstances must fall under one of the following HUD hardship criteria:



The family has lost eligibility or is awaiting an eligibility determination for federal, state, or local assistance.

The family would be evicted because of the imposition of the minimum rent requirement.

The income of the family has decreased because of changed circumstances, such as loss of employment.

Death in the family, which eliminates a prior source of income.

Other circumstances as determined by SDHC or HUD.

Temporary hardship is defined as lasting three months or less.

Long-term hardship is defined as lasting four months or more.

3. Notification to Families of Right to Hardship Exception

SDHC will notify all families subject to minimum rents of their right to request a minimum rent hardship exception and keep a copy in the family's file. "Subject to minimum rent" means the minimum rent was the greatest figure in the calculation of the TTP, which is the greatest of 30% of monthly-adjusted income, 10% of monthly income, or minimum rent.

SDHC notification will advise families that hardship exception determinations are subject to SDHC review and hearing procedures.

SDHC will review all family requests for exception from the minimum rent due to financial hardships.

All requests for minimum rent hardship exceptions are required to be in writing. SDHC will request documentation as proof of financial hardship. SDHC will use its standard verification procedures to verify circumstances that have resulted in financial hardship. Requests for minimum rent exception must include a statement of the family hardship that qualifies the family for an exception.

4. Suspension of Minimum Rents

SDHC will suspend the minimum rent for all families whose requests meet the criteria, effective the first day of the month after the request is received by SDHC.

The minimum rent will be suspended until SDHC completes verifying the family's eligibility for the exemption and determines if the hardship is temporary or long term.

"Suspension" means that SDHC must not use the minimum rent calculation until SDHC has made this decision.

During the minimum rent suspension period, the family will not be required to pay a minimum rent and the housing assistance payment will be increased accordingly.

If SDHC determines that the suspension of minimum rent is not covered by statute, SDHC will impose a minimum rent retroactive to the date of suspension.



5. Temporary Hardship

If SDHC determines that the hardship is temporary, a minimum rent will not be imposed for a period of up to 90 days from the date of the family’s request. At the end of the temporary suspension period, a minimum rent will be imposed retroactively to the time of suspension. SDHC will offer a Payment Plan Agreement to the family for any such rent not paid during the temporary hardship period. (See "Owner and Family Debts to SDHC" chapter for Repayment agreement policy).

6. Long-Term Duration Hardships

If SDHC determines that there is a qualifying long-term financial hardship, SDHC must exempt the family from the minimum rent requirements.

D. ANNUAL RECERTIFICATIONS

1. Regular Annual Activities [24 CFR 982.516, 982.405]

SDHC must conduct the following activities on an annual basis:

- Annual recertification of Income and Family Composition
- HQS Inspection

2. Regular Annual Recertifications [24 CFR 982.516]

Families are required to complete an annual recertification of income, assets, allowances, and deductions.

Recertification Notice to the Family

SDHC will maintain a recertification tracking system and the household will normally be notified by mail at least 120 days in advance of the anniversary date.

Completion of Annual Recertification of Income

SDHC will have all annual recertifications for families completed before the anniversary date. This includes notifying the family of the portion of the rent. Families will be notified at least 30 days before the scheduled date of the increase in their rent.

3. Collection of Information [24 CFR 982.516(f)]

SDHC has established appropriate recertification procedures necessary to ensure that the income data provided by families is complete and accurate.

SDHC will require the family to complete a Personal Declaration form.

4. Compliance with Annual Recertification Process

SDHC establishes procedures to gather information and data necessary to complete the annual recertification. The procedures require the participation and signatures of all adult family members, 18 years and older, and family members who will turn 18 years of age by the effective



date of the annual recertification. When interviews are scheduled, all adult family members and family members who will turn 18 years of age by the effective date of the annual recertification must attend. Failure to provide requested information and data and or failure to attend scheduled appointments may result in termination of eligibility.

5. Notification of Results of Annual Recertifications

The HUD Form 50058 will be completed and transmitted as required by HUD.

The Rent Portion Letter is mailed to the landlord and the tenant. Signatures are not required by SDHC. If the family disagrees with the rent adjustment, the family may request an administrative review by following the procedures stated on the Rent Portion Letter.

E. REPORTING INTERIM CHANGES

All program participants must report all changes in household composition to SDHC between annual recertifications in writing within ten (10) days of the change. This includes additions due to birth, adoption and court-awarded custody. For all other additions to the household, the family must obtain SDHC and landlord approval in writing. The landlord’s approval is required, in writing, to add any adult member(s) prior to initiating adult family composition change(s). Any additions not reported within the ten (10) days will be considered unauthorized household members.

If a new family member is added, any income of the new family member must be included. SDHC will conduct an interim examination to determine such additional income and will make the appropriate adjustments in the housing assistance payment and family unit size. In addition, criminal activity and the U.S. citizenship and/or eligible immigrant status of additional family members must be declared and verified.

1. Increases in Income

Non-Moving Forward program participants are not required to report increases in income or assets between regular recertifications.

Exceptions:

“Zero Income” households must report any increase of income within ten (10) days of the increase for the purpose of an interim adjustment in their share of the rent.

Family Self-Sufficiency (FSS) program participants may request an interim adjustment through the FSS program coordinator.

Full-time student status changes from full-time enrollment status to part-time or less.

2. Decreases in Income

Non-Moving Forward program participants who lose a source of income or who have a reduction of income that will last 90 days or more, maybe eligible for an interim recertification at any time to reduce their portion of the rent, including a review of their medical deductions if a hardship occurs. If it is determined that a reduction of rent is warranted, the reduced rent will



begin the first of the month after the verification of the decrease and any replacement income is received.

Exceptions:

Decreases in public assistance income that is the result of a finding of fraud.

F. HOUSING QUALITY STANDARDS INSPECTIONS

SDHC conducts an annual Housing Quality Standards (HQS) inspection within three (3) months prior to the anniversary date. Special or Emergency inspections may be scheduled between anniversary dates.

G. UTILITY ALLOWANCE AND REIMBURSEMENT PAYMENTS

The same Utility Allowance Schedule is used for other (non-Moving Forward) tenant-based programs and all building types. The schedule will be based on information available from local utility companies.

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

SDHC will review the utility allowance schedule annually. If the review finds a utility rate has changed by 10% or more since the last revision, the schedule will be revised to reflect updated rates for all utilities. The revised utility allowance will be applied to participant family's rent calculation at their next recertification.

On request from a family that includes a person with a disability, SDHC will approve a utility allowance that is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation to accommodate a person with a disability. SDHC will review six months of the family's utility expenses to determine the average. The determined averaged amount will be used as the utility allowance schedule for an accommodation for persons with a disability. This may be reviewed on an annual basis at recertification.

Families participating in the HUD-VASH voucher program are not subject to the Path to Success program with the exception of the elimination of the Utility Reimbursement Payment from the rent calculation.

Where the calculation on the HUD 50058 results in a utility reimbursement payment due the family, SDHC will provide a Utility Reimbursement Payment for the family each month. The check will be payable directly to the tenant.



RESERVED



A. INTRODUCTION

The Housing Assistance Payments (HAP) Contract is the contract between the landlord and SDHC that defines the responsibilities of both parties. This Chapter describes the circumstances under which the contract can be terminated by SDHC and the landlord, and the policies and procedures for such terminations. Also included in this chapter are the criteria for landlord disapproval and the various penalties for landlord violations.

SDHC may deny or terminate assistance for a family because of the family's action or failure to act. SDHC will provide families with a written description of the Family Responsibilities.

SDHC shall give participants an opportunity for administrative reviews and informal hearings for decisions regarding termination of participation in the Rental Assistance Program in accordance with the Code of Federal Regulations. Participants include persons assisted under the rental assistance program who hold a voucher and have been admitted to the program. The family becomes a participant on the effective date of the first HAP contract.

B. CONTRACT TERMINATION [24 CFR 982.311]

The term of the HAP Contract is the same as the term of the lease. Upon the issuance of a written 30-day notice, the Contract between the landlord and SDHC may be terminated by SDHC, the landlord, or by the participant terminating the lease. Housing assistance payments may only be paid to the landlord during the lease term, and while the participant is residing in the unit.

In the case of a deceased single member household, the contract will terminate the last day of the month in which the participant passed away.

No future subsidy payments on behalf of the participant will be made by SDHC to the landlord after the Contract is terminated. The landlord must reimburse SDHC for any subsidies paid by SDHC for any period after the contract termination date. Per the HUD-approved FY2020 MTW Plan, in the instance of a tenant vacating a subsidized unit to move to a new unit, SDHC may cover up to five days of HAP overlap, regardless of move month, to ensure neither landlord is harmed in the process. The HAP overlap is a Landlord incentive under the Landlord Partnership Program

If the participant continues to occupy the unit after the HCV contract is terminated, the participant is responsible for the total amount of rent due to the landlord.

Participant termination of the lease must be in accordance with the terms of the lease.

C. TERMINATION OF TENANCY BY THE OWNER: EVICTIONS [24 CFR 982.310, 982.455]

If the landlord wishes to terminate the lease, the landlord is required under the lease to provide proper notice as stated in the lease.



During the term of the lease, the landlord may not terminate the tenancy except for the grounds stated in the HUD regulations.

During the initial term of the lease, the landlord may not terminate the tenancy “for other good cause” unless the landlord is terminating the tenancy because of something the participant did or failed to do (see 24 CFR 982.310).

During the term of the lease, the landlord may only evict in accordance with the termination provisions in the HAP contract including:

Serious or repeated violations of the lease, including but not limited to failure to pay rent or other amounts due under the lease, or repeated violation of the terms and conditions of the lease.

Violations of federal, state or local law that imposes obligations on the tenant in connection with the occupancy or use of the premises; or criminal activity by the tenant, any member of the household, a guest or another person under the tenant's control that threatens the health, safety or right to peaceful enjoyment of the premises by the other residents or persons residing in the immediate vicinity of the premises; or any drug-related criminal activity on or near the premises.

Other good cause.

The landlord 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 landlord eviction notice to the tenant.

The landlord eviction notice means a notice to vacate, or other initial pleading used under State or local law to commence an eviction action.

Housing assistance payments are paid to the landlord under the terms of the HAP Contract. If the landlord has begun the eviction process, and the participant and the unit remains eligible, and the participant continues to reside in the unit, SDHC must continue to make housing assistance payments to the landlord until the landlord has obtained a court judgment or other process allowing the owner to evict the tenant.

SDHC must continue making housing assistance payments to the landlord in accordance with the Contract as long as the tenant participant continues to occupy the unit and the Contract is not violated.

By endorsing the monthly check from SDHC, the landlord certifies that the participant is still in the unit, the rent is reasonable and the landlord is not charging more rent for assisted units than unassisted units and s/he is in compliance with the contract. Housing assistance payments may only be paid to the landlord during the lease term, and while the participant is residing in the unit.



If an eviction is not due to a serious or repeated violation of the lease, and if SDHC has no other grounds for termination of assistance, SDHC may issue a new voucher so the participant can move with continued assistance.

D. TERMINATION OF THE CONTRACT [24] CFR 982.404(a), 982.453, 982.454, 982.552(a)(3)]

The term of the HAP contract terminates when the lease terminates, when SDHC terminates program assistance for the participant, or when the landlord has breached the HAP contract. (See "Disapproval of Owner" and "Owner Restrictions and Penalties" sections)

SDHC may also terminate the contract:

If the participant is required to move from a unit when the unit does not meet the HQS space standards because of an increase in family size or a change in family composition;

When funding is no longer available under the ACC. When this occurs, the contracts of the longest served work-able households with non-elderly or non-disabled members and lowest amount of HAP will be terminated. When the program is over leased, the contracts of the participants with the lowest amount of HAP will be terminated. In both cases, the participant's eligibility will be suspended until the funding shortfall or the over leased status is no longer applicable, at which time the participant will be issued a voucher.

The contract will terminate automatically if 180 days have passed since the last housing assistance payment to the landlord.

1. Notice of Termination

When SDHC terminates the HAP contract for participant program violations or under the violation of HQS space standards, SDHC will provide the landlord and participant written notice of termination of the contract, and the HAP contract terminates at the end of the calendar month that follows the calendar month in which SDHC gives such notice to the landlord, provided the participant has not vacated the unit. The HAP contract terminates automatically the day the participant vacated the contract unit.

E. GROUNDS FOR DENIAL OR TERMINATION [24 CFR 982.552, 24 CFR 982.553]

1. Form of Denial/Termination

Denial of assistance for an applicant may include any or all of the following:

Denial for placement on SDHC's waiting list.

Denying or withdrawing a certificate or voucher.

Refusing to enter into a HAP contract or approve a lease.

Refusing to process or provide assistance under portability procedures.



Termination of assistance for a participant may include the following:

Terminating housing assistance payments under an outstanding HAP contract.

2. Mandatory Denial and Termination

SDHC must deny assistance to applicants and terminate assistance for participants:

If any member of the family fails to sign and submit HUD or SDHC required consent forms for obtaining information.

If no member of the family is a U.S. citizen or eligible immigrant (see Section H).

If any member of the family fails to disclose his/her Social Security number except when exempted by regulation.

If the family is under contract and 180 days have elapsed since SDHC's last housing assistance payment was made.

If a participant family is evicted from housing under the program for serious violations of the lease.

If a member of the family is subject to a lifetime sex offender registration requirement, when household member admitted after June 25, 2001.

Upon HUD implementation of Section 104 of the Housing Opportunity through Modernization Act, if any member of the family has a present ownership interest in a suitable home for which they have the legal right to reside and legal authority to sell, unless the home is being purchased with a voucher or the family includes a person who is a victim of domestic violence or is offering the home for sale. This policy is not applicable to families with a mobile home or participating in the agency's Home of Your Own program. Participant families with a home ownership interest will be issued a Notice of Intended Action to terminate Rental Assistance 180-days from the notification date. Applicant families with home ownership interest will be determined ineligible.

SDHC must deny admission to any applicant who has a family member using medical and/or recreational marijuana at the time of consideration for admission, even if the State of California medical marijuana card is issued to that person.

SDHC must permanently deny assistance to applicants, and terminate the assistance of persons convicted of manufacturing or producing methamphetamine in violation of any federal or state law.

3. Grounds for Denial or Termination of Assistance

SDHC may deny assistance to applicants or proposed additions to the family and terminate assistance for participants for violations of any of the following family responsibilities:

The family must:



Supply any information that SDHC or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status. “Information” includes any requested certification, release, or documentation used for initial eligibility and for regularly scheduled recertification or interim recertification of family income and composition. All changes of income must be reported within ten (10) days during the recertification period, which begins with the receipt of the recertification packet and ends on the effective date of the recertification.

Disclose and verify Social Security Numbers, sign and submit consent forms for obtaining information.

Supply true and complete information.

Be responsible for a Housing Quality Standards damages and/or failed items caused by the family and allow SDHC to inspect the unit at reasonable times and after reasonable notice to comply with HUD requirements for an inspection.

Notify SDHC and the landlord, in writing, at least 30 days prior to vacating the unit or terminating the lease after the initial term of the lease.

Give/mail SDHC a copy of any owner eviction notice within ten (10) days from receipt of the notice.

Use the dwelling unit for residence by the family. The unit must be the family’s only place of residence. Children must reside in the unit 51% (186 days) of the year to be considered a household member. The unit address cannot be used by anyone other than approved household members as a mailing address.

Request, in writing, SDHC approval to add other family members, foster children, or a live-in aide as an occupant of the unit prior to moving them into the assisted unit.

Report to SDHC in writing the birth, adoption, or court-awarded custody of a child, except for foster children, within ten (10) days of the change.

Notify SDHC in writing within ten (10) days if any household member, including a live-in aide, no longer resides in the unit.

Notify SDHC in writing within ten (10) days if any family member is arrested for any drug related criminal activity or violent criminal activity even if it does not result in a conviction.

Ensure that if the family engages in legal profit making activities in the unit, that such activities are approved by the landlord and are incidental to primary use of the unit by the family.

Supply information or certification to verify that the family is living in the unit or the family is absent from the unit. If the absence will be for more than 30 days, the family must notify SDHC in writing within ten (10) days from their absence. If a family member is absent from the unit more than 186 days, the “absent members” will be terminated.



Have a minimum of one household member who is a U.S. citizen, National, or has HUD-defined eligible immigration status.

Provide verification to SDHC that they have made prior request(s) to the landlord to resolve a Housing Inspection issue.

The family must not:

Intentionally misrepresent the family income or composition.

Commit any serious or repeated violation of the lease (such as non-payment of rent, destruction of property, or violent criminal or drug related activity that includes the use of medical and/or recreational marijuana).

Sublease, assign the lease, transfer the unit, or rent any part of the unit to outside parties.

Own or have any interest in the unit.

Rent a unit from an owner who is a parent, child, grandparent, grandchild, sister or brother of any member of the family.

Engage in drug related criminal activity (which includes the use of medical and/or recreational marijuana) or violent criminal activity.

Receive another housing subsidy for the same unit or a different unit. No household member, including minors, can be listed as part of another household that receives rental assistance from HUD, such as low-income housing.

Commit any program abuse, fraud, bribery, or any other criminal or corrupt act in connection with the Rental Assistance Program. This includes making “side” payments or “under the table” payments to the landlord.

Other reasons for terminating/denying assistance:

If the applicant owes rent or other amounts to SDHC or any other Public Housing Agency (PHA).

If the family has not reimbursed or complied with the terms of their repayment agreement to SDHC or any other Housing Authority for any amounts owed by the family.

If any member of the family has been evicted from federally assisted housing within the last 10 years.

If SDHC or any other PHA has ever terminated assistance under the Voucher program for any member of the family within the last ten (10) years.

If any member of the family commits drug related criminal activity (which includes the use of medical and/or recreational marijuana) or violent criminal activity.

If two (2) scheduled appointments have been missed without good cause and without prior notice to SDHC within a twelve-month period.



A family fails to reschedule an inspection after two missed appointments.

Failure to allow SDHC to inspect the unit at reasonable times and after reasonable notice to comply with HUD requirements for an inspection.

If the family fails to cooperate with any terms or conditions of the Rental Assistance Program.

If the family has threatened abusive or violent behavior toward SDHC personnel, including written, verbal, physical abuse or violent use of statements that are generally considered insulting or used to insult or intimidate.

If the family violates one of the Family Responsibilities listed above.

If the family is not currently in an assisted unit and does not submit a Request for Tenancy Approval within the term of their Housing Choice Voucher.

If any member of the family has alcohol abuse which interferes with the health, safety, or peaceful enjoyment of other residents.

If any member is convicted of manufacturing or producing methamphetamine in violation of any federal or state law.

If any member is subject to lifetime registration requirements under a State sex offender registration program.

If the family allows the assisted unit to be used by others not on the lease as a mailing address.

4. Denial of Prior SDHC Program Participants

SDHC will deny assistance to prior program participants who were terminated from the Housing Choice Voucher or Public Housing Programs for any violation of the program rules and regulations for a period of ten (10) years.

Prior SDHC program participants with balances owed to SDHC in conjunction with the Housing Choice Voucher or Public Housing Programs will continued to be denied assistance until they have repaid the debt in full.

F. CRIMINAL ACTIVITY POLICY

1. Purpose

Federally assisted housing is intended to provide a safe place to live and to raise families. SDHC shall not tolerate violent criminal or illegal drug activity. It is the intention of SDHC to fully endorse and implement a policy that is designed to:

Help create and maintain a safe and drug-free community.

Keep our program participants free from threats to their personal and family safety.



2. Denial of Participation and Termination of Assistance

Before approving a household member SDHC will perform a criminal history check and sex offender registration records search on every adult household member (18 years and older) and live-in aides. SDHC will deny participation in the program to applicants and terminate assistance to participants in cases where SDHC determines there is a preponderance of the evidence to believe that the participant(s), household member(s), or guest(s) are illegally using a controlled substance. This includes any family member that uses medical and/or recreational marijuana even with a medical marijuana card, or if the participant, household member(s), or guest(s) abuse alcohol in a way that may interfere with the health, safety or right to peaceful enjoyment of the premises by other residents, including cases where SDHC determines that there is a pattern of illegal use of a controlled substance or pattern of alcohol abuse.

“Engaged in or engaging in” violent criminal activity means any act by applicants, participants, household members, or guests which involved criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage, including lewd and lascivious acts with a minor, which did or did not result in the arrest and/or conviction of the applicant, participant, household members, or guests.

The existence of the above-referenced behavior by any household member or guest, regardless of the applicant or participant’s knowledge of the behavior shall be grounds for denial or termination of assistance.

The fact that an applicant or member of a currently assisted family was arrested for a disqualifying offense shall not be treated or regarded as proof that the applicant or member engaged in disqualifying criminal activity. The arrest may, however, trigger an investigation to determine whether the applicant or member actually engaged in disqualifying criminal activity. As part of its investigation, SDHC may obtain the police report associated with the arrest and consider the reported circumstances of the arrest. The SDHC may also consider any statements made by witnesses or the applicant or member 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 applicant or participant engaged in disqualifying activity.

If an applicant, a member of an applicant or participant household or an addition to the participant’s household, including a live-in aide, has been arrested, convicted or otherwise been determined to have engaged in illegal drug-related or violent criminal activity within the prior five years, admission or continued participation may be denied. In cases where a family member recently has been released from incarceration for drug-related activity or violent criminal activity and it has been more than five years since the activity occurred, SDHC and the family will execute a stipulated agreement that should engagement in such activity by any household member occur SDHC will issue a Notice of Intended Action to terminate assistance.

An applicant, a member of an applicant or participant household or an addition to the participant's household, including a live-in aide, will be notified and provided an opportunity to dispute the



accuracy and relevance of a criminal record before admission or assistance is denied on the basis of such record. If the applicant does not dispute the accuracy or relevance of the criminal information, a denial notice will be sent. If denied, the applicant, a member of an applicant or participant household or an addition to the participant's household, including a live-in aide will also be afforded the right to request an administrative review. The administrative review will be conducted by any person designated by SDHC, other than a person who made or approved the decision under review or a subordinate of that person.

As with admissions decisions, participants will be notified and provided an opportunity to dispute the accuracy and relevance of a criminal record before assistance is terminated on the basis of such record. Assistance for participants will be terminated through a grievance process. Participants may request an informal hearing if assistance is terminated.

3. Address Match Program (AMP)

SDHC has formed an ongoing relationship with law enforcement entities including, but not limited to San Diego Police Department, Sheriff's Office and HUD Office Inspector General, to identify possible drug or criminal activities committed by residents of assisted housing units or in assisted housing units using the Address Match Program reports.

AMP reports will be reviewed to determine if a person suspected of drug or violent criminal activity is a participant or guest of assisted housing. If the person named in the AMP report is a participant, guest, or unauthorized household member, a Notice of Intended Action may be issued to terminate housing assistance.

G. NOTICE OF TERMINATION OF ASSISTANCE

When SDHC decides to terminate assistance, the family will receive a written Notice of Intended Action to terminate assistance, 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 held before termination of assistance.

The date by which a request for an informal hearing must be received by SDHC.

1. Required Evidence

Preponderance of evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.



Credible evidence may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence can be considered credible evidence. Other credible evidence includes documentation of drug raids or arrest warrants.

H. HOUSING COMMISSION POLICY FOR CONSIDERATION OF CIRCUMSTANCES [24 CFR 982.552]

1. Violence Against Women

SDHC will comply with the Violence Against Women Act (VAWA) as signed in to law on January 5, 2006 that provides protections for those who receive Housing Choice Voucher Rental Assistance if they become victims of domestic violence, dating violence, sexual assault, and/or stalking.

Denial of Assistance:

VAWA provides that applicants cannot be denied assistance or admission because they are a victim of domestic violence, sexual assault, dating violence or stalking provided the applicants are otherwise qualified for assistance or admission to rental assistance programs.

Termination of Assistance

Criminal activity directly relating to domestic violence, dating violence, sexual assault or stalking shall not be considered cause for termination of assistance for any participant or affiliated individual of a participant's family who is the victim of the domestic violence, dating violence, sexual assault or stalking.

Lease Terms

An incident or incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking will not be considered a "serious or repeated" violation of the lease by the victim or threatened victim of that violence, and shall not be good cause for terminating the assistance, tenancy or occupancy rights of the victim of that violence.

Removal of Perpetrator

VAWA allows SDHC or a landlord of a subsidized property to evict, remove, or terminate assistance to any individual tenant who engages in criminal acts or physical violence against family members or others. This may be done without evicting or taking any other action to the other occupants.

There are some limitations to individuals with VAWA protections:

Assistance and/or tenancy may be terminated if SDHC or the landlord/manager can demonstrate that an assisted tenant posed "an actual or imminent threat" to other tenants or to persons employed at or providing services at a rental property or unit.



Assistance and/or tenancy may be terminated for lease violations that are not based on an incident or incidents of domestic violence, sexual assault, dating violence, or stalking for which VAWA provides protection.

Verification/Certification

The SDHC shall require verification or certification concerning the incident or incidents where an individual claims VAWA protections in one of the following three ways:

- 1) Police report or court order.
- 2) Other document signed by a professional person from whom the victim has sought assistance in addressing the domestic violence, sexual assault, dating violence or stalking.
- 3) HUD approved form 50066.

The name of the perpetrator must be provided if the name is known and it is safe to provide. Failure to provide verification within fourteen (14) business days of the date requested will result in loss of protection under VAWA.

Emergency Transfer Plan

Victims of sexual assault may qualify for an emergency transfer if they either reasonably believe there is a threat of imminent harm from further violence if they remain in their dwelling unit, or the sexual assault occurred on the premises during the 90-calendar-day period preceding the date of the request for transfer. Victims must submit a written request for an emergency transfer and meet the requirements listed in VAWA 2013 HUD Notice.

Submission of false information on an emergency transfer request could jeopardize program eligibility and could be the basis for denial of admission, termination of assistance, or eviction.

Housing Choice Voucher participants requesting emergency transfer will be issued a move voucher allowing the victim to search for another unit in its jurisdiction, or begin the portability process if the victim wishes to move outside of the PHA's jurisdiction and does not owe monies to SDHC.

Under the Project Base Voucher program, the assistance is tied to the unit as opposed, in the case of tenant-based assistance, to the family. Therefore, PBV families cannot move with their PBV assistance. However, if the victim seeks to move from the assisted unit, has been living in the PBV unit for more than one year, and has given the landlord advance written notice of intent to vacate (with a copy to the PHA) in accordance with the lease, the PHA must give the victim priority to receive the next available opportunity for continued tenant-based rental assistance. If the PBV family has lived in the unit for less than one year and a safe unit is not available, the family will be placed on a confidential waiting list and referred to applicable resources the SDHC has available, such as the Family Justice Center, YWCA, and Rachel's Women Center.



Confidentiality

Information provided about an incident or incidents of domestic violence, dating violence, sexual assault or stalking shall be retained by the SDHC in confidence and shall not be entered in any shared database nor provided to any related entity, except where disclosure is:

- 1) Requested or consented to by the individual in writing; or
- 2) Required for use in an eviction proceeding as permitted in VAWA; or
- 3) Required by applicable law

Referrals to Support Services

Upon determination of each individual case, and as needed, the SDHC will make certain that a referral is made to the San Diego County Mental Health Services, Child Protective Services, and Adult Protective Services agencies and any other service providers to ensure the family's safety. The SDHC will cooperate with the social services agencies to make sure that the family is able to maintain their housing assistance.

2. Other Circumstances

In deciding whether to deny or terminate assistance because of action or failure to act by members of the family, SDHC has discretion to consider all of the circumstances in each case, including the seriousness of the violation. SDHC will use its discretion in reviewing the extent of participation or culpability of individual family members and the length of time since the violation occurred. SDHC may also review the family's more recent history and record of compliance, patterns of providing false information and the effects that denial or termination of assistance may have on other family members who were not involved in the action or failure to act.

In appropriate cases, SDHC may permit the family to continue receiving assistance provided that the family member(s) determined to have engaged in the proscribed activities will not reside in the unit.

If the violating member is a minor, SDHC may consider individual circumstances. SDHC may consult with Juvenile Court officials.

In appropriate cases, SDHC may offer the family a stipulated agreement that will contain the terms and conditions for continued assistance. Failure to enter into, or comply with the agreement, shall result in the issuance of a Notice of Intended Action to terminate assistance.

Consideration shall be given for applicants of special programs such as Family Unification and Veterans Affairs Supportive Housing.



I. DENIAL OR TERMINATION DUE TO INELIGIBLE IMMIGRANT STATUS [24 CFR 5.514, 5.516, 5.518]

Applicant or participant families in which all members are neither U.S. citizens nor eligible immigrants are not eligible for assistance and must have their assistance terminated. SDHC must offer the family an opportunity for a hearing.

Assistance may not be terminated while verification of the participant family's eligible immigration status is pending.

J. MISREPRESENTATION IN COLLUSION WITH LANDLORD [24 CFR 982.551, 982.552 (c)]

If there is a preponderance of evidence that the landlord commits fraud or is involved in any other illegal scheme with the participant, SDHC will deny or terminate assistance.

K. MISSED APPOINTMENTS AND DEADLINES [24 CFR 982.551, 982.552 (c)]

It is a Family Responsibility to supply information, documentation, and certification as needed for SDHC to fulfill its responsibilities. SDHC schedules appointments and sets deadlines in order to obtain the required information. A participant who fails to keep an appointment or meet a set deadline without prior notice or good cause or fails to supply required information may be sent a Notice of Intended Action.

A Notice of Intended Action may be sent to a participant who fails to keep two (2) scheduled appointments and/or two (2) scheduled inspections without prior notice or good cause within a one-year period.

“Good cause” is defined as an unavoidable conflict that seriously affects the health, safety or welfare of the family.

A participant who fails to supply information required by a deadline without notifying SDHC may be sent a Notice of Intended Action.

L. DISAPPROVAL OF LANDLORD [24 CFR 982.306, 982.54(d)(8)]

For purposes of this section, "landlord" includes a principal or other interested party.

SDHC will disapprove the landlord for the following reasons:

HUD has informed SDHC that the landlord has been disbarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.



HUD has informed SDHC that the federal government has instituted an administrative or judicial action against the landlord for violation of the Fair Housing Act or other federal equal opportunity requirements and such action is pending.

HUD has informed SDHC that a court or administrative agency has determined that the landlord has violated the Fair Housing Act or other federal equal opportunity requirements.

Unless their lease was effective before June 17, 1998, the owner may not be a parent, child, grandparent, grandchild, sister or brother of any family member. SDHC may waive this restriction as a reasonable accommodation for a family member who is a person with a disability (24 CFR 8.3). SDHC requires all landlords and tenants to complete a certification declaring they are not related.

The landlord has violated obligations under a housing assistance payments contract under Section 8 of the 1937 Act (42 U.S.C. 1437f).

The landlord has violated any obligation under the HAP contract for the dwelling unit, including the landlord's obligations to maintain the unit to HQS, including any standards SDHC has adopted in this policy.

The landlord has committed fraud, bribery or any other corrupt act in connection with any federal housing program.

The landlord has engaged in violent or drug related criminal activity.

The landlord has a history or practice of non-compliance with the HQS 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 landlord has failed to comply with regulations, the mortgage or note, or the regulatory agreement for projects with mortgages insured by HUD or loans made by HUD.

M. LANDLORD RESTRICTIONS AND PENALTIES [24 CFR 982.453]

If a landlord has committed fraud or abuse or is guilty of frequent or serious contract violations, SDHC will restrict the owner from future participation in the program. SDHC may also terminate some or all contracts with the landlord.

Before imposing any penalty against a landlord, SDHC will review all relevant factors pertaining to the case, and will consider such factors as the landlord's record of compliance and the number of violations.

N. CHANGE IN OWNERSHIP

A change in ownership or transfer of the HAP contract does not require execution of a new HAP contract. The "new" owner must adhere to program requirements.



As a party to the HAP contract, SDHC may approve the reassignment of the HAP contract at the landlord's request. SDHC may deny assignment of the contract for any of the reasons listed in this chapter.

SDHC may approve a change of property ownership upon the written request of the new landlord accompanied by a copy of the closing escrow statement or other document(s) showing title to subject property.

SDHC may not approve an assignment of the contract without the new payee's completion of form "Assumption of Lease and Housing Assistance Payments Contract," as well as the Internal Revenue Service Tax Form W-9.

SDHC will provide the same name/tax identification number combination provided on Tax Form W-9 for income tax reporting purposes to the Internal Revenue Service.

SDHC must receive in writing all requests to change the payee and/or the address to which HAP payment will be sent.

In the event there is a disagreement between the landlord and assignee (e.g. property manager, bank or other interested party) as to who should receive the HAP payment, SDHC shall withhold future payments until there is a court decision or mutual agreement between the landlord and the assignee as to who shall receive the HAP payment.

O. PAYMENT PLAN AGREEMENT FOR FAMILIES [24 CFR 982.552 (C)(1)(V-Vii, 24 CFR 982.163]

Active Participants

A Payment Plan Agreement is a document entered into between SDHC and a person who owes a debt to SDHC. It details the nature of the debt, the terms of payment, any special provisions of the agreement and the remedies available to SDHC upon default of the agreement.

SDHC will determine whether to enter into a Payment Plan Agreement with a family based on the circumstances surrounding the debt. SDHC will prescribe the terms of the Payment Plan Agreement.

The monthly amount due for Payment Plan Agreements will be 10% of the family's gross monthly income. If 10% of the family's gross monthly income is less than \$25, then the monthly amount due will be \$25.

A signed Payment Plan Agreement does not waive SDHC's right to terminate housing assistance.

Families who owe money to the SDHC will be required to repay in accordance with the Payment Plan Agreement. The family's payment plan agreement may:

- Require the family to pay the balance in full; and/or

- Pursue civil collection of the balance due; and/or



Terminate the housing assistance.

If the family requests to move, or is required to move by the landlord, the family will be required to pay the balance in full or be in good standing with their Payment Plan Agreement prior to the issuance of a voucher unless they qualify for a hardship exemption and are not in violation of the lease. Families who owe SDHC money will not be allowed the ability to exercise Portability and move to jurisdictions outside of the City of San Diego.

If the family is required to move due to an action by SDHC (mandatory move), the family will not be required to pay the balance in full prior to the issuance of a voucher.

Prior Participants

When it is determined that prior participants failed to comply with program regulations or reporting requirements causing payments on their behalf to which they were not entitled, they will be sent a notification of debts owed. The notification will provide the total amount owed to SDHC and the ability to dispute the amount within 30 days of the notice. In addition, the notification will offer a repayment agreement. No further action to collect on the debt will be taken when a repayment agreement is executed and payments are current.

P. DEBTS DUE TO NON-REPORTING OR SUBSTANTIAL UNDER-REPORTING OF INFORMATION [24 CFR 982.163]

When an income source is not reported by the participant or there is a substantial difference in the reported income information, the SDHC will take the following actions:

- Request the participant to provide any documentation to confirm or dispute the unreported or underreported income and/or income sources, and/or

- Request from third party source, any information necessary to resolve the income discrepancy.

Definition of Substantial Under-Reporting: an amount equal to or greater than \$2,400 annually.

A Payment Plan Agreement will be prepared based on the amount of underpayment of rent resulting from the unreported or underreported income. SDHC will determine the retroactive rent as far back as the existence of complete file documentation (form HUD 50058 and supportive documentation) to support such retroactive rent determinations.

The participant will be presented with the Payment Plan Agreement and provided an opportunity to contest the findings.

Based on all the circumstances in each case, including the seriousness of the violation, SDHC will use its discretion in terminating assistance or allowing the family to enter into a Payment Plan Agreement and continue participation.



Families who refuse to enter into a Payment Plan Agreement will be terminated from the Rental Assistance Program.

Where appropriate, SDHC will refer the case for civil or criminal prosecution.

Q. DEBTS OWED - NATIONAL HUD REPOSITORY [24 CFR 5.233]

HUD maintains a national repository of debts owed to Public Housing Agencies (PHAs) or Housing Choice Voucher landlords and adverse information of former participants who have voluntarily or involuntarily terminated participation in the program. All PHAs are required to use HUD's Debts Owed database and report the following:

Amount of any balance owed to the PHA or Section 8 landlord (up to \$500,000) and explanation for balance owed (i.e. unpaid rent, retroactive rent (due to unreported income and/ or change in family composition) or other charges such as damages, utility charges, etc.); and

Whether or not the debtor has entered into a repayment agreement for the amount owed to the PHA; and

Whether or not the debtor has defaulted on the repayment agreement; and

Whether or not the PHA has obtained a judgment against the debtor; and

Whether or not the debtor has filed for bankruptcy; and

The negative reason(s) for the end of participation or any negative status (i.e., abandoned unit, fraud, lease violations, criminal activity, etc.) as of the end of participation date.

The information will be used by PHAs to determine a family's suitability for initial or continued rental assistance, and avoid providing housing assistance to families who have previously been unable to comply with HUD program requirements. Debt owed and termination information will be maintained in the HUD repository for up to ten (10) years from the end of the participation date. HUD allows former participants to contest the information by submitting their dispute in writing to the reporting PHA within three years of the end of participation date; otherwise, the debt and termination information will be presumed correct.

SDHC will render a written response within 30 days of receiving a dispute in writing for information reported by SDHC. If SDHC determines the disputed information is incorrect, SDHC will update HUD's Debts Owed database.

Applicants adversely terminated by other PHAs within five years and applicants who owe monies may be denied assistance.

R. DEBTS DUE FOR CLAIMS [24 CFR 792.103, 982.552 (c)(1)(vi-viii)]

If SDHC paid claims to a landlord, SDHC may require the family to enter into a Payment Plan Agreement.



Families who refuse to enter into a Payment Plan Agreement will be terminated from the Rental Assistance Program.

Nonpayment of monies owed to SDHC may result in termination from the Rental Assistance Program.

S. OWNER DEBTS TO SDHC [24 CFR 982.453(b)]

If SDHC determines that the landlord has retained Housing Assistance Payments or claim payments the landlord is not entitled to, SDHC may reclaim the amounts from future Housing Assistance Payments or claim payments owed the landlord for any other units under contract.

If future Housing Assistance or Claim Payments are insufficient to reclaim the amounts owed, SDHC will:

- Require the landlord to pay the amount in full; and/or

- Enter into a Payment Agreement with the landlord for the amount owed; and/or

- Pursue collections through public or private agencies; and/or

- Restrict the landlord from future participation.

Amounts under \$500 that are owed to the SDHC, and disputed by a landlord may be disregarded at the discretion of SDHC to avoid administrative burden.

T. COLLECTION TOOLS

SDHC will use a variety of collection tools to recover debts including, but not limited to:

- Requests for lump sum payments

- Civil or criminal suits

- Payment Plan Agreements

- Abatements

- Reductions in HAP to landlord

- Collection agencies

- Credit bureaus

U. HOUSING COMMISSION RETENTION OF MONIES [24 CFR 792.202]

SDHC shall retain 50% of the amount collected from Payment Plan Agreements received as a result of misrepresentation, fraud or abuse.



V. ADMINISTRATIVE REVIEW PROCEDURES (24 CFR 982.554, 982.555)

1. Applicants

SDHC will issue a written Notice of Ineligibility to Housing Choice Voucher applicants that have been determined ineligible. The Notice will include the reason(s) for the decision and the procedures and timeframe for requesting an Administrative Review.

The Administrative Review shall be conducted by any person designated by SDHC other than the person or a subordinate of the person who made or approved the original decision under review.

The applicant shall be given the opportunity to present written objections to SDHC's decision. SDHC shall promptly notify the participant in writing of the decision.

2. Participants

SDHC will issue participants a written Notice of Intended Action for decisions that reduce a family's assistance. The notice shall include the reasons for the decision and the opportunity to request an Administrative Review.

When the participant's objection is not resolved through the Administrative Review process, the Administrative Review decision letter will notify the participant of their right to request an Informal Hearing.

W. OPPORTUNITY FOR AN INFORMAL HEARING AFTER COMPLETION OF ADMINISTRATIVE REVIEW PROCESS [24 CFR 982.555, 5.514(b)(2)]

SDHC will give a participant family an opportunity for an Informal Hearing to consider whether the following SDHC decisions relating to the individual circumstances of the participant family are in accordance with the law, HUD regulations and SDHC policies:

Determination of the family's annual or adjusted income, and use of such income to compute the housing assistance payment

Determination of appropriate utility allowance for tenant paid utilities

Determination of voucher size

Termination of assistance:

For a participant family because of the family's action or failure to act

Because the participant family has been absent from the assisted unit for longer than 30 consecutive days without notifying SDHC

Because of disputed arrest record



Denial of Reasonable Accommodation request

Determination of ineligible immigration status

An Administrative Review or Informal Hearing is not required for any of the following:

Discretionary administrative determinations by SDHC including determinations in response to Hardship requests under Path to Success

General policy issues or class grievances

A SDHC determination not to grant approval of the tenancy.

Determination that unit does not comply with HQS

Determination that unit is not in accordance with HQS due to family size or composition

Determination not to approve an extension of the voucher term

Determination not to approve a unit or tenancy

X. INFORMAL HEARING POLICY

The purpose of the Informal Hearing Process is to afford SDHC the opportunity to have an objective party consider whether decisions relating to a family's continuing eligibility are in accordance with law, HUD regulations and this Administrative Plan.

The Informal Hearing is not meant to replace or circumvent appropriate judicial review.

SDHC may implement the following prior to the hearing:

Changes in total participant payment or participant rent.

Denial of a new voucher for a family that wants to move.

Unit size determinations for a family that wants to move.

The informal hearing will be conducted by any person designated by SDHC, other than a person who made or approved the decision under review or a subordinate of that person.

The participant will be given the option of presenting oral or written objections to the decision in question. The participant has a right to legal counsel, at his or her own expense. The Hearing Officer will regulate the conduct of the hearing. Both SDHC and the participant must have an opportunity to present evidence and/or witnesses as provided in this Plan established by SDHC.

The Hearing Officer shall make a determination as to whether the rule or regulation was correctly applied based only on the information submitted at the hearing. A Notice of Hearing Findings (Hearing Decision) shall be provided, in writing, to SDHC with a copy to the participant within 20 workdays from the conclusion of the hearing.



SDHC will retain all requests for a hearing, supporting documentation and a copy of the final decision in accordance with the established retention policy.

Y. PRE-HEARING PROCEDURES

If SDHC staff discovers possible program violations by participants, staff is responsible for gathering and reviewing information to determine if there is cause to issue a Notice of Intended Action (NIA).

The NIA will include the action that SDHC proposes to take; the reason for the action; the laws, regulations or policies which staff believes require the action; and the procedures for the participant to follow to request an informal hearing. All possible violations will be listed on the NIA at the time of issuance and will include a brief description as well as the approximate timeframe and place of possible violations.

SDHC shall mail or personally deliver the NIA to the participant at least 30 calendar days before the date of intended action.

The NIA will advise the participant they must request an informal hearing within 30 calendar days from the date of mailing of said notice.

SDHC shall provide a hearing if a request for an informal hearing is made by the participant pursuant to the instructions on the NIA. The participant shall be notified of the scheduled hearing at least ten calendar days before the scheduled date.

After a hearing date has been scheduled, the family may request to reschedule, only one time, upon showing "good cause," which is defined as an unavoidable conflict that seriously affects the health, safety or welfare of the family.

Should the participant submit a request for a hearing on an untimely basis (later than 30 calendar days from the date of mailing of the Notice by SDHC), staff will inform the participant by mail within ten calendar days of such receipt that the participant is not entitled to a hearing. However, a participant who has submitted an untimely hearing request within one year from the date the NIA was issued, and has shown good cause may be granted an informal hearing.

In the event SDHC receives a clear, written statement signed by the participant that he/she no longer wishes to participate in the program; or if mail directed to the participant has been returned by the post office indicating no forwarding address and/or participant's whereabouts are unknown, it is understood that SDHC may proceed with the intended action immediately.

Z. PRE HEARING RIGHTS AND RESPONSIBILITIES

The participant has rights and must adhere to the responsibilities outlined in the "Notification of Rights and Responsibilities Regarding the Informal Hearing." These include:

The opportunity to receive a reasonable continuance of the hearing for good cause shown.



An adequate opportunity to examine the contents of their case file and all documents and records to be used by SDHC at the hearing.

The right to receive, upon request, copies of documents and/or records that SDHC expects to use at the hearing.

The right to choose an attorney or another person to represent them in the hearing.

The SDHC has a right to be notified if the family will be represented by an attorney or another person at the hearing at least five (5) workdays prior to the hearing.

The right to withdraw the hearing request at any time by so informing SDHC in writing.

Before the scheduled hearing, SDHC must be given the opportunity to examine at SDHC offices any family documents that are directly relevant to the hearing. These documents must be submitted to the Hearing Coordinator within three workdays before the scheduled hearing if the family intends to rely on these documents at the hearing. SDHC must be allowed to copy any such document(s). If the family does not make the document available for examination on request of SDHC, the family will not be allowed to present them for consideration at the hearing.

For purposes of this section, the term "document" includes records and regulations. In no case will the family be allowed to remove the file from SDHC's office.

The participant and the Hearing Officer shall be sent a copy of the Hearing Packet no less than five days before the Hearing.

If SDHC does not make a document available for examination at the family's request, SDHC may not rely on the document at the hearing.

AA. RIGHTS AT THE HEARING

At the hearing, the participant and SDHC shall have the right to:

Represent themselves or be represented by a lawyer or other persons of their choosing.

Bring and examine witnesses.

Submit evidence to establish all relevant facts and circumstances in accordance with the above policy.

Offer explanations or arguments relevant to the issue(s).

Challenge any evidence or testimony including an opportunity to call, confront and cross-examine adverse witnesses.

Provide their own interpreter or other device facility to overcome language or other communication handicaps.



1. Recording the Proceedings

After a hearing decision has been rendered, the family may request a copy and one will be provided.

BB. DENIAL OR DISMISSAL OF AN INFORMAL HEARING

SDHC shall deny or dismiss a timely request for a hearing under the following conditions:

The participant requesting the hearing has withdrawn the request.

When the sole issue is one of federal law or regulation requiring automatic adjustments for classes of Rental Assistance Program participants.

A hearing is deemed abandoned if the participant fails to appear within 30 minutes of the scheduled hearing.

Should SDHC determine the hearing "abandoned," a letter will be sent to the participant stating the hearing was abandoned. The participant has five workdays to demonstrate, in writing, good cause that the hearing should not be considered abandoned and request another hearing. "Good cause" is defined as an unavoidable conflict, which seriously affects the health, safety or welfare of the family.

Should the participant fail to contact SDHC within five workdays SDHC will follow through with the intended action.

CC. CONDUCT OF HEARING

The hearing may be conducted by any person or person(s) designated by SDHC, other than a person who made or approved the decision under review or a subordinate of this person.

1. Hearing Officer Responsibility

In conducting the hearing, the Hearing Officer shall be responsible for:

Explaining the hearing is informal, but that the decision is binding, subject to judicial review.

Ensuring a full inquiry into all relevant issues.

Regulating the conduct of the hearing consistent with due process and in accordance with this Plan to ensure an impartial, orderly hearing.

Preparing an official hearing record, which shall contain the substance of the oral testimony presented at the hearing; all papers, documents, records, etc., submitted for the hearing and/or considered by the Hearing Officer; and the written decision of the Hearing Officer.



2. Evidence

SDHC and the family must be given the opportunity to present evidence in accordance with this Plan and may question any witnesses. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

3. Definition of Preponderance of Evidence

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

With respect to burden of proof in civil actions, this means the greater weight of evidence, or evidence that is more credible and convincing to the mind; that which best accords with reason and probability.

Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence, the opportunity for knowledge and the information possessed.

Note: *The word "preponderance" means something more than "weight"; it denotes a superiority of weight, or outweighing.*

4. Credible Evidence

Credible evidence can be provided by such sources as police, the court system and SDHC staff. Testimony from neighbors, when combined with other credible evidence, can be used to determine whether a preponderance of evidence exists.

DD. HEARING DECISIONS

The hearing decision shall be based exclusively on the evidence and other material introduced at the hearing and which shall comply with governing law, regulations and SDHC policies. Factual determinations relating to the individual circumstances of the family shall be based on a preponderance of the evidence presented at the hearing. A hearing decision shall be rendered which will either uphold or reverse the intended action of SDHC.

The Hearing Officer shall not allow the participant or SDHC any additional time to provide information or evidence to support the participant's case. The Hearing Officer will issue a written decision to SDHC and participant no later than 20 workdays following the hearing except those hearings regarding eligible immigration status; in which case the decision will be issued within 14 days.

The hearing decision shall summarize the facts, identify each issue considered, specify the reasons for the decision on each issue and identify the supporting evidence, laws, regulations, and SDHC policies upon which the decisions are made.

The Hearing Officer must decide:



Whether SDHC correctly applied the program rules, regulations or SDHC policies in the action outlined in the NIA; or

Whether the participant did or did not violate a program regulation, law or policy.

When the hearing decision is unfavorable to the participant, it shall advise the participant of the following:

The participant's right to obtain judicial review of the decision under California Code of Civil Procedure 1094.6 if a petition therefore is filed within 1 year of the date of the decision.

That the hearing decision shall be final and binding upon all parties unless timely judicial review is sought by either party.

The Commission is not bound by a hearing decision:

Concerning a matter for which SDHC is not required to provide an opportunity for an informal hearing pursuant to 982.555 (f), or otherwise exceeds the authority of the person conducting the hearing under SDHC hearing procedures; or

Contrary to HUD regulations or requirements, or otherwise contrary to federal, state or local law.

If SDHC determines that it is not bound by a Hearing decision, SDHC shall promptly notify the participant of the determination, and of the reasons for the determination.

EE. RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS [24 CFR 5.514]

Assistance to the family may not be delayed, denied or terminated based on immigration status at any time before the receipt of an appeal decision from the U.S. Citizenship and Immigration Services Agency.

Assistance to a family may not be terminated or denied while SDHC hearing is pending but assistance to an applicant may be delayed pending SDHC hearing



RESERVED



A. INTRODUCTION

SDHC will permit the use of the following special housing types in its program:

Single Room Occupancy (SRO)

Manufactured Housing

SDHC will permit the use of the following special housing types in its program only if the applicant/participant is elderly or disabled and can demonstrate that it is needed as a reasonable accommodation. Acceptable demonstration will include documentation from one or more knowledgeable professionals who are familiar with the applicant/participant and/or the type of special housing requested as accommodation.

Congregate Housing

Group Homes

SDHC will not set aside any program funding for special housing types, or for a special housing type.

B. SINGLE ROOM OCCUPANCY (SRO) [24 CFR 982.602, 982.604]

A single person may reside in an SRO housing unit.

There will be a separate lease and housing assistance payment contract for each assisted person residing in a SRO. [24 CFR 982.603]

1. SRO Rent and Housing Assistance Payment

Voucher Program: SDHC SRO payment standard is 75% of the zero bedroom payment standard schedule. For a person residing in an exception area the payment standard is 75% of the HUD-approved zero bedroom exception payment standard amount. While an assisted person resides in SRO housing, the SRO payment standard must be used to calculate the housing assistance payment.

Utility Allowance: The utility allowance for an assisted person residing in SRO housing is 75% of the zero bedroom utility allowance.

2. Housing Quality Standards

SDHC will ensure that all SRO units approved for the program are in compliance with all of the Housing Quality Standards for SRO's as regulated in 24 CFR 982.605. Note: This includes the square footage requirement.

C. CONGREGATE HOUSING [24 CFR 982.606, 982.607, 982.608]

An elderly person or a person with a disability may reside in a congregate housing unit.



[24 CFR Part 982, Subpart M]

SDHC may approve a family member or live-in aide to reside with the elderly person or a person with a disability.

SDHC will approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by a person with a disability.

1. Congregate Housing Lease and HAP Contract

For congregate housing, there will be a separate lease and HAP contract for each assisted family.

The payment standard for a family that resides in a congregate housing unit is the zero-bedroom payment standard on SDHC payment standard schedule unless there is a live-in aide. For a family residing in congregate housing in an exception area, the payment standard is the HUD-approved zero bedroom exception payment standard amount.

However, if there are two or more rooms in the unit (not including kitchen or sanitary facilities), the payment standard for a family that resides in a congregate housing unit is the one bedroom payment standard amount.

If there is a live-in aide, the live-in aide will be counted in determining the family unit size.

2. Housing Quality Standards

SDHC will ensure that all congregate housing units approved for the program are in compliance with all of the Housing Quality Standards for congregate housing as regulated in 24 CFR 982.609.

D. GROUP HOMES [24 CFR 982.610, 982.612, 982.613]

A group home must be licensed, certified, or otherwise approved in writing by the State, or the State's licensing department as a group home for elderly persons or persons with disabilities.

An elderly person or a person with a disability may reside in a state-approved group home. If approved by SDHC, a live-in aide may reside with a person with a disability.

SDHC must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by a person with a disability. Except for a live-in aide, all residents of a group home must be elderly persons or a person with a disability.

SDHC will not approve assistance for a person to live in a group home if file documentation indicates that the person is in need of continual medical or nursing care.

No more than twelve persons may reside in a group home. This limit covers all persons who reside in the unit, including assisted and unassisted residents and any live-in aide.

1. Group Home Lease and HAP Contract

There will be a separate HAP contract and lease for each assisted person living in a group home. For a group home the term "pro-rata portion" means that which is derived by dividing the number of persons in the assisted household by the total number of residents (assisted and unassisted)



[24 CFR Part 982, Subpart M]

residing in the group home. The number of persons in the assisted household equals one assisted person and any SDHC approved live-in aide.

2. Group Home Rent and HAP Contract

The rent to owner for an assisted person may not exceed the pro-rata portion of the reasonable rent for the group home.

The reasonable rent for a group home is determined in accordance with 24 CFR 982.507. In determining reasonable rent SDHC will consider whether sanitary facilities, and facilities for food preparation and service, are common or private facilities.

3. Maximum Subsidy

Unless there is a live-in aide, the family unit size is one bedroom. If there is a live-in aide, the live-in aide will be counted in determining the family unit size.

The payment standard for a person who resides in a group home is the lower of the payment standard for the family unit size or the pro-rata portion of the payment standard amount on SDHC payment standard schedule for the group home size.

4. Utility Allowance

The utility allowance for each assisted person residing in a group home is the pro-rata portion of the utility allowance for the group home unit size.

5. Housing Quality Standards

SDHC will ensure that all group home units approved for the program are in compliance with all of the Housing Quality Standards for group homes as regulated in 24 CFR 982.614.

E. SHARED HOUSING [24 CFR 982.615, 982.616, 982.617, 982.618]

1. Occupancy

In shared housing, an assisted family may share a unit with another resident or residents of a unit. The unit may be a house or an apartment. Persons who are assisted or not assisted under the tenant-based program may reside in a shared housing unit. The owner of a shared housing unit may reside in the unit.

The entire unit must provide adequate space and security for all assisted and unassisted residents. The private space for each assisted family must contain at least one bedroom for each two persons in the family.

SDHC may approve a live-in aide to reside with a family in order to care for a person with a disability. SDHC must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by, a person with a disability.



A resident owner may enter into a HAP contract with SDHC. However, housing assistance may not be paid on behalf of an owner. SDHC will not approve assistance for a person or family that is related to a resident owner. There will be a separate housing assistance payment contract and lease for each assisted family residing in a shared housing unit.

2. Rent and HAP Contract

For shared housing, the term "pro-rata portion" means the ratio derived by dividing the number of bedrooms in the private space available for occupancy by a family by the total number of bedrooms in the unit. For example, for a family entitled to occupy three bedrooms in a five-bedroom unit, the ratio would be 3/5.

The rent to owner for the family may not exceed the pro-rata portion of the reasonable rent for the shared housing dwelling unit. The reasonable rent must be in accordance with the guidelines set in the "Landlord Rents, Rent Reasonableness, and Payment Standards" chapter.

3. Maximum Subsidy

For a family that resides in a shared housing unit, the payment standard is the lower of the SDHC payment standard amount for the family unit size, or the pro-rata portion of the SDHC payment standard for the shared housing unit size.

If SDHC approves a live-in aide, the live-in aide will be counted in determining the family unit size.

4. Utility Allowance

The utility allowance for an assisted family living in shared housing is the pro-rata portion of the utility allowance for the shared housing unit.

5. Housing Quality Standards

SDHC will ensure that all shared housing units approved for the program are in compliance with all of the Housing Quality Standards for shared housing as regulated in 24 CFR 982.618.

F. MANUFACTURED HOMES [24 CFR 982.620]

SDHC will permit a family to lease a manufactured home and space with assistance under the program. SDHC will provide assistance for a family that owns the manufactured home and leases only the space.

SDHC may approve a live-in aide to reside with a family to care for a person with a disability. SDHC will approve a live-in aide if needed as a reasonable accommodation so that the program is accessible to and usable by, a person with a disability. If SDHC approves a live-in aide, the live-in aide must be counted when determining the family unit size.



1. Housing Quality Standards

A manufactured home must meet all the HQS requirements outlined in the "Housing Quality Standards and Inspections" chapter and regulated by 24 CFR 982.401. In addition, the manufactured home also must meet the following requirements:

A manufactured home must be placed on the site in a stable manner, and must be free from hazards such as sliding or wind damage.

A tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist wind overturning and sliding must securely anchor a manufactured home.

2. Manufactured Home Space Rental

Rent to owner for a manufactured home space will include payment for maintenance services that the landlord must provide to the tenant under the lease for the space.

Rent to owner does not include the cost of utilities and trash collection for the manufactured home. However, the landlord may charge the family a separate fee for the cost of utilities or trash collection provided by the landlord.

3. Reasonable Rent

During the assisted tenancy, the rent to owner for the manufactured home space may not exceed a reasonable rent as determined by SDHC. For purposes of comparability SDHC shall use rates from Mobile Home parks in the City and County of San Diego.

SDHC will not approve a lease for a manufactured home space until SDHC has determined that the initial rent to owner for the space is a reasonable rent. At least annually during the assisted tenancy, SDHC will re-determine that the rent is reasonable.

SDHC will determine whether the rent to owner for a manufactured home space is a reasonable rent in comparison to rents for other comparable manufactured home spaces. SDHC will consider the size and location of the space and any services and maintenance provided by the landlord in accordance with the lease.

By accepting each monthly housing assistance payment from SDHC, the landlord of the manufactured home space certifies that the rent to owner for the space is not more than rent charged by the landlord for unassisted rental of comparable spaces in the same manufactured home park or elsewhere. If requested by SDHC, the landlord must provide SDHC information on rents for other manufactured home spaces.

4. Utility Allowance

The utility allowance for manufactured homes will be the established MTW utility allowances based on the unit size. If a family is entitled to receive an initial utility hook-up allowance, the pro-rata portion of the utility allowance will be used for the first year only.



RESERVED



SECTION 1: MODERATE REHABILITATION PROGRAM

A. INTRODUCTION

The Moderate Rehabilitation Program is a project-based program. The SDHC provides housing assistance to qualified, very low-income individuals and/or families. Moderate Rehabilitation Program participants do not locate their own unit but must move to a unit already on the Moderate Rehabilitation Program. If the family moves out of the Moderate Rehabilitation Program unit for any reason, their Moderate Rehabilitation Program assistance will be terminated.

B. LEASE AGREEMENT AND HAP CONTRACT

The lease requirements will generally be the same in the Moderate Rehabilitation Program as it is for the tenant-based assistance program, unless otherwise stated in the HAP Contract and/or addendums for that specific development. The HAP Contract extensions will be renewed annually for a term of one year, at which time the SDHC will re-determine the approved rental rates. The owner may choose to opt-out of the Moderate Rehabilitation Program instead of renewing the HAP Contract. The HAP Contract will automatically terminate if there are less than five Moderate Rehabilitation Program units in the development.

C. RENT CALCULATION METHODOLOGY FOR TENANT

The family's rent portion will be calculated at 30% of the adjusted monthly income.

Households receiving the Earned Income Disallowance (EID) as of July 1, 2013, will continue to receive the deduction until the EID term is satisfied.

D. MODERATE REHABILITATION PROGRAM WAITING LIST AND LEASE UP

The owner must notify the SDHC of any upcoming vacancies by forwarding a copy of any notice to vacate (i.e. 30 or 60-day notice issued by either the owner or the tenant). Once the owner notifies SDHC of a vacant unit, a random selection will be conducted for an adequate number of applicants within the top preference category. Selected applicants will be notified of the opportunity to be considered for the vacant unit. It is the applicant's responsibility to request, in writing, a further opportunity if he/she wishes to be considered for future vacancies.

Note: *Participation in the Moderate Rehabilitation Program will not affect the applicant's Housing Choice Voucher Waiting List application.*

If the owner is unable to find a suitable tenant from the initial Moderate Rehabilitation Program Referral List, the owner must return the Referral List, with his or her comments regarding each applicant, ten days after the expiration date. The owner must then request another Referral List, continuing this process until a suitable tenant from the Moderate Rehabilitation Program waiting list is found.



Owners will be required to notify SDHC via e-mail when a prospective applicant has been selected for a vacant unit. The Housing Assistant will conduct an interview to determine eligibility for the Moderate Rehabilitation Program. Once eligibility is determined, SDHC will advise the applicant that rental assistance will not be provided until the unit passes inspection and the lease has been completed. Once the proposed tenant is approved and the unit has passed the inspection, a Security Deposit Notification and Move-In Certification form will be mailed. This form notifies the owner that the tenant has been approved and can move in.

If a Moderate Rehabilitation Program unit remains vacant for six months or longer and the owner has not taken reasonable action to fill the vacancy, SDHC will drop the unit from the program.

The initial Moderate Rehabilitation Program Housing Assistance Payment (HAP) Contract is a 15-year contract. Only during the inception of the Moderate Rehabilitation Program was the owner required to sign a HAP contract.

E. TRANSFERS WITHIN THE MODERATE REHABILITATION PROGRAM

If SDHC determines a unit is overcrowded or under-occupied due to a change in the family size, the family must move to a suitable sized unit. The participant will be placed on the Mandatory Moderate Rehabilitation Program Transfer List. The family will receive three referrals to an appropriately sized Moderate Rehabilitation Program unit. If the participant fails to apply to any of the referred units, the participant's eligibility for the Moderate Rehabilitation Program will be terminated.

Note: *There is no assurance that another unit will be available or that the owner will select the family.*

F. FAMILIES HOLDING A VOUCHER

Families holding a Voucher may apply for the Moderate Rehabilitation Program. The family will be required to voluntarily surrender their Voucher and terminate their Housing Choice Voucher eligibility prior to occupying a Moderate Rehabilitation Program unit.

G. VACANCY LOSS AND CLAIMS

1. Vacancy Loss

The owner must notify SDHC of any units that will be vacant and the anticipated effective date. SDHC will notify the next 20 applicants on the Moderate Rehabilitation Program Waiting List.

The owner may submit a claim for vacancy loss to the Claims Coordinator if the owner:

- Has complied with the requirements of notifying SDHC of a vacancy; and
- Has taken and continues to take all feasible actions to fill the vacancy; and
- Has not rejected any eligible applicant except for cause acceptable to SDHC.



The owner may be entitled to payment of up to 80% of the Contract Rent for the unit.

The Claims Coordinator is responsible for weighing the factors involved in determining the owner's eligibility for vacancy loss. If the owner's claims comply with the guidelines, SDHC will process it for payment.

The owner has up to three (3) months from the move-out date, to submit a claim for vacancy loss.

2. Damage Claims

An owner must notify the Claims Coordinator within two working days of the tenant's move-out date to request a Move-Out Inspection.

The owner may be entitled to a maximum damage claim of two months contract rent minus the security deposit.

Within 60 days from the Move-Out Inspection the owner must complete and return the application with itemized receipts.

The Claims Coordinator is responsible for weighing the factors involved, reviewing the receipts and damages and conducting the Move-Out Inspection. If the owner is entitled to a damage claim, the Claims Coordinator will process it for payment.

SECTION 2: MOVING TO WORK - PROJECT BASED VOUCHER PROGRAM

A. INTRODUCTION

Utilizing the flexibility the Moving to Work (MTW) program provides, SDHC established a Project-Based Voucher (PBV) Program that will serve the needs of San Diego's low-income residents, with a focus on the homeless population, who are in need of housing while also serving the needs of the community.

SDHC uses the following MTW flexibilities and strategies to increase housing choice in San Diego:

1. Collaborate with local developers and non-profit housing providers by creating long-term subsidies by means of project-based vouchers, in exchange for the creation of affordable housing for designated low-income populations. The provision of supportive services may be required in the PBV development.
2. Increase the range of options available to low-income households living in high-poverty areas by allowing SDHC to approve an exception payment standard for PBV developments without requiring HUD approval. Since SDHC's jurisdiction contains pockets of neighborhoods with high Fair Market Rents (FMRs), approving exception payment standards exceeding 110% of the FMR without requiring HUD approval increases viable low-income housing options in affluent sectors of the City. SDHC will determine exception areas based on the average percent below the poverty line in contiguous census tracts. The average percent below the poverty line must be less than 30% of the published AMI in no less than two contiguous census tracts. The maximum contract rent per unit will adhere to rent reasonableness requirements and apply only in project-based developments to ensure cost effectiveness. Application of the policy will be closely monitored for financial



considerations. SDHC will determine rent reasonableness for SDHC-owned units as authorized through a Fiscal Year 2010 MTW activity.

3. Designate greater than 20% of SDHC’s voucher allocation as PBV with a maximum allotment of five 5%of total vouchers authorized as PBV per year.
4. Expand the use of project-based vouchers by increasing the permissible percentage of subsidized units in a single development from 25% to 100%. The number of designated PBV units in a contract may increase outside of the initial term of the contract.
5. In conjunction with programs such as the Neighborhood Stabilization Program, SDHC may apply creative measures utilizing project-based vouchers to increase housing opportunities in vacant and foreclosed properties in the community.
6. Allow for project-specific waiting lists maintained by the owners or non-profit providers in compliance with agency standards.
7. SDHC and/or the developer may require the resident to participate in supportive services as a condition of tenancy.

The selected partners are authorized to conduct initial and on-going eligibility determinations while assisting the residents with completing paperwork and gathering verification documents. SDHC recognizes certain confidential verification sources, such as EIV, are not accessible to the partnering agencies. For this reason, SDHC will continue to generate and analyze these types of documents and reports. In such instances, the finalized packets are forwarded to SDHC staff for review, final eligibility determination, certification processing, quality control auditing, and submission of the HUD-50058.

SDHC maintains responsibility for calculating the tenant’s rent portion. The rent calculation methodology utilized for PBV participants parallels the calculation used for tenant-based voucher participants including the application of rent reform activities designed under the MTW program.

B. PROJECT-BASED VOUCHER POLICY

1. Annual Review of Project-Based Voucher Program

SDHC shall review its portfolio of available vouchers each year to establish priorities for the project-based voucher program for the upcoming year and determine the number of vouchers to be issued.

SDHC shall design an appropriate allocation process consistent with the annually established priorities and total number of vouchers available for the project-based voucher program for that year.

2. Qualified Agencies

Agencies qualified to participate in the project-based voucher program must either be:



A non-profit or for-profit corporation with a mission to provide housing and/or services to low-income and/or homeless families and individuals; or

A division of city or county government mandated to provide direct service to very low-income and/or homeless families and individuals.

Note: *The competitive/non-competitive voucher award process will specify the population to be served within the development where project-based vouchers are awarded.*

3. Owner Proposal Selection

SDHC will select owner proposals through a competitive Request for Proposal (RFP) process. Specifically, the SDHC will advertise in a newspaper of general circulation that it will accept applications for PBV assistance. The advertisement will specify the number of PBV units that will be available.

In addition, SDHC will accept applications from owners with housing that is assisted under a federal, state, or local government housing assistance, community development, or supportive services program that required competitive selection of proposals (e.g. HOME, LIHTC, and MHSAs projects). These applications will be continually accepted and evaluated based on the availability of vouchers.

The SDHC may restrict applications to any or all housing types at its discretion. Housing types include existing housing projects, new construction, or rehabilitation projects.

All applications will be reviewed and evaluated based on the following criteria:

The project complies with the PBV site selection standards of § 983.57 and contributes to the geographic distribution of affordable housing throughout the City of San Diego, thus promoting de-concentration of poverty, and expanding housing and economic opportunities.

The project meets the following site and neighborhood standards:

Site is adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities and streets are available to service the site;

Site promotes greater choice of housing opportunities and avoids undue concentration of assisted persons in areas containing a high proportion of low-income persons;

Site is accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents;

Site is located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower-income workers is not excessive.

Site is suitable for facilitating and furthering full compliance with fair housing objectives.



Proposed units fully meet federal Housing Quality Standards (HQS).

Other factors that may be considered include:

Experience of the applicant in managing residential housing and providing supportive services.

Whether the project provides one or more of the following supportive services aimed at assisting homeless participants re-establish permanent independent living and those services are appropriate for the target population:

- Childcare
- Job training/placement
- Case management
- Health care, mental health care or psychiatric care
- Transportation
- Employment assistance
- Education
- Vocational opportunities
- Life skills training
- Counseling, including housing counseling
- Substance abuse treatment
- Parenting skills
- Budgeting
- Housing information referrals

If services are provided, each tenant must have an Individual Service Plan (ISP) that details the specific services to be provided, their frequency and duration.

In the event the number of PBV applications exceeds the number of available vouchers, projects will be prioritized as follows unless otherwise outlined in the RFP:

- Existing housing projects will be favored over new construction or rehabilitation projects.
- Project provides comprehensive supportive services.
- Project serves homeless families with children (2+ bedroom units).
- Project serves homeless persons with disabilities.
- Project serves homeless elderly persons.



Project serves homeless individuals.

Project serves non-homeless persons with disabilities.

Project serves non-homeless elderly persons.

A review panel will determine the minimum score threshold an application must receive during the evaluation process, in order to receive an allocation of Project-based vouchers.

4. Housing Commission Owned Units and Units Owned by the Housing Commission's Limited Liability Companies

Project-based units in SDHC owned properties shall adhere to the same policies and procedures described in this Chapter.

Project Selection

Project-Based assistance for SDHC-owned properties will not be competitively bid, nor will there be an approval process through HUD. Rather, SDHC can make Project-Based funding available in SDHC owned properties in response to a written request. A separate request is required per property and must include the following: name and address of the property, total number of units, requested number of Project-Based vouchers, number of vouchers requested per unit size (including square footage for SROs), proposed rent per unit size, population to be served, and name, title and contact information for the project liaison. An original signature from the Department Vice President or authorized delegate is required on the written request, E-mailed and faxed copies will not be accepted.

Unit Selection

When initially selecting units for inclusion in the Project-Based program, the project liaison must insure all proposed units can meet the PBV requirements. Units that are currently occupied may not be submitted for inclusion in the initial HAP contract if the family in place declines the opportunity to qualify for the Project-Based program or the family is determined ineligible.

A written request may be submitted to add additional Project-Based units in the same building. These proposed units must meet all PBV requirements in order to be considered for inclusion. The approval of additional units does not alter the anniversary and expiration date of the existing HAP Contract. An addendum, listing the additional units, will be added to the existing HAP.

Project-Based Waiting List/Vacancy Referrals

At the initial lease up, the Rental Assistance department will randomly select the appropriate number of applicant families from the established Project-Based waiting list. The SDHC will send a referral list consisting of a sufficient number of families to fill the needed vacancies. When an owner receives a referral list, they must screen and select future tenants based on their specific rental requirements.

Rent Reasonableness

Rent reasonableness for the voucher-assisted units in such complexes may be determined by comparisons to similar units in the surrounding neighborhoods, rather than within the developments.



5. Environmental Review

Project-based voucher projects may be subject to environmental review requirements. Prior to execution of an Agreement to Enter into a Housing Assistance Payment Contract (if required), and a Housing Assistance Payment (HAP) Contract, the owner may be required to present evidence that the environmental review has been performed by a qualified entity or, where applicable, documentation that the project is categorically excluded from review under the National Environmental Policy Act (NEPA).

6. Designated Service Providers

Organizations and agencies awarded Project-based vouchers to assist the homeless and other specialized populations must execute a Memorandum of Understanding (MOU) with SDHC, in which the agency commits to providing specific services to their clients receiving assistance. The agency must establish a rational, fair, and auditable selection process for participating clients. This process should be related to the goals of the project-based voucher program, which does not discriminate against any applicant on the basis of membership in a protected class, and which does not violate any SDHC conflict of interest policy. The agency must agree to periodic audits by SDHC of its selection process.

SDHC will require verification of supportive services offered to families. Participation in services is not a condition of tenancy for the families. Providers are required to attempt to reengage families who are not participating in services. SDHC will audit providers to verify that services are being offered and reengagement of services is occurring.

7. Designated Service Provider Waiting List

Non-profit and for-profit owners, who are designated by the SDHC as a service provider, may be allowed to establish their own Project-Based waiting list, with written consent from the SDHC. The waiting list would be subject to requirements specified in the Housing Assistance Payment Contract and/or applicable agency/owner agreements. To qualify as a designated service provider, the non-profit or for-profit owner must provide housing and supportive services to a specified population that could not be easily identified using the established SDHC waiting list. Such populations may include, but are not limited to; Victims of Domestic Violence, former Foster Care youth and/or recovering drug addicts with more than one additional disability. The SDHC will require compliance for any supportive services obligations entered into by the family where supportive services are provided.

Requests to be included as a designated service provider will be reviewed on a case-by-case basis. Inclusion will be contingent upon compelling documentation showing why the SDHC maintained waiting list would not be sufficient due to the population served and the services provided.

Once approved as a designated service provider, the site-based wait list must be preapproved by the SDHC and is subject to audits as determined necessary by SDHC.

8. Coordinated Entry System (CES) System Participation

The CES system is required in PBV developments serving homeless populations.



Owners will participate in CES as established by the San Diego Regional Continuum of Care (CoC). Owner will adhere to the following criteria:

Homeless eligibility is based on HUD’s Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act homeless definition and obtaining homeless verification through a third party.

Projects must utilize the CES standardized vulnerability assessment tool in the program’s screening, referral and admissions processes for all participants.

Projects admissions will be prioritized based upon local standards, level of acuity and overall vulnerability determined via the common assessment tool.

Project staff will actively participate in Housing Navigation, Case Conferencing and /or other integral components of CES.

Owners will participate in Commission sponsored Provider Roundtables on a regular basis.

Additional resources and information pertaining to performance, Homeless Management Information System (HMIS), Continuum of Care and other topics relevant to Continuum of Care programs is available at www.hudexchange.info.

9. Homeless Management Information System (HMIS) Participation

Owner shall enter and maintain homeless client level data in the current approved HMIS as directed by the Regional Continuum of Care. Owner must obtain and report required programmatic information and data on a monthly basis. Data quality errors must be less than 10% of all program elements, listed on question 7 of the 0625 HUD Annual Progress Report (APR) available in Clarity.

In alignment with HUD, all homeless programming will adhere to Housing First principles as noted below:

Housing First is an approach to quickly and successfully connect individuals and families experiencing homelessness to permanent housing without preconditions and barriers to entry, such as sobriety, treatment or service participation requirements.

Supportive services are offered to maximize housing stability and prevent returns to homelessness as opposed to addressing predetermined treatment goals prior to permanent housing entry.

Source: United States Interagency Council on Homelessness, <https://www.usich.gov/tools-for-action/housing-first-checklist>.

10 Non-Designated Service Providers/ Non-Service Providers

Non-profit and for-profit owners, who do not request or are not selected as a designated service provider, must use the established Project Based waiting list maintained by the SDHC. Owners have the ability to refer their prospective and current tenants to the Project Based waiting list; however, owners are required to select and rent vacant contract units to eligible families selected from the waiting list.



SDHC will send a referral list consisting of a sufficient number of families to fill the needed vacancies. When an owner receives a referral list, he/she must screen and select future tenants based on their specific rental requirements.

Previous referral(s) issued for the same vacancy may be used only within a 6-month period.

11. In-Place Families

When units are initially awarded project based assistance and the selected unit(s) is occupied, SDHC will consider these families “in-place” and be given a selection preference for the now-assisted unit. The family will be scheduled for an intake interview and given the opportunity to demonstrate eligibility for the project-based voucher.

12. Eligibility for PBV Assistance

Families selected from the waiting list to participate in the MTW project-based voucher program may attend an intake interview and complete the intake process in order to be determined eligible for the program.

A preliminary eligibility determination may be conducted on-site by the owner or designated staff according to the HAP contract and the signed agreement between SDHC and the owner. Applicants for the project-based assistance program must meet the same initial eligibility requirements as applicants for the tenant-based voucher program, unless otherwise stated in the HAP contract and/or applicable agency/owner agreements, such as the MOU. The SDHC Administrative Plan supersedes agency/owner agreements.

The head of household and all adult family members 18 years and older must sign a Statement of Family Obligations that contains all of the family responsibilities under the Housing Choice Voucher program. Failure by the family to fulfill the Statement of Family Obligations may result in the family being terminated from the project-based voucher program.

SDHC will use abundant discretion when considering criminal history for applicants applying for vouchers that are associated with homeless initiatives.

13. Ongoing Eligibility

The landlord/service provider may be required to assist participants with completing the biennial recertification process. The landlord/service provider may schedule a biennial on-site interview to assist their participants with the completion of necessary recertification forms and the gathering of documents and required income and allowance verifications as stated in applicable agency/owner agreements.

Final eligibility and rent portion determinations will be completed by SDHC staff.

File audits will be conducted on regular basis for project-based voucher files.

A participant already receiving PBV assistance may not qualify for another PBV project.



14. Occupancy Standards

SDHC will apply the same Occupancy Standards in the project-based program as it uses for the tenant-based assistance program unless otherwise stated in the HAP Contract and/or addendums for the specific development.

15. Utility Allowance

Utility Allowance calculations will be computed for project-based units in the same manner as Moving to Work tenant-based voucher calculations.

16. Inspecting Units/Rent Reasonableness

HQS Inspections and Rent Reasonableness determinations will be conducted for project-based developments on a biennial basis.

17. Lease Agreement and HAP Contract

Owners will be required to use their own lease agreements along with the HUD mandated PBV Tenancy Addendum. The initial PBV HAP Contract will be issued for a term of up to twenty years at the discretion of the SDHC. Upon expiration of a HAP contract, the owner may be offered a renewal contract.

If an Agreement to Enter into a Housing Assistance Payment Contract is required, it must be executed prior to the execution of the HAP contract and within HUD guidelines.

18. Vacancy Loss/Damage Claims

When a project-based unit becomes vacant and the Owner/Agent has submitted a timely and complete claim within 60 days from the date the tenant vacated the unit, SDHC will pay to the owner 30 days of Housing Assistance payments to cover vacancy loss, provided that the owner has demonstrated good faith efforts to fill the vacant unit. The vacancy period is the beginning of the first calendar month after the move-out month for a period not exceeding one full month following the move-out month. The Housing Assistance Payment (HAP) will be the same as the previous month's HAP amount. SDHC will not make any further vacancy loss payments to the owner. SDHC will not pay the owner for any damages to the unit. The owner is encouraged to charge the tenant a sufficient security deposit to cover damages.

19. Exit Vouchers

If a family has participated in the Project-based voucher program for a minimum of 24 months and are in good standing with SDHC and Voucher Program requirements, the family may request to move from the project-based assisted unit and retain federal housing assistance under the tenant-based voucher program, if funding is available. However, no more than 35% of the tenants in any given development who become eligible to transition to a tenant-based voucher in any given calendar year (January 1 – December 31), and no more than 10% in any given month, would be allowed to move from the PBV assisted complex. A waiting list will be maintained for those wishing to move but who exceed the threshold.



The family must submit their request for a tenant-based voucher in writing prior to vacating the PBV unit.

The family must locate a program eligible unit to which it can relocate with continued rental assistance by the expiration of the voucher term.

SDHC will provide a tenant-based voucher when funding is available. When funding is not available, the family will be given priority once vouchers become available.

Families who leave the project-based voucher program before residing in the unit for 24 months and/or do not meet the requirements or agreements of the program are not eligible for continued assistance.

20. Rent Calculation Methodology and Minimum Rent for Tenant

The Path to Success rent calculation is used in the MTW PBV program. Refer to the applicable chapters where the Path to Success calculation and minimum rents are defined. All project-based voucher families will be recertified on a biennial basis.

21. Hardship Policy

Families who present a compelling reason to move from the PBV unit and receive a tenant-based voucher prior to fulfilling the 24-month occupancy requirement will be reviewed on a case-by-case basis. The case will go before the Vice President of Rental Assistance or designee and approval to move with a tenant-based voucher may be granted. Circumstances surrounding the request to move, such as VAWA requirements, employment opportunities in other PHA jurisdictions and availability of tenant-based vouchers will be considered as part of the determination.

SECTION 3: VETERANS AFFAIRS SUPPORTIVE HOUSING (VASH)

The 2008 Consolidated Appropriations Act (the Act) enacted in 12/26/07, provided millions of dollars of funding for the HUD-Veterans Affairs Supportive Housing (HUD-VASH) voucher program.

HUD awarded funding for HUD-VASH vouchers and the funding was made available to public housing agencies (PHAs) that partner with eligible VA Medical Centers (VAMC) or other entities as designated by the Secretary of the Department of Veterans Affairs, based on geographical need for such assistance as identified by the Secretary of the Department of Veterans Affairs.

The HUD-VASH program combines HUD HCV rental assistance for homeless veterans with case management and clinical services provided by the Veterans Affairs at its medical centers and in the community.

Generally, the HUD-VASH HCV program will be administered in accordance with regular HCV program requirements (24 CFR Section 982). However, the Act allows HUD to waive or specify alternative requirements for any provision of any statute or regulation that HUD administers in connection with this program in order to effectively deliver and administer HUD-VASH voucher assistance. In 2010 SDHC received a HUD waiver to administer the HUD-VASH vouchers similarly to MTW vouchers. The HUD-



approved MTW fiscal year 2013 Annual Plan included the following policies designed specifically for the HUD-VASH vouchers:

Any adults the VASH applicant/participant requests to add to his or her household will have a modified initial requirement for criminal history: no violent or drug-related criminal activity in the two years preceding application.

Minimum rent may be set at zero for the first 12 months of program participation. After the first 12 months, minimum rent shall be set at \$50.

Income garnishments that VASH participants experience may not be counted as income for the first 12 months of program participation.

To coincide with SDHC's rental assistance program administration, utility reimbursements will not be a part of the SDHC VASH program.

To coincide with SDHC's rental assistance program administration, VASH participants will be eligible for the biennial inspection cycle. The same criteria by which the general rental assistance program participants gain admission to the cycle must also be met.

The Moving to Work full time student definition, as described in Chapter 3 – Verifications, Assets, Income and Allowances of this document will be applicable.

While SDHC is required to waive some eligibility factors, all household members (including the veteran) will be held to the same standard as any other Housing Choice Voucher program participant once on the program.

SDHC will conduct a full recertification of household income, deductions, allowances, and family composition every two years. HQS Inspections are conducted on a biennial cycle.

The affordability cap for veteran families is 40% of their adjusted income. Families who move into targeted low-poverty neighborhoods will be allowed to pay up to 50% of their adjusted income. In order to qualify for this benefit, the family must demonstrate the ability to pay the higher rent burden.

For all other policies, the SDHC has adopted the published guidelines and has developed separate policy documents for VASH.

If VASH are Project Based, guidelines as contained in federal register publication FR-5976-N-03 "Housing Opportunity Through Modernization Act of 2016: Implementation of Various section 8 Voucher Provisions" will be adhered to.

SECTION 4: SPONSOR-BASE SUBSIDIES (SBS) FOR THE HOMELESS

SDHC provides subsidies to house homeless persons while sponsor organizations provide the necessary services. A typical sponsor is an organization providing supportive services to disabled individuals and/or individuals with substance abuse issues and requires additional housing resources to serve more clients.



Sponsors may be both non-profit and for-profit agencies. Developers may also qualify as a sponsor if a service provider is contracted to render appropriate supportive services.

Sponsor Selection: SDHC engages in a competitive solicitation processes to select prospective non-profit and for-profit sponsors. If the process does not solicit an adequate response, SDHC will select sponsors without a competitive process. Additionally, SDHC may award sponsor-based subsidies to SDHC-owned developments using a non-competitive process.

In the event SDHC intends to serve a highly specialized population wherein only one service provider possesses the capability, expertise, and resources to serve the target population, SDHC may award sponsor-based subsidies without a competitive process.

Populations Served: The program serves homeless populations, and other designated populations as determined by SDHC. Subsidies will also be used to create assisted living housing for individuals/families requiring direct medical care or recently released from a medical institution.

Waiting Lists: Utilization of the Coordinated Entry System (CES) is required for homeless populations. With SDHC permission, a sponsor agency may create and maintain a site-based waiting list under unique circumstances to serve specialized populations.

Inspections: SDHC conducts biennial Housing Quality Standards (HQS) inspections for each unit leased by a SBS program participant.

Administration: Sponsors provide program administration, including all eligibility and income determinations, rent calculations, interim and biennial certifications. Generally, the rent calculation method uses 28.5 percent of gross monthly income to generate the client's rent portion and resulting subsidy payment. A minimum rent of \$25 applies to the program. As determined appropriate, SDHC may apply the Path to Success calculation to ensure work-able participants are incentivized to progress towards self-sufficiency.

When a subsidy provides rental assistance for an individual bed rather than a unit, the maximum assistance for the bed will be determined according to the unit size, number of participants, and rent reasonableness determinations. The overall per bed subsidy in a given unit will not exceed the current SDHC payment standards for the unit size.

The sponsors will be required to create a program plan defining eligibility factors, leasing requirements, and termination policies and procedures. Sponsors will develop written service protocols and define methods of client management. A written service plan will be maintained for each participant in the SBS program.

Unit and Development Structures: Sponsor-based subsidies allow the rental assistance to be attached to a sponsoring agency. In the SBS program, the sponsor may utilize a tenant-based or project-based approach. A sponsor may also utilize sponsor-owned units for purposes of the program. Master leasing units within a development remains an option.

Monitoring: SDHC provides program oversight and evaluation and monitors the sponsor for compliance with program requirements. Monitoring includes full audits of Coordinated Entry System (CES)



utilization or waitlists, HMIS participation, rent calculation, tenant files, the administration of supportive service requirements, and any other items as determined necessary by SDHC.

As directed by the Regional Task Force on the Homeless, Sponsors shall enter and maintain homeless client level data in the current approved Homeless Management Information System (HMIS). Owner must obtain and report required programmatic information and data on a monthly basis, or as requested by SDHC.

Per HUD requirement, owner must ensure data entered into HMIS must be complete and must have an accuracy rate of at least 90%.

The sponsor utilizes HMIS to manage the clients' case management. Each sponsor is required to submit annual written reports detailing the progression of their program as well as pertinent client data required to issue the appropriate subsidy amounts. A report template will be provided by SDHC to the sponsoring agencies.

SECTION 5: FAMILY UNIFICATION PROGRAM (FUP)

In 1990, Congress authorized the Family Unification Program (FUP). This program was established when the lack of adequate housing emerged as a critical factor in the out-of-home placement of children. The intent of the program is to provide timely housing voucher assistance for reunifying families or for families whose children are at risk of out-of-home placement due to inadequate housing. It is administered by collaborating housing agencies and Child Welfare Agencies (CWA), FUP provides CWA families with Housing Choice Voucher rental assistance.

In August 2010, the SDHC received a Federal Grant providing for housing vouchers for families at risk of their children entering out-of-home care or reunifying families. A Memorandum of Understanding was executed between SDHC and the County of San Diego, Health and Human Services Agency Child Welfare Services Agency.

FUP vouchers are administered in accordance with the prescribed operating requirements (24 CFR Section 982) and are not eligible for fungibility under a PHA's MTW agreement. Additionally, as specifically required by the Appropriations Act, upon turnover, a voucher issued to a FUP eligible family must be re-issued to another FUP eligible family.

Once the family receives a FUP Voucher, terminations may occur because of the family's action or failure to act. The family will not be terminated if the child(ren) is not returned. See "Terminations and Program Integrity Unit" chapter for additional information about reviews and hearings.

The SDHC has adopted the published guidelines and has developed separate policy documents for FUP.

The Path to Success rent calculation is used in the FUP program. Refer to the applicable chapters where the Path to Success rent calculation and minimum rents are defined. All FUP families will be recertified on a biennial basis.

HQS inspections are conducted on a biennial cycle.



SECTION 6: NON-ELDERLY PERSONS WITH DISABILITIES VOUCHERS [24 CFR PART 982]

Non-Elderly with Disabilities (NED) Vouchers enable non-elderly disabled families to lease affordable private housing of their choice. NED vouchers also assist persons with disabilities who often face difficulties in locating suitable and accessible housing on the private market.

Only income eligible families whose head of household, spouse or co-head is non-elderly (under age 62) and disabled may receive a NED voucher. Families with only a minor child with a disability are not eligible.

NED vouchers utilize the flexibilities of the Moving to Work program, including the Path to Success rent calculation. See applicable MTW chapters.

NED families will be recertified on a biennial cycle. HQS Inspections will be conducted on a biennial cycle.

SECTION 7: TRANSITIONAL PROJECT BASED SUBSIDIES FOR THE HOMELESS

The Transitional Project Based Subsidies for the Homeless program will be a short-term, transitional housing program using flat-subsidy project-based subsidy paired with supportive services, offered by the selected provider agency.

Waiting Lists: The service-providing agency will utilize the CES, a referral system, or create and maintain a site-based waiting list, which will comply with Fair Housing Laws. SDHC will audit this list to ensure compliance. Program participants will be encouraged to apply for and remain on SDHC tenant-based waiting list in order to transfer to the tenant based voucher program.

Inspections: The units will be required to pass a modified HQS inspection. All units will be inspected annually or biennially depending on the condition of the project.

Administration: Auditing will be conducted by SDHC. SDHC may provide training, including working with the supportive services agency staff to conduct a streamlined intake process, collecting vital information and documents for the purposes of verifying identification, homelessness status, and modified criminal history requirements, to ensure all requirements are met. The intake and exit information will be provided to SDHC who will maintain vital data on each unit and its occupants to provide to HUD. The supportive service agency will also be required to submit annual reports to SDHC with information on occupancy per unit and program participation. The report template will be provided by SDHC to the partner agency.

Partner Selection: Project based subsidy for these programs will be awarded on a competitive basis. The exception will be if the program is housed in an SDHC-owned development, in which case the subsidy will be awarded non-competitively, per a prior HUD-approved MTW activity.

Program Plan: Each partner agency will be required to create a program plan containing the program requirements such as minimum occupancy requirements to receive subsidy. Refer to the HUD-approved Fiscal Year 2013 MTW Annual Plan for a comprehensive program description.



SECTION 8: FLAT SUBSIDIES FOR YOUTH AGING OUT OF THE FOSTER CARE SYSTEM

SDHC provides flat housing subsidies to a partnering agency delivering supportive services such as job placement, education, training, and case management. The housing subsidy program funds individual beds based on the unit size, number of participants, and rent reasonableness determinations. The housing subsidies and continued support offered through the partnering agency enable youth currently aging out of the foster care program to build on previous achievements, create new opportunities for successes, and experience positive outcomes.

The anticipated duration of the program is three years per participant, but will not exceed a total of five years per participant. The additional two years serves as a safeguard in the event the participant has not achieved stability as defined by the partnering agency. For this reason, a hardship policy is unnecessary. Participants are eligible for a tenant-based voucher upon termination of the time-limited program participation.

Partner Selection: SDHC will publish a Request for Qualifications/Proposals to select partnering agencies. If the process does not solicit an adequate response, SDHC will select partners based on a non-competitive process.

Waiting Lists: The partnering agency creates and maintain a site-based waiting list, which will be in compliance with Fair Housing Laws.

SDHC will audit the waiting list to ensure program compliance. The Coordinated Assessment Housing Placement methodology may be required in lieu of a waitlist.

Inspections: The units are required to pass HQS inspection at initial occupancy and on an annual basis.

Administration: The partnering agency is responsible for performing the administrative functions of the program including: Managing the waiting list, determining initial and ongoing eligibility, and program terminations. SDHC will work with the partnering agency's staff to create a streamlined intake process involving the collection of vital information and documents for the purposes of reviewing eligibility criteria, verifying identification, and utilizing modified criminal history requirements. Ongoing support related to streamlined recertification processes and rent calculations will be available to partnering agencies. Program auditing is conducted by SDHC. The supportive service agency are required to submit frequent reports to SDHC with relevant information concerning program participation and outcomes. Program participants will not be eligible for a tenant-based voucher at the conclusion of participation on the program.

SECTION 9: GUARDIAN SCHOLARS PROGRAM

The Guardian Scholars Program at San Diego State University (SDSU) provides resources to students either exiting the foster care system, under legal guardianship, designated as wards of the court, or unaccompanied homeless youth. The Educational Opportunity Program (EOP) operated on the SDSU campus provides the Guardian Scholars with an array of resources in an effort to support the students and ensure academic success. As a component of the program, Guardian Scholars reside in campus-supported housing during and between semesters. The holistic approach removes barriers for a



historically underserved population and increases the probability of completing post-secondary education. Currently, the program has a 95% graduation success rate.

The Guardian Scholars Program ensures an affordable education is accessible for the participating students. Using a Federal formula, a student's education is funded according to tiers: Financial aid and government grants are applied to the student's expenses, first funding the tuition, fees, books, meal plans, and finally the campus housing. Often, the funding resources are exhausted before the housing component is subsidized. The result is the student must rely on loans to fund the housing. The Guardian Scholars Program is in part supported through philanthropy to assist with reducing the student's reliance on loans, but a funding gap exists despite significant philanthropic support.

Housing subsidies issued by SDHC provide the financial support necessary for closing the funding gap for the student's housing expense. On an annual basis, SDHC provides \$200,000 to SDSU to fund the housing component of the Guardian Scholars Program. In addition, SDHC provides a dollar for dollar match to funds raised by SDSU through philanthropy, up to a maximum of \$400,000, to further assist with funding the student's housing elements. MTW funds will be applied to the housing component only after SDSU has calculated the funding gap for each student.

Administration: SDSU maintains the administrative functions for determining initial and on-going programmatic eligibility. SDHC documents a student's income levels upon admission into the program and certifies income levels biennially using a streamlined process. Full recertification of income are not conducted.

For purposes of initial eligibility, criminal history are not reviewed with the exception of sex offender status. Federal and/or state registration as a sex offender precludes individuals from participating in the program.

Participants are not eligible for a tenant-based voucher upon termination of program participation.

Inspections: Modified HQS Inspections are conducted at program implementation and on a biennial basis.

Application process: Prospective Guardian Scholars must apply for admission into the program and are subject to an eligibility process prescribed by SDSU before securing acceptance into the program. The current application process serves as the waitlist component of the program since applications are evaluated according to a predetermined method.

SECTION 10: THE MONARCH SCHOOL PROJECT

The Monarch School Project and SDHC partner to offer affordable housing solutions to families with school-aged children attending Monarch School. SDHC provides a monthly housing subsidy while families engage in supportive services activities as a condition of program participation. Parents must engage in work-readiness services through programs offered by Monarch and the Achievement Academy while contributing to the children's academic development and progress. Family contributions may include maintaining acceptable levels of attendance and continued engagement in the family's service plan.



Examples of mandatory supportive services offered through the Achievement Academy are the following:

- Resume and cover letter preparation
- Professionalism and self-management
- Workforce re-entry
- Career management skills
- Exploring job postings
- Networking and online professionalism
- Teamwork skills
- Interviewing skills
- Social media job search strategies
- Managing personal finances
- Budget preparation
- Banking basics
- Job placement services
- Access to an SDHC Work Readiness Specialist

Program Duration and Subsidy Calculation Methodology: The Monarch School Project provides rental assistance to homeless families on the condition that at least one minor (defined as ages 4 to 19) is attending Monarch School. Families are required to continually engage in, and meet the requirements of Achievement Academy activities and school-provided services as a condition of continued program participation. Additionally, families over 80% of the published Area Median Income for the given family size do not remain eligible for continued assistance; a six-month transition will be granted to families leaving the program if program termination is not due to failure to comply with program requirements. Subsidies are calculated at 30% of monthly income amounts and the applicable payment standards. A minimum rent of \$25 applies to the program. Assets, deductions, expenses, and allowances, including the utility allowance, are not considered for purposes of calculating the subsidy. The initial subsidy is determined at program entry and re-determined biennially until the conclusion of program participation.

SDHC provides initial monetary assistance, such as security deposits, to ensure families successfully lease a unit upon program admission. The assistance is in the form of a no-interest loan with low monthly repayments.

Administration: SDHC staff will determine eligibility, perform the subsidy calculations, process recertifications and interims.



For purposes of initial eligibility, criminal history is not reviewed with the exception of sex offender status and manufacturing methamphetamines within federally funded properties. Federal and/or state registration as a sex offender precludes individuals from participating in the program.

Participants are required to apply to the HCV tenant-based waitlist upon program admission. Participants do not automatically become eligible for a tenant-based voucher upon termination of program participation and must proceed through the waitlist process to obtain a tenant-based voucher.

Interest List: Families interested in program participation must complete and submit an interest form to Monarch School. The Regional Task Force on the Homeless (RTFH) prioritizes the interest list in accordance with the eligibility matrix criteria provided to the Coordinated Entry System

Selection from Interest List: Monarch staff assists families on the prioritized list to submit a Rental Assistance application to the San Diego Housing Commission. Once an application is received, SDHC staff gathers all required information/documents from the family to determine eligibility.

Recertifications: Monarch families will be recertified on a biennial basis.

HQS Inspections: Inspections are conducted at program admission and biennially thereafter.

In the initial years of implementation, SDHC has recognized that a range of services are needed to ensure housing stability for this population. SDHC will ensure families have access to the appropriate level of services and interventions, including permanent supportive housing (PSH). The Monarch School Project will provide rental assistance to homeless families with at least one minor (defined as ages 4 to 19) attending Monarch School at program admission. When the youngest child of the family has completed K-12 education, SDHC will conduct an evaluation to determine the appropriateness of future rental assistance and supportive services that best meets the family's needs.

Families are required to meet program requirements such as engaging in case management and school-provided services.

Subsidies will be calculated at 28.5 percent of monthly income amounts and the applicable payment standards. A minimum rent of \$25 applies to the program. Assets, deductions, expenses, and allowances, including the utility allowance, will not be considered for purposes of calculating the subsidy. The initial subsidy will be determined at program entry and re-determined biennially until the conclusion of program participation.

SECTION 11: LOCAL NON-TRADITIONAL ACTIVITIES IMPLEMENTED UNDER MTW

In an effort to increase affordable housing opportunities, SDHC may provide funds to acquire, renovate and/or build units that are not Public Housing or Housing Choice Voucher units. SDHC may also develop Rental Subsidy Programs designed to address local needs like homeless/transitional housing programs. For local non-traditional activities, SDHC will biennially review compliance that eligible families are at or below 80% of AMI. SDHC will also monitor that the property is safe, decent, sanitary, and in good repair based on SDHC inspection protocol.



SECTION 12: THE MOVING ON PROGRAM

SDHC implemented the Moving On Program, a local, non-traditional program intended to serve formerly homeless persons transitioning out of permanent supportive housing who no longer require intensive supportive services to maintain housing stability. The Moving On Program initiative supports tenants who are successful in their recovery to live more independently using a Federal subsidy while accessing community based resources, as needed. Additionally, the program frees up valuable permanent supportive housing and services for vulnerable homeless individuals in need of these resources.

Program Admission Process: SDHC will partner with local non-profits and other agencies to administer the program. Collaborators in this endeavor may include local agencies such as the County of San Diego Behavioral Health Services (BHS), and other agencies providing supportive services. However, any agency utilizing the Coordinated Entry System (CES) model to provide appropriate supportive services and housing to homeless persons may provide referrals for purposes of the Moving On Program. SDHC will seek guidance from San Diego’s Regional Continuum of Care Council (RCCC) during the primary stages of implementation to ensure the program aligns with the region’s efforts.

The Moving On waitlist will utilize date, time, and a Moving On preference as selection criteria for program applicants. To ensure eligibility for the Moving On preference, the partnering agency must assess candidates and provide referrals to SDHC for placement onto the Moving On waitlist with the Moving On preference selected. The candidate will also be required to apply to the Housing Choice Voucher waitlist at this time.

The assessment process will require utilization of a common assessment tool by the partner to ensure viable candidates are identified for the program. As Moving On subsidies become available, applicants are selected from the Moving On waitlist according to the date and time of the referral as well as the Moving On preference. The initial eligibility process requires verification of meeting the Moving On criterion. Applicants for whom the Moving On verification cannot be obtained will be denied eligibility. SDHC encourages case managers to assist with eligibility activities to ensure compliance with the process.

Administration: The waitlist selection, initial/ongoing eligibility, and termination processes are administered similar to Housing Choice Voucher requirements. For purposes of initial eligibility, reduced criminal history requirements will be applied. MTW flexibilities will be applied to Moving On subsidies.

Subsidy Calculation and Administration: MTW flexibilities will be used in the administration of the Moving On Program to streamline processes, thus ensuring efficiency and effectiveness. Subsidies will be calculated according to the Path to the Success rent calculation, MTW activity 2012-1. Rent reasonableness regulations, SDHC subsidy standard policies, and SDHC payment standards (including Choice Communities) will be applied to the Moving On program with applicable MTW flexibilities enacted.

Since move-in costs oftentimes serve as a barrier to prospective participants of the Moving On program, SDHC may elect to provide funds to assist with moving expenses such as utility deposits, security deposits, first month’s rent, etc.



Biennial Recertifications: Moving On families will be recertified on a biennial basis.

HQS Inspections: Inspections will be conducted at new admission and biennially thereafter.

Supportive Services: Although participants of the Moving On program have demonstrated the ability to maintain stable housing, the stresses related to a transition into the Moving On program may cause a certain degree of relapse. For this reason, SDHC will require community providers to offer an appropriate level of supportive services through the transition and ongoing, as necessary, until stability is ensured. The service provider will remain available to the participant for the duration of the program in the event of a full or partial relapse. The service provider will also be available to provide referrals to community resources to further ensure recovery and stabilization. Moving On participants will have access to SDHC's Achievement Academy, but participation in Achievement Academy activities is not mandatory. The Achievement Academy provides an array of work-readiness services, such as job placement and counseling, to ensure motivated rental assistance participants are able to obtain employment and increase financial self-reliance.

SECTION 13: MAINSTREAM VOUCHERS

The Mainstream Voucher Program provides tenant based vouchers for low-income households that include a person with disabilities. SDHC Mainstream Voucher program provides vouchers to homeless families that include a non-elderly person with a disability between the ages of 18 - 61. The non-elderly person with a disability can be any household member.

Administration: Applicants for the Mainstream Voucher Program must be selected from the PHA's tenant based waiting list.

MTW flexibilities will be used in the administration of the Mainstream Voucher Program. Subsidies will be calculated according to the Path to the Success rent calculation. Rent reasonableness regulations, SDHC subsidy standard policies, and SDHC payment standards will be applied to the Mainstream Voucher program with applicable MTW flexibilities enacted.

All Mainstream Voucher participants will be recertified on a biennial basis.

HQS inspections are conducted on a biennial cycle.

SECTION 14: HOMELESS DEFINITIONS

SDHC will use HUD's definition of Literally Homeless:

- 1) An individual or family who lacks a fixed, regular, and adequate nighttime residence;
meaning:
 - a) Has a primary nighttime residence that is a public or private place not meant for human habitation;



- b) Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs); or
- c) Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution

“At Risk of Homelessness” means:

- 1) Households with incomes at or below the greater of 20% of State Median Income (SMI) or Area Median Income (AMI) with no rental subsidy available to the household; or
- 2) Households with incomes above 20% but not exceeding 30% of the greater SMI or AMI who:
 - a) Face immediate eviction and have been unable to identify a subsequent residence; or
 - b) Face imminent release from an institution (i.e.; jail, hospital or foster care system) where other housing placement resources are not available; or
 - c) Reside in an overcrowded setting (more than two persons per living/sleeping area) in which the household does not hold a lease; or
 - d) Reside in substandard housing subject to a current official vacation notice; or
 - e) Pay more than 50% of income in housing costs

Homeless applicants who meet the criteria described above must provide certification of homeless status from a public or private facility that provides shelter for such households, or from the local police department, or any social service agency that provides services for homeless people.

Applicants who are homeless due to residing in a transitional housing program must provide a letter from the transitional program’s sponsoring agency documenting the applicant’s participation and readiness to maintain an independent tenancy.

Note: At risk of homelessness served through authorized non-traditional Moving to Work Programs.

“Chronically Homeless” means:

- 1) A "homeless individual with a disability" as defined in section 401(9) of the McKinney-Vento Homeless Assistance Act, who:
 - a) Lives in a place not meant for human habitation, a safe haven, or in an emergency shelter; and
 - b) Has been homeless and living as described in paragraph (1)(a) of this definition continuously for at least 12 months or on at least four separate occasions in the last three years, as long as the combined occasions equal at least 12 months and each break in homelessness separating the occasions included at least seven consecutive nights of not living as described in paragraph (1)(a). Stays in institutional care facilities for fewer



than 90 days will not constitute a break in homelessness, but rather such stays are included in the 12-month total, as long as the individual was living or residing in a place not meant for human habitation, a safe haven, or an emergency shelter immediately before entering the institutional care facility;

2) An individual who has been residing in an institutional care facility for fewer than 90 days and met all of the criteria in paragraph (1) of this definition, before entering that facility; or

3) A family with an adult head of household (or if there is no adult in the family, a minor head of household) who meets all of the criteria in paragraphs (1) or (2) of this definition, including a family whose composition has fluctuated while the head of household has been homeless.

A literally Homeless Veteran is:

1) An individual or family who meets HUD's definition of homeless and

2) Is a person who has served in the active military service of the United States and who shall have been released under conditions other than dishonorable.



RESERVED



A. INTRODUCTION

The following Action Plan describes the policies and procedures for operating SDHC’s Family Self-Sufficiency (FSS) Program. These policies adhere to the regulations set forth by the U.S. Department of Housing and Urban Development (HUD) for administering the FSS Program.

Since its inception, SDHC’s FSS Program has expanded to encompass career development services and resources as core components of the FSS Program for families receiving Housing Choice Voucher assistance in the city of San Diego. Starting on July 1, 2015, families who reside at Public Housing properties in the city of San Diego will be eligible to participate. This leveraged approach integrates resources and services that promote economic stability including, but not limited to, financial education and planning, credit repair, consumer education, homebuyer preparation, and small business/entrepreneurship.

B. OVERVIEW OF FAMILY SELF SUFFICIENCY [24 CFR 984.101, 984.105]

1. Program Description

The SDHC’s initial FSS Incentive Award allocation was 265, with 400 additional slots added in October 1998. The current Minimum Program size (MPS), as of July 2010, is 171 slots. The FSS Program is designed to support SDHC assisted families in obtaining the training, education, employment, and support services necessary to increase their earned income, to relinquish welfare assistance, and to achieve economic self-sufficiency. Upon enrollment, participants receive guidance in identifying a viable career goal that will meet their economic needs and which offers upward mobility through career track options. While the FSS Program encourages families to reach an earning level that makes housing assistance unnecessary, their housing assistance is not impacted by successful completion of the FSS Program.

Families who choose to enter the FSS Program must execute a Contract of Participation (Contract) which identifies the responsibilities of the participant, as well as the role of SDHC and partnering service providers. The Contract includes the development of an Individual Training and Services Plan (Career Plan) outlining the participant's goals and interim steps toward self-sufficiency. The Contract is entered into a period of two (2) years, although in some cases, a participant may complete his or her Contract in less time. Participants enrolled into the old FSS program will remain under the original contract and will be able to remain in the program for up to 5 years.

Housing authorities are required by HUD to provide FSS participants with an array of support services coordinated by SDHC's staff and the staff of partner organizations. In addition, HUD requires that housing authorities establish an escrow account on behalf of eligible FSS participants. Eligibility for an escrow account deposit is determined by a HUD-approved formula, based on income data. Families with escrow accounts are able to make interim and final withdrawals based on HUD regulations and SDHC policies as outlined in this FSS Action Plan. FSS regulations and policies are explained to participants at orientation, at the time the Contract is executed, and at various times throughout their participation in the program.



The Consolidated Appropriations Act, 2014, allowed that the programs for Housing Choice Voucher families and Public Housing families to be merged into one program. Policies and procedures will be the same for Housing Choice Voucher and Public Housing families except as otherwise noted and fully described in the SDHC HCV Administrative Plan and the SDHC Public Housing Administrative and Continued Occupancy Plan.

2. Minimum Program Size

HUD requires housing authorities to establish a minimum number of FSS slots for SDHC assisted participants. The minimum program size (MPS) was originally determined by the number of units reserved in the 1991-1992 fiscal year under the Family Self Sufficiency Incentive Award dated February 7, 1992. Added to this number was the total number of units of any new allocations from fiscal year 1993 through October 20, 1998. The FSS Incentive Award allocation in fiscal year 1991-1992 for the program was 265 certificates and vouchers. Allocations between fiscal year 1993 and October 20, 1998, added 400 slots to the MPS. By October 20, 1998, the MPS grew to 595 slots.

The SDHC may request to operate an FSS Program smaller than the mandatory MPS when necessary due to local circumstances in which there is a:

- Decrease in or lack of accessible support services;
- Decrease in or lack of funding for reasonable administrative costs;
- Decrease in or lack of cooperation by other units of state or local government; or
- Decrease in or lack of interest in participation in the program on the part of eligible families.

3. Coordination of Support Services

During the FSS Program's intake process, the participant works with an FSS Service Coordinator to develop a two-year Career Plan leading toward economic self-sufficiency. The participant and Service Coordinator work as a team in developing a career-related goal, and in determining the needed support services and interim steps necessary to complete this goal. During the Contract term, Service Coordinators refer FSS participants to partner organizations that provide the necessary support services to assist participants in completing their Career Plan.

The SDHC collaborates with the following organizations in providing services to FSS participants: San Diego Community College District, University of California-San Diego, San Diego State University, Southwestern College, San Diego Workforce Partnership, One-Stop Career Centers, the County's Health & Human Services Agency, Family Health Centers of San Diego, Community HousingWorks, US Bank, Citibank, Accion San Diego, Money Management International, Housing Opportunities Collaborative, and others.

Support services coordinated by SDHC may include:

- Case Management
- Vocational Assessment
- Career Planning



Micro-Business Development
Non-Traditional Career Development
Personal Development
Escrow Account Interim Withdrawals
Transportation Assistance
Childcare Assistance
Professional Clothing
Book Scholarships
Credit and Debt Counseling
Asset Building

4. Outreach Strategies

The FSS Program is advertised to families in the waiting area of the Agency's main office via brochures, newsletters, electronic and other printed materials. SDHC staff throughout the Agency and staff of partner organizations also refer clients to the FSS Program.

5. Program Orientation

Families interested in joining the FSS Program are invited to attend an orientation in order to gain information about the program. Orientations are conducted primarily at the SDHC Achievement Academy or at an accessible and safe alternate venue at times of day that will accommodate the needs of prospective participants. If a participant is not able to attend a regularly scheduled orientation, they may request to have an orientation conducted one-on-one, to have any orientation conducted via phone or by a different accommodating method. Language translation is provided on an as-needed basis to meet the needs of monolingual residents. At each orientation, attendees are given a general overview of the program and are led through a sample Contract and Career Plan. The roles and responsibilities of FSS participants, as well as the role of SDHC and service providers are described along with details about support services, escrow accounts, program policies, and expectations and requirements for successful completion of the program. Participants are invited to make an individual appointment with an FSS Service Coordinator to sign an FSS Contract and develop a Career Plan for achieving their self-sufficiency goals.

6. Incentives to Participate

The SDHC's FSS Program offers potential participants the following incentives:

Individual assistance from a Service Coordinator in drafting and implementing a Career Plan;
Referrals to partner organizations for support services that help remove barriers toward the attainment of self-sufficiency;



Referrals for technical assistance, training and support in the areas of micro-business and non-traditional career development;

Peer support and personal development programming;

Transportation support in order to attend FSS sponsored events (funding permitting);

If eligible, establishment of an interest bearing escrow account and interim withdrawals.

7. Families not Participating in FSS

Participation in the FSS Program is voluntary. Families who elect not to participate in FSS retain all other rights and responsibilities afforded to them under SDHC program regulations, as well as rights to occupancy in accordance with any applicable lease. Families who join, but later leave the FSS Program, also retain all rights and responsibilities afforded to them under the Section 8 and Public Housing programs administered by SDHC.

C. PARTICIPANT SELECTION

1. Non-Discrimination in Participant Selection

Selection of participants for the FSS Program is made without regard for race, color, gender, religious creed, national or ethnic origin, age, family or marital status, sexual orientation, gender identity or physical ability. All selections are made in accordance with the SDHC Fair Housing Policy described in the Administrative Plan for the Section 8 Voucher and Public Housing Programs.

2. Eligibility for Participation

Participation in the FSS Program is available on a voluntary basis to all SDHC assisted families.

In Fiscal Year 2015, the Moving to Work program flexibility allowed for a change in the eligibility criteria, allowing adult non-head of households, 18 or older, to enroll in the FSS program. This expands enrollment in FSS beyond the head-of-household, and provides the opportunity for FSS enrollment to more than 9,400 non-head of household adults. Non-head of households who enter into a Contract will be responsible for the completion of the Career Plan and must be employed by the end of their participation in order for the FSS family to successfully complete the program; all other requirements under the FSS program apply. There will be only one FSS escrow account per household. The execution of a Contract by a non-head of household will occur only in instances where the head-of-household is not able to actively participate in the program.

If a participant is enrolled in FSS but will not be able to continue with the program due to extenuating circumstances, they must contact their Service Coordinator and request to be withdrawn from the program. This is in order to be eligible to rejoin at a later date pending recommendation by a Service Coordinator and approval of the Director of the Workforce and Economic Development Unit. In such case, the participant must provide adequate documentation to verify that extenuating circumstances prevented the participant from meeting the terms of their original contract (e.g., health related reasons, participant was a victim of domestic violence; a member of the household experienced serious illness or death; the educational institution the



participant was attending closed unexpectedly). Re-enrollment is allowed as long as a participant has not received an escrow payment through another Family Self-Sufficiency program and they exited the program on good terms without graduating.

3. Prerequisites and Waiting List

In general, FSS clients will be selected on a first come first served basis. Should the current program size be filled, priority on the FSS waiting list will be given to any eligible participant who ported-in from another jurisdiction and was actively participating in the FSS Program at the original Housing Authority. FSS Coordinator(s) will contact original FSS Program to ensure client was actively participating in program at time portability option exercised. The department will maintain a waiting list, should it be necessary, for the FSS Program on a first come first served basis. Exception will only be granted based on incoming portability client (see above).

Once a participant has applied to the FSS Program, the following procedures are followed to determine if client will be eligible to participate in FSS:

A letter along with a questionnaire form is sent to applicant. The FSS Coordinator will specify when the applicant has to complete and return the form (form requests more specific information regarding goals, barriers and times and days applicant available for appointment). Should applicant fail to complete and return the form within the allotted time, their application to FSS is withdrawn and participant must re-apply if interested.

Once completed, return form (see above) is received within allotted time; first appointment is scheduled for applicant.

At first appointment applicant and FSS Coordinator complete a needs assessment. Applicant is given a set of pre-selection tasks to complete (all tasks relate to breaking through barriers and/or completing first steps towards applicant's future goals) to assess motivational level.

A second appointment is held, usually within 2-6 weeks of first appointment, to determine status of applicant. If applicant has successfully completed pre-selection tasks- applicant shall be invited to join the FSS Program (provided FSS slot is available). If applicant has not succeeded at completing pre-selection tasks the following shall apply:

If applicant wants to participate in FSS Program, then applicant must:

Provide verification that pre-selection tasks were not completed due to: personal or dependent medical situations, lack of available service necessary to complete tasks, and/or inability to complete tasks due to disability of applicant.

Agree to complete tasks within time period set by FSS Coordinator (tasks may be revised based on above issues).

Complete tasks.

If applicant does not want to participate in FSS Program, or fails to complete tasks in accordance with above rules, then applicant's FSS file shall be closed and applicant will be notified, in writing, of file closure. Applicant must re-apply if interested in future FSS participation.



The applicant must enroll within one year of attending the orientation. If they do not enroll within one year the applicant must attend a new orientation and restart the application process.

Eligible applicants (applicants who have met above criteria) shall be able to join the FSS Program provided they are active and current HCV Program participants within the jurisdiction of SDHC and as long as there is a slot available.

4. Participants with Disabilities

SDHC encourages all residents to reach their self-sufficiency potential. Residents with differing abilities are included in FSS outreach efforts. SDHC does not define the nature, character, duration or any other aspect of a disability, but relies on verification of a qualified physician.

Participants who become disabled after joining the FSS program are responsible for updating their Career Plan in accordance with any medically necessary requirements that impact their ability to work. Because the FSS Program requires participants have a job-related goal, participants whose professional third party determines they will not be able to work under any circumstances (permanent disability) will be referred to appropriate service providers. Upon such referral, the participant's FSS Contract will be terminated and any accrued escrow funds will be forfeited.

Exceptions to the 32 hour work requirement, described in section III. Service Delivery below, are based solely on third party verification by a professional third party of an inability to work the required number of hours. No exceptions to other standard criteria will be considered. FSS participants with disabilities must be free of welfare for six consecutive months and have completed all the steps identified in their Career Plan, in addition to working a physician-approved number of hours to be considered for graduation from the FSS Program.

5. Accommodations to a Person with a Disability

It is the policy of SDHC to be service-directed in the administration of the FSS Program, and to exercise and demonstrate a high level of professionalism while providing services to families. The SDHC policies and procedures regarding accommodations to a person with a disability as contained in the Section 8 Administrative Plan, described in Chapter 1 Section F, shall be the adopted policy and procedures for the FSS Program.

Additionally, SDHC policies and procedures pertaining to verification of reasonable accommodation to accommodate a person with a disability, as contained in the Section 8 Administrative Plan Chapter 3 Section N, shall be the adopted policy and procedures for the FSS Program.

6. Denial of Participation

The SDHC may deny participation to families who wish to join the program. Participation will be denied to families who:

- Owe money to SDHC or any other housing authority;

- Have support service needs which present an undue financial or administrative burden to the Agency;



Act in ways which are contrary to the intent of the program (e.g., repeatedly fail to attend intake appointments; fail to attend mandatory activities; fail to create, update or implement a Career Plan; communicate a lack of intent to engage in activities related to successful completion of the Contract; perform inappropriate actions or communications toward FSS participants, staff or its partners);

Have successfully met the terms of a previous FSS Contract with the SDHC or another housing authority, and officially graduated from the program with or without an escrow account;

Do not meet eligibility criteria as detailed in section B. Eligibility For Participation above, which states "Participation in the FSS Program is available on a voluntary basis."

D. SERVICE DELIVERY [24 CFR 984.303(a), 984.303(b)]

Once enrolling and after attending a mandatory orientation session, the individual is invited to schedule an intake appointment with an FSS Service Coordinator.

1. Contract of Participation

During the intake appointment, a Contract is signed by the designated participant. The Contract describes the rights and responsibilities of the participant, SDHC, and its partners. The initial Contract term is two (2) years. The contract may be extended, in writing, and at the family's request, for a maximum of three additional years for good cause. Approval of such request is at the discretion of the Director of Workforce & Economic Development. Extensions will only be granted in rare circumstances, beyond the control of the family, and which prevent completion of the Career Plan.

The FSS Program start date will be the first day of the month following the date in which the Contract was signed by the participant and the FSS Service Coordinator. In compliance with HUD regulations, a contract cannot be executed if the time between a family's most recent HUD 50058 recertification and the FSS Contract start date exceeds 120 days. When a HUD 50058 recertification exceeds the 120 day time period, the family will have to request an interim 50058 recertification with the appropriate SDHC housing assistance department.

2. Individual Training and Service Plan

The Individual Training and Services Plan (Career Plan) identifies the participant's job-related final goal, as well as interim steps with timelines for completion. The final goal must demonstrate job advancement on the part of the participant through increased skills acquired during the term of the contract. These steps and timelines are monitored by the FSS participant and their FSS Service Coordinator throughout the two-year Contract period. Participants whose final goal is to operate a business must have an approved business plan as one of their interim goals. Business plans must be approved by a reliable source, such as the Small Business Development Center, Southwestern College, Accion, etc.

The individualized Career Plan encompasses a range of goals, including but not limited to:



Career Exploration

Skills Development

Education and Training

Employment

Barrier Identification

Resource Identification

3. Graduation Requirements

Completion of the Contract and official graduation from the FSS Program occurs when the participant is determined to be self-sufficient and has met all of the following conditions:

All steps in the participant's individual Career Plan have been completed, including the achievement of the final goal;

A FSS participant and all members of the household must be free of welfare assistance for six consecutive months before Contract expiration. Welfare assistance is defined by HUD as "income assistance from Federal or state welfare programs and includes cash maintenance payments designed to meet a family's ongoing basic needs". The SDHC considers payments made to participants through Temporary Assistance to Needy Families (TANF) and General Relief programs to be Federal or state welfare programs. The SDHC may request a third-party verification that the participating family has not received these types of cash maintenance payments for the preceding six months prior to final graduation approval, and disbursement of escrow funds; and

The participant must be employed, and must provide verification that the combined number of hours of employment per week for his or her household is no less than 32 hours. Disabled participants must provide third party verification if unable to work 32 hours per week. Minimum employment standards for disabled participants will factor in appropriate information from a professional third party competent to make the assessment.

Alternatively, a participant can be determined to be "self-sufficient" if 30% of the family's monthly-adjusted income is equal to or greater than the fair market rate for the unit size for which the family qualifies.

Participants who meet all graduation requirements prior to the expiration of their Contract will be graduated early, if no additional significant steps are added to their Career Plan. Participants may not stay in the program for the sole purpose of increasing their escrow savings.

4. Escrow Accounts

As incentive for families to join the FSS Program, and as a strategy to assist families in building assets, HUD regulations allow an escrow account to be established on behalf of eligible families. Eligibility for an escrow account is determined according to a HUD-defined formula using the family's income data. In its FY 13 MTW Plan, SDHC revised the FSS escrow calculation from escrow credits based solely on earned income increases to providing escrow credits for participants who demonstrate behaviors that maximize



the likelihood of increasing financial stability and self-sufficiency. The revised calculation provides escrow credits based on completed outcomes, including income increases, initial activities completed, and annual engagement, establishing savings, and voluntarily surrendering rental assistance due to becoming self-sufficient.

As the family's earned income increases and the household rent increases, the FSS Program Analyst will determine escrow eligibility according to the HUD formula in combination with the escrow-eligible based outcomes.

One Time Efforts	Amount
HAP is less than \$250 at end of program	\$1,500.00
Participant reaches final FSS career goal	\$500.00
Participant obtains full-time employment - with 6 month retention	\$500.00
Participant graduates from an accredited 4 year university	\$250.00
Participant obtains part-time employment (less than 32 hrs.) - with 6 month retention	\$250.00
Participant is no longer receiving cash aid assistance	\$250.00
Participant establishes a personal savings account and saves at least \$500	\$250.00
Participant increases at least one tier on the Path to Success Tiered Rent Table	\$1,000.00
Participant graduates from a vocational program or 2 year college	\$100.00
Participant establishes a credit history (going from a "No Score" to an actual credit score) or increased credit score	\$100.00
Annual engagement - participant met with WRS on time for each semi-annual appointment	\$100.00
Participant completes the benefits screening process	\$50.00



One Time Efforts:

Housing Assistance Payment Reduction - \$1,500

In order to receive this award amount, the participant must have the SDHC Housing Assistance Payment (housing subsidy) be \$250 or less. If the participant is planning to surrender their Housing Choice Voucher as part of their FSS graduation, they are also able to receive this award.

Final Goal Achieved - \$500

In order to receive this award amount, the participant must accomplish their final career goal within the first two years of their contract of participation. If the participant receives an extension they are still able to graduate, but are not able to receive this award.

Full Time Employment Achieved - \$500

In order to receive this award amount, the participant must obtain a full-time position working more than 32 hours a week, or its equivalent if the participant operates a small business, and retain the position for a minimum of six consecutive months. Participant must provide

1. Employment Verification form
2. Proof of the original start date
3. Pay stubs for six consecutive months; or
4. Verification of Self Employment form
5. Income statements for six consecutive months or federal and state individual income tax returns

Graduation from a Four Year College Achieved - \$250

In order to receive this award amount, the participant must graduate from a four-year higher education institution that is accredited through a group that is recognized by the United States Department of Education or the Council for Higher Education Accreditation (CHEA). The participant must provide:

1. Copy of diploma or a letter on official school letterhead certifying graduation
2. Accreditation verification from US Department of Education or CHEA website. No verification is needed for any school that is part of the University of California system; California State University system; University of San Diego; Point Loma Nazarene University; Alliant International University or National University.

Part Time Employment Achieved - \$250

In order to receive this award amount, the participant must obtain a part-time position working no more than 32 hours a week, or its equivalent if the participant operates a small business, and retain the position for a minimum of six consecutive months. Participant must provide:

1. Employment Verification form
2. Proof of the original start date



3. Pay stubs for six consecutive months; or
4. Verification of Self Employment form
5. Income statements for six consecutive months or federal and state individual income tax returns

No Cash Aid - \$250

In order to receive this award amount, the participant and every member of the family must be free of receiving cash aid assistance for at least six consecutive months prior to the expiration of their contract of participation. Verification will be made on the CalWIN website.

Personal Savings Account - \$250

In order to receive this award amount, the participant must establish a personal savings account or Certificates of Deposit (CDs) account with a bank or credit union that reflects a minimum balance of \$500 for at least six months. The award is only available to participants who provide a copy of their bank statement at least three months prior to the expiration of the contract of participation. Checking or debit accounts are not eligible for this award.

Increase in Path to Success Rent Tier Table - \$1,000

In order to receive this award amount, the participant must increase at least one tier in the SDHC Path-to-Success Rent Tiered table. However, if the participant decreases one or more tiers they are still able to graduate, but are not able to receive this award.

Graduation from a Two Year College / Vocational Program Achieved - \$100

In order to receive this award amount, the participant must graduate from a two year higher education institution such as any institution that is part of the California Community Colleges System; or any institution that is accredited through a group that is recognized by the United States Department of Education or the Council for Higher Education Accreditation (CHEA); or graduation from a vocational program that is part of the California's Eligible Training Provider List in compliance with the Workforce Investment Act (WIA) of 1998. The participant must provide:

1. Copy of diploma or a letter on official school letterhead certifying graduation
2. Accreditation verification from US Department of Education, CHEA, or ETPL website. No verification needed for California Community Colleges System.

Establish or Increase Credit Score - \$100

In order to receive this award amount, the participant must establish a credit history (going from a "No Score" to an actual credit score) or increase their credit score at least one point. The baseline score/credit report must be dated after the participant's enrollment in the FSS program and their follow-up score/credit report must be dated prior to the expiration of the contract of participation. The participant must provide:

1. A copy of the credit report with score, or



2. A letter from a credit counseling agency confirming a credit score increase

Annual Engagement - \$100

In order to receive this award amount, the participant must meet with their Workforce Readiness Specialist on time for each semi-annual appointment and any other appointments specified in the Individual Training & Services Plan. The participant needs to complete the program within two years, if the participant receives an extension they are still able to graduate, but are not able to receive this award.

Benefits Screening - \$50

In order to receive this award amount, the participant must have a benefits screening conducted by an SDHC Achievement Academy staff /partner during the term of their contract of participation. In order to receive the award the participant must also be eligible for, apply, and receive at least one benefit listed in the Self-Sufficiency Calculator Intake Questionnaire. A participant is not eligible to receive this award if they are not eligible for any of the benefits listed on the Questionnaire or if they have previously applied and received the benefit prior to enrolling in the FSS program.

If the family is eligible for an escrow account, the FSS Program Analyst will then determine the amount of escrow credits, as appropriate, on behalf of the participant (in accordance with 24 Code of Federal Regulations 984.304). Escrow funds are held in the participant's name until requirements for final withdrawals have been met by the participant.

SHDC may permit FSS participants to make interim withdrawals from the escrow accounts established on their behalf in order to remove barriers related to the completion of their Career Plan. The criteria under which FSS participants may make interim withdrawals are defined in Section F - Support Services.

Participants with balances in an escrow account established by the SDHC on their behalf may apply for a final withdrawal of funds if the terms of their Contract have been met prior to its expiration and the participant has:

Completed the steps in their Career Plan; and

Provided verification that he or she is employed, and the combined total number of hours worked per week for the household is at least 32 hours; and

Certified that all members of the household have not received welfare assistance for six consecutive months prior to the Contract end date; OR

30% of the family's monthly-adjusted income is equal to or greater than the fair market rate for the bedroom size they are eligible for, and the family has certified that no one is receiving welfare assistance.

5. Career Planning and Personal Development Workshops

The Family Self-Sufficiency Career Planning and Personal Development Workshops are designed specifically for program participants and facilitated by FSS staff and qualified partners. The topics covered in the workshops may include, but are not limited to:

Skills Inventory



- Workforce Development
- Goal-Setting and Decision-Making
- Demand Occupations
- Time Management
- Resource Identification
- Career Planning
- Credit and Budgeting
- Recruitment Fairs
- Resource Fairs

Participation in these Workshops provides each participant with the tools necessary to complete a written, individualized Career Plan complete with education, training and employment objectives; an empowering peer support and community building group experience; and resources and information helpful in overcoming obstacles towards self-sufficiency.

6. Career Support Activities

In order to provide participants with ongoing, regularly scheduled opportunities to receive support from FSS staff, SDHC offers career support activities via individual appointments with a Service Coordinator. To accommodate the schedules of working participants, the program offers an Extended Hours schedule. These sessions provide participants with on-going support in career development, as well as the opportunity to clarify questions about the FSS Program and request support services. Discussions often focus on resource identification, education, employment and barriers that may interfere with completion of the Contract. During the meeting, participants are referred to partner organizations that provide needed support services.

As part of their semi-annual attendance requirement, all FSS participants must meet individually with their Service Coordinator to do a thorough and in-depth update of their Career Plan. Intake appointments with Service Coordinators at the start of the program may not be counted toward the annual update requirement.

Support services may be reduced or denied to participants who have not attended an update meeting at least semi-annually, or more often, as identified in their Career Plan. Families who do not attend the mandatory number of meetings may also be denied interim escrow account withdrawals until such time as this requirement is fulfilled.

7. Education, Training, Technical Assistance and Employment

Education, training, and technical assistance plans leading to self-sufficiency employment are developed by participants through: interaction with their FSS Service Coordinator, interaction with collaborating partner organizations, attendance at the Career Planning and Personal Development Workshop and annual update meetings. Assistance in the areas of career planning, education, training, micro-business,



nontraditional career development, financial literacy, home ownership, and other topics related to self-sufficiency are provided on an ongoing basis.

E. TERMINATION OF PARTICIPATION [24 CFR 984.303(h)]

SDHC may terminate a participant's involvement in the FSS Program for willful and/or repeated failure to comply with the terms of the Contract as described in section II. Participant Selection. The FSS Contract is automatically terminated if the family's housing assistance is terminated in accordance with HUD requirements, or if the family voluntarily surrenders their housing assistance. Families who are dropped from SDHC housing assistance for program or lease violations are not eligible to withdraw any escrow account funds maintained on their behalf.

Other reasons for terminating the FSS Contract include:

Left Voluntarily (the Contract was terminated through the mutual consent of the participant and FSS Program, or the participant decided to withdraw from the FSS Program)

Asked to Leave Program (the Contract was terminated due to participant not meeting the requirements and obligation of the FSS Contract, or because the family's housing assistance was terminated)

Portability move-out (the family moved to another housing authority's jurisdiction)

Left because essential services were unavailable (Contract is declared null and void because a participant could not become self-sufficient because of a lack of fundamental services)

Contract expired but family did not fulfill obligations (the participant did not meet all contract obligations before the Contract end date)

F. SUPPORT SERVICES

For an FSS participant to make progress in completing their self-sufficiency goals, a wide range of support services may be needed. Case management and service coordination focus on developing the skills participants need in order to make the transition off public assistance into self-sufficiency. In addition to case management and service coordination, some participants find themselves in need of additional support in order to make progress in their Career Plan. To this end, the FSS Program offers, on an as available basis and at the discretion of the coordinator and program supervisor, a variety of support services to aid participants through particularly challenging times.

1. General Policy for Financial Assistance

Financial support may be available to FSS participants through support funds or through interim escrow account withdrawals, when funds are available. The following general policies apply to all requests for financial support from FSS participants:



Requests must be directly related to the completion of the participant's Career Plan and the removal of barriers to achieving career goals;

Participant must have completed semi-annual updates and have a current Career Plan in place including a specific determined final career goal;

Participant must be actively progressing toward the completion of interim steps in their Career Plan in a timely manner;

Participant must have made a documented effort to secure resources through other sources;

Funds may not be used for on-going expenses or to reimburse expenses;

Participants with a self-sufficiency goal of operating a micro-business must have an approved business plan on file with their Service Coordinator prior to requesting financial support related to the operation of the business;

Prior to approval, SDHC staff may require a participant to contact other SDHC-referred service providers;

For purchases over \$500, two reasonable estimates must be provided;

Backup documentation for any previous financial supportive service received must have been submitted in order to be considered for a new request (e.g. proof of class completion after receiving a book scholarship);

Requests that are deemed unjustifiable or inconsistent with the participant's Career Plan, or that do not meet policy and procedure guidelines as set forth in this Action Plan may be denied. All such requests for financial assistance must receive final approval from the Director of Workforce & Economic Development;

All decisions are subject to review and hearing procedures;

Requests for duplicate expenses or payment of items that have been previously paid for by FSS escrow funds will not be granted.

Participants who are not expected to meet graduation requirements within the term of their contract are not eligible for financial support, such as book scholarships, interim withdrawals, bus passes, etc. These participants may continue to receive service coordination and other services, such as career planning and information referral.

2. Escrow Account Interim Withdrawals

SDHC may allow FSS participants with an escrow account established on their behalf to request interim withdrawals from the account to support completion of the steps in their Career Plan. The interim withdrawal may not exceed 25% of the participant's accrued escrow amount. Participants who have not completed interim steps on their Career Plan in a timely manner may be denied interim escrow account withdrawals until the required activities are completed. Families who have not submitted receipts for previous interim withdrawal purchases may be denied subsequent withdrawals until such time as the receipts are submitted and verified. Final withdrawals may also be denied for failure to provide receipts from previous purchases.



Interim escrow withdrawals cannot be used for:

Reimbursement of expenses already paid for by a participant, except for emergency automobile repairs that may be reimbursed as long as the participant submits an interim withdrawal request, repair receipts, and other appropriate documentation, within two (2) weeks of the repair. In such cases, participants must meet all other conditions for an interim withdrawal as described in section A. General Policy for Financial Assistance above;

Moving expenses;

Ongoing expenses (e.g., rent, utilities, telephone, cell phone, car payments, car maintenance, insurance, childcare);

Expenses not directly related to the Career Plan;

Expenses previously paid for through FSS escrow funds.

Procedures for participants who wish to withdraw funds from the escrow account are as follows:

Automobile Repairs

A participant requesting an interim withdrawal of escrow funds for automobile repairs must complete the following steps before an interim withdrawal will be considered for approval:

Provide verification to their Service Coordinator that funds for future automobile repairs have been estimated on the participant's current budget; and

Provide two (2) quotes for the needed repair (except in cases of emergency towing where a car has already been taken to a repair facility).

Provide driver's license title, registration and proof of insurance.

Requests will not be approved for:

Costs related to regular maintenance (e.g., oil changes, air and fuel filter replacement, worn tire replacement, tire rotation and balancing, alignment, belts and hoses, manufacturer recommended service inspections);

Fuel purchase;

Automobile insurance costs.

Automobile Purchases

A participant requesting an interim withdrawal of escrow funds to purchase an automobile must comply with the following procedures in order to be approved for a maximum withdrawal of 25% of FSS funds:

Demonstrate that their budget will support car payments (if applicable), as well as costs for auto insurance, maintenance and gasoline;

Be employed or be seeking employment at the time of the request (SDHC defines "seeking employment" as the FSS participant engages in demonstrable job seeking activities such as



completing and submitting applications and resumes, engaging in job interviews, industry research, and on the job training);

If job seeking, provide verification that other household members have adequate income to assist participant, as necessary, with expenses related to the automobile (i.e., car payments, auto insurance, maintenance, gasoline, and repairs);

Provide verification that the purchase price does not exceed the Blue Book value;

Provide verification that the automobile has been examined by a qualified mechanic;

Provide verification that the automobile was purchased within four (4) weeks after issuance of funds;

If an automobile has not been purchased within four (4) weeks of issuance of funds, funds must be returned to SDHC.

Computers

In addition to demonstrating that the purchase of a computer is directly related to their Career Plan, a participant requesting an interim withdrawal of escrow funds to purchase a computer must:

- Provide two (2) estimates for comparable computers;
- Provide a written statement identifying how the purchase of a computer will remove a barrier and directly impact the achievement of the participant's career goal; and
- If the participant's goal is to operate a micro-business, participant must have an approved business plan on file with the Service Coordinator, or provide verification that such a plan is being developed.

Clothing

Participants in need of clothing and support services to prepare for job interviews and new employment will be referred to programs such as Dress for Success San Diego. Charges for referral services must be paid through an interim withdrawal if an escrow account is being held on the participant's behalf.

3. Book Scholarships

The goal of the book scholarship fund is to support participants in achieving their self-sufficiency goals by providing assistance with the books necessary to complete courses at an accredited or licensed school. Participant must provide proof that all financial aid funds have been exhausted.

To request a book scholarship, the participant may be asked to attend an annual update meeting to discuss their need for assistance. Participants are allowed up to two (2) book scholarships per calendar year. The maximum Book Scholarship award that may be requested at one time is \$200 for participants enrolled in six (6) or more semester units or the equivalent, and \$100 for participants enrolled in less than six (6) semester units or the equivalent.

For a participant to be eligible for a book scholarship, the following conditions must be met:

Funds must be used only for book purchases;



Participant must be enrolled in an education program or vocational training that is related to their Career Plan;

Participant's Career Plan must be current and classes must coincide with the Career Plan;

Participant must be working toward a specific degree or certificate;

Participants must demonstrate that they have completed classes for which any prior book scholarships were granted before additional requests can be considered.

Requests for book scholarship must be submitted before the participant purchases books. Applicants must have estimates for book expenses. After-purchase of books and related items, receipts must be submitted to the FSS Program Analyst within two (2) weeks. Once book scholarship funds are fully spent, no additional scholarships will be issued until the following fiscal year; given scholarship monies are available.

4. Bus Passes / Gas Cards

Funding permitting, individual tokens for the public transit system and gas cards may be issued for FSS sponsored events, such as Career Planning and Personal Development Workshops and annual update meetings. Tokens and gas cards may be issued, with the discretion of the Service Coordinator and/or Program Supervisor, to enable participants to follow-up on FSS Service Coordinator's referrals for support services.

A one-month bus pass or two half-month passes may be provided to assist participants with transportation related to Career Plan activities during the Fiscal Year. A second bus pass may be issued to a participant if the Service Coordinator considers it justifiable, and the participant has attended all mandatory annual updates, and completed any other steps deemed necessary by the Service Coordinator. To be eligible for a pass, the participant with an approved Career Plan, must be employed, searching for employment or engaged in documented training or education activities at the time of the request. Issuance of bus passes are based on the following guidelines:

Bus passes will only be issued to participants for activities related to education, training and employment;

A maximum of two (2) full month bus passes can be provided to an FSS household during a fiscal year (July 1 through June 30);

Participant must provide verification that they made a good faith effort to make other transportation arrangements.

5. Moving

Participants in need of financial assistance in order to relocate within the City of San Diego will be referred by their FSS Service Coordinator to programs that may be able to assist them with security deposits for rental units.

6. Withholding of Support Services and/or Termination of Contract

SDHC may withhold FSS support services and/or terminate the Contract under the following circumstances:



When terms of the Contract have been met and the participant requests to end his or her participation in the FSS Program;

30% of the family's monthly adjusted income is equal to or greater than the fair market rate of the unit size for which the family qualifies;

By mutual consent of the parties;

By operation of law;

When the FSS participant moves from the jurisdiction of SDHC within the first 12 months of participation;

The participant fails to honor the terms of the Contract, Career Plan and its modifications;

The participant refuses to seek and maintain suitable employment during the term of the FSS Contract and its addendum, if applicable;

An act occurs that is inconsistent with the purpose of the FSS Program.

Willful and/or repeated failure of the participant to comply with the terms of the Contract.

Non-compliance with the Section 8-assisted lease or public housing lease. (Supportive services and escrow withdrawals may be withheld until the family resolves all non-compliance issues with the Rental Assistance Program.)

G. PROGRAM ADMINISTRATION [24 CFR 984.306]

The FSS Program is administered and maintained by the SDHC. While policy decisions remain with the Agency, the Director of the Workforce and Economic Development Unit receives support, expertise, and cooperation from the Program Coordinating Committee in the overall operation of the program.

1. Portability

Porting Out: Head of Household

Head-of-household FSS participants should be aware that porting out to another Public Housing Authority (PHA) will impact their participation in the FSS Program. Head-of-household Participants who are considering porting out must notify their FSS Coordinator prior to porting out (this is in addition to contacting their Housing Assistant).

HUD regulation allows agencies to terminate contracts of head-of-household FSS participants who port-out during the first twelve (12) months of their FSS Contract. When a head-of-household FSS participant ports-out during the first 12 months, the FSS Contract will be terminated and any escrow funds that may have been held on the participant's behalf will be forfeited.

For head-of-household FSS participants who have been in the program for 12 months or more and are porting-out to another jurisdiction, the following may apply:



The FSS Coordinator will evaluate the participant's FSS Contract and Career Plan to determine if the participant can be declared self-sufficient prior to port-out. In such case, exit papers will be prepared and graduation from the FSS Program will be approved.

In cases where the participant cannot be declared self-sufficient, and the receiving PHA is absorbing the Section 8 voucher, the head-of-household participant may request enrollment in the receiving PHA's FSS Program. If enrollment is granted, the Contract with SDHC will be terminated. A copy of the head-of-household participant's FSS Contract will be forwarded to the receiving PHA, and any escrow balance will be transferred to the receiving PHA upon port-out.

If the receiving PHA does not have an FSS Program or is not willing to accept the head-of-household participant into its FSS Program, the contract with the SDHC will be terminated and any escrow funds will be forfeited.

There may be cases where the receiving PHA allows the relocating participant to enroll in its FSS Program, but does not absorb the Section 8 voucher. In such cases, it becomes unfeasible and an administrative burden for the SDHC to continue to monitor the FSS Contract, and the FSS Contract will be terminated and any escrow balance will be forfeited.

Porting Out: Non-Head of Household

The July 2010 Move to Work (MTW) Program initiative permits the SDHC to execute a FSS Contract with non-heads of household. This flexibility is not available to other Public Housing Authorities (PHAs) without the MTW special designation. Even if the family is porting to another MTW PHA, the absorbing agency may not have opted to include such flexibility as part of its FSS Action Plan. As a result, FSS families with a Contract executed by a non-head of household are unable to port-out to other jurisdictions. In such cases, the FSS Contract will be terminated and any escrow balance will be forfeited. If a FSS family with a Contract executed by a non-head of household decides to give that individual the head of household status, port-out may be possible. However, there are stipulations that impact this change; the participant needs to contact their Housing Assistant to understand the process and implications. In addition, it is entirely the responsibility of the participant to make this change in a timely fashion prior to the port-out.

Porting In

When an FSS family from another jurisdiction moves into the SDHC, and the SDHC absorbs the incoming Section 8 voucher, the FSS head-of-household (participant) may elect to join SDHC's FSS program. However, if the voucher is not absorbed by SDHC, then the relocating FSS family may not join SDHC FSS program. FSS participants must also have more than one-year remaining on their original FSS Contracts to be able to participate in the SDHC FSS program.

The FSS participant must attend a SDHC FSS orientation prior to joining SDHC program. The SDHC enters into a new contract with the FSS head-of-household participant for the term remaining on the initial PHA's FSS Contract. The effective and expiration dates of the contract between the SDHC and the FSS participant MUST remain the same as the effective and expiration dates of the contract between the initial PHA and the FSS participant. SDHC will use the same baseline amounts listed for Annual Income, Earned Income and Family Rent or Total Tenant Payment as used by initial PHA on the original Contract of Participation.



In accordance with HUD regulations, SDHC will request from the initial PHA to forward FSS participant's escrow account funds to the SDHC to be maintained for the duration of the Contract.

2. Grievance Procedure

Request for Administrative File Review

Participants are notified in writing via certified mail and regular mail of decisions affecting their participation in FSS. The written notification includes the reasons for the decision and the policies and regulations supporting it. If the participant disagrees with the decision, he or she has a right to request an Administrative File Review. A written request for such a review must be submitted to the Workforce and Economic Development unit within fifteen (15) business days from receipt of the notice. Requests for Administrative File Review must be in writing and must state why the participant disagrees with the decision.

The Director in the Workforce and Economic Development Unit will conduct a review of the participant's FSS file to determine whether the contested decision is supported. The Program Supervisor may request that the participant meet with the FSS Administrative Board to answer questions and present any further needed information. The Administrative Board is made up of the Director of Workforce and Economic Development, Senior Program Analyst and the FSS Program Analyst.

The SDHC is not required to provide an Administrative File Review or Informal Hearing for the following reasons:

The primary signatory to the Contract is not employed at time of exit from the program;

Any member of the family will not be independent of welfare assistance for at least six consecutive months before Contract expiration.

The final results of the Administrative File Review process must be provided in writing to the participant within twenty (20) business days from the date of the receipt of the request for review. The results shall include a brief statement of the basis for the decision, including the policies and/or regulation(s) governing the decision. If the participant does not agree with the determination of the Administrative Review, the participant may request an Informal Hearing.

Request for Informal Hearing

An Informal Hearing may be requested by a participant who disagrees with the decision of the Administrative File Review. The results of the Administrative File Review will include a hearing notice and an explanation of the hearing process. The hearing notice will advise the participant they must request an informal hearing within 30 calendar days from the date of mailing of said notice.

Should the participant submit a request for a hearing on an untimely basis (later than 30 calendar days from the date of mailing of the hearing notice by the SDHC), staff will inform the participant by mail within ten calendar days of such receipt that the participant is not entitled to a hearing. However, a participant who has submitted an untimely hearing request within one year from the date the hearing notice was issued, and has shown good cause, may be granted an informal hearing.



The participant may withdraw his or her hearing request at any time by informing SDHC in writing. After a hearing date has been scheduled, the family may request to reschedule, only one time, upon showing "good cause," which is defined as an unavoidable conflict that seriously affects the health, safety or welfare of the family. If the participant fails to appear without notice, the hearing will be considered abandoned and SDHC shall follow through with the intended action. A hearing is deemed abandoned if the participant fails to appear within 30 minutes of the scheduled hearing.

Prior to the Informal Hearing, the FSS participant may review his or her FSS file and receive copies of any pertinent information or documentation. SDHC must also be given the opportunity to examine any participant documents that are directly relevant to the hearing. Any documents the participant wishes to be considered during the hearing must be submitted to the FSS Program within three (3) business days of the date of the scheduled hearing. SDHC must be allowed to copy any such documents that the participant submits. Any documents not made available for examination on request by either party prior to the hearing may not be presented at the hearing.

As necessary, and if requested in advance, special accommodations such as interpreters or translators or special venues will be arranged in order to accommodate participants with communication and/or accessibility barriers. The Informal Hearing will be conducted by any person designated by the SDHC, other than a person who made or approved the decision under review or a subordinate of that person. A Hearing Officer appointed by SDHC will regulate the conduct of the hearing. The participant has a right to counsel, at his/her own expense. Both SDHC and the participant must have an opportunity to present evidence and/or witnesses as provided in the approved Section 8 Administrative Plan for SDHC and the approved SDHC Admissions and Continued Occupancy Plan for conventional Public Housing.

The Hearing Officer shall make a determination as to whether the rules or regulations were correctly or incorrectly interpreted or applied based only on the information submitted at the hearing. A Notice of Hearing Findings shall be provided, in writing, to the participant within twenty (20) business days from the conclusion of the hearing.

The SDHC hearing policies and procedures as contained in the Section 8 Administrative Plan, shall be the adopted policy and procedures for the FSS Program.

H. REPORTING AND PROGRAM EVALUATION [24 CFR 984.401]

1. Reporting

Information as identified on the Family Self Sufficiency Addendum to the 50058 is reported to HUD electronically through the Multifamily Tenant Characteristics System (MTCS) electronic system.

For families leaving the program, SDHC provides information on families who:

- Have successfully completed the FSS Contract;
- Have completed the FSS Program and bought a home;
- Left voluntarily;
- Were asked to leave the program;



- Ported-out and did not complete the program;
- Left because essential services were unavailable;
- Let their Contract expire without fulfilling their obligations.

2. Program Evaluation

In order to evaluate both process and outcomes of the FSS Program, SDHC, on an ongoing basis, collects and maintains data and researches and prepares reports pertinent to the overall effectiveness and value of the program. Up-to-date information on each participant and the FSS Program itself are maintained via a customized database and as a backup, through individual hard copy files.

The SDHC utilizes the following sources to evaluate the FSS Program:

- Feedback from participants collected via the Program Coordinating Committee, annual updates, Work Readiness Specialists, partnering support service providers and surveys;

- The number of participants with escrow accounts, the total combined value of escrow accounts, the average amount in escrow accounts and the amount accessed in interim and final escrow withdrawals;

- The number of participants who met the terms of their contract prior to its expiration;

- The number of participants who voluntarily surrender housing assistance;

- The number of participants who purchase homes;

- The number of FSS graduates who experienced an increase in earned income while on the program;

- The number of family members who no longer receive subsidies under one or more public assistance programs.



RESERVED



A. INTRODUCTION

The Home of Your Own program has been placed on hold indefinitely. The policies outlined in this chapter apply to existing program participants.

The SDHC Housing Choice Voucher Homeownership Program (aka) Home of Your Own (HYO) is designed to expand homeownership opportunities for voucher participants. This program will assist HCV participants in transitioning from rental assistance to homeownership using their voucher assistance. SDHC is a Moving to Work (MTW) agency and has designed the homeownership program to maximize flexibility provided under MTW and to meet local objectives.

The HCV Homeownership Program is available to all voucher holders who meet the minimum qualifications set forth in this plan, who have the ability to independently secure a mortgage loan and based on SDHC program feasibility. Variables such as MTW Plan and agreement parameters, anticipated funding levels, and administrative expenses may be considered during the evaluation process to determine program feasibility for continued availability.

B. HOUSING CHOICE VOUCHER RULES APPLY

With the exception of unique eligibility and “family obligation” procedures identified elsewhere in the section, SDHC will administer the HCV Homeownership program in accordance with all the policies and procedures contained in the HCV Homeownership Plan, MTW Agreement and other support documents.

C. ELIGIBILITY REQUIREMENTS FOR FAMILIES

Participation in the HCV Homeownership Program is voluntary. Each participant must meet the general requirements for admission to the HCV rental program as set forth in SDHC HCV Administrative Plan. The family must also meet all eligibility requirements of the HCV Homeownership Program.

1. General Requirements

Only current participants in the HCV rental program who have received assistance for at least one full year may apply for the homeownership program.

The head, spouse, and co-head must be a U.S. citizen or have eligible immigrant status.

An applicant must be in good standing for at least one year with their landlord and SDHC with regard to their family obligations.

The family must satisfy the prerequisite of being in “good standing” prior to receiving a Certificate of Eligibility for the homeownership program. For the purposes of the homeownership program, “good standing” is defined as meeting all of the conditions prior to and during the homeownership shopping period, as outlined below.

Landlord reference(s) is required indicating that during the prior year the family has an uninterrupted record of paying monthly rent in full and on time, and satisfactorily meets all other lease obligations, as



documented on Homeownership Landlord Reference form. All verifications will be completed via third-party written or oral communication with the applicant's landlord.

Within the past year, the family has met all the HUD and SDHC family obligations under the HCV program.

Within the past year and throughout the homeownership shopping period, the family may not owe SDHC or any other housing authority any outstanding debt nor enter into a repayment agreement. A participant may become eligible to apply for the homeownership program on the one-year anniversary date of full payment of any debt, subject to meeting the other conditions of good standing.

An applicant must be a "first-time homeowner."

To qualify as a "first-time homeowner," the assisted family may not include any person with a "present ownership interest" in a residence during the three years before the closing of the unit for the family. Cooperative membership shares acquired prior to the commencement of homeownership assistance are exempt from this rule. A single parent or displaced homemaker who, while married, owned a home with his or her spouse, or resided in a home owned by his or her spouse, is considered a "first-time homeowner." Current homeowners are ineligible.

Other conditions also apply to "first-time homeowner" definition:

No family member may have a present ownership interest in a second residence while receiving homeownership assistance.

If SDHC determines that a disabled family requires homeownership assistance as a reasonable accommodation, the first-time homeowner requirement does not apply. However, current homeowners are not eligible.

SDHC will not commence homeownership assistance for a family if any family member has previously received assistance under the homeownership option, and has defaulted on a mortgage securing debt incurred to purchase the home.

An applicant must demonstrate a minimum down payment of at least \$3,000 from the eligible family's personal resources. This amount must be verifiable savings accumulated over several months in the family's bank account(s) and may not be a gift or a loan. For FSS participants who are eligible for HCV homeownership and who have escrow accounts, they may use up to \$1,500 of their escrow account to satisfy up to half of the \$3,000 personal resource requirement. For participants who have Aspire accounts, the amount they have contributed to this account may be used towards satisfying the \$3,000 personal resource requirement.

An applicant must meet the minimum income standards defined below:

For a family whose head of household or spouse is an individual that meets the definition of occupancy disability or elderly, the minimum gross annual income standard is \$25,000.

For eligible FSS/ASPIRE participants and recent graduates, the minimum gross annual income standard is \$30,000. Preference will be given to an applicant who is a current FSS/ASPIRE participant and has been



in the FSS/APIRE program for at least one (1) year, or who has graduated from the FSS/ASPIRE program in the twelve (12) months prior to applying for the HCV Homeownership Program.

For non-elderly/non-disabled families, the minimum gross annual income standard is \$35,000.

For purposes of program eligibility, welfare assistance may only be counted as income in cases where the applicant meets the definition of an elderly or disabled family.

The pre-qualified or pre-approved financing amount must be sufficient to purchase housing that meets HUD Housing Quality Standards (HQS).

An applicant must attend and satisfactorily complete a Home Buyer Education pre-assistance housing counseling program through an agency recognized by SDHC. The family must attend and complete SDHC Homeownership Briefing and interviews.

2. Employment Obligations

Except for a disabled family or an elderly family, assistance under the homeownership program is limited to families who demonstrate a stable work history. The employment requirement is used to determine eligibility and is a requirement throughout the period of homeownership assistance.

Regular seasonal employees and self-employed workers, who have a demonstrated work history and an annualized income, will be considered continuously employed for purposes of HCV Homeownership program eligibility and subsequent employment requirements.

The applicant head of household, spouse, or adult who will be on the mortgage document is required to document full-time (average of no less than 35 hours per week), continuous employment for a period of not less than 12 months and have been employed for 24 continuous months prior to application.

The applicant head of household, spouse or adult on the mortgage document must remain continuously employed (average no less than 35 hours per week) while participating in the program.

For eligibility purposes, continuous employment is defined as:

“No gap in employment lasting more than four weeks total during the past year.” Continuous employment for seasonal employees and self-employed workers is defined as two consecutive years of regular seasonal employment where SDHC ‘annualizes’ family income when determining family rent.

Part-time employment by two adults in the household, totaling over 35 hours per week, does not constitute full-time employment by either adult.

SDHC has the discretion to interpret small gaps in employment. Permissible gaps can occur if loss of employment resulted from circumstances beyond the employee’s control (layoff, medical); and did not result in an employment gap of more than four consecutive weeks.

Documentation of the initial employment requirement for the HCV Homeownership program will be completed using a combination of review of documents, EIV/UIV, and/or a third party employment verification. All verifications will be completed via review of documents, EIV/UIV, third-party written or oral communication with the applicant’s employer. Annual documentation of the full-time employment requirement will be documented using review of documents, EIV/UIV, or third-party verification in



accordance with SDHC's rental assistance program's Moving Forward verification hierarchy at annual recertification.

Lenders may require participants to demonstrate a history of full-time, continuous employment based upon the lender's underwriting that are above the requirements of SDHC.

The employment requirement is not applicable to elderly or disabled families.

D. APPLICATION PROCESS

Applicants will be referred to SDHC website at www.sdhc.org, which is linked to the HCV Homeownership page. Applicants will self-assess for eligibility using the Home of Your Own Pre-Qualification Tool, and if self-qualified, the applicant will download and complete the HCV Homeownership Program application. The application and all supporting documents will be submitted to the HCV Homeownership Assistant for review and further determination of eligibility.

1. Application Form

An applicant must complete and submit the Homeownership Application to the HCV Home Ownership Assistant for review. The application includes information on income, assets, obligations, and family composition, first-time homebuyer status, employment, etc.

2. Application Attachments

The last six (6) months of bank statements or other documentation verifying \$3,000 in savings or an acceptable account that will be designated for the personal funds down payment requirement.

A completed and signed Homeownership Landlord Reference form.

A signed Authorization for Release of Information form.

If applicable, a verification of disability, if not on file.

The applicant must document household composition for all individuals who will reside in the household.

3. Application Review

Upon receipt of an HCV Homeownership Application, the HCV Homeownership Assistant determines whether an applicant meets the eligibility criteria for the program. The application review will include:

Evaluation of family composition and HCV rental status;

Review of income, savings, and disability documentation;

Verification that the applicant is in compliance with all lease provisions using SDHC Landlord Reference form;



- Evaluation of employment history;
- Verification of “good standing” requirements; and
- Verification of other program requirements.

All documentation is subject to independent verification by SDHC program staff. The HCV Homeownership Assistant will review the file for discrepancies or omissions. If, at any time throughout the process, the HCV Homeownership Assistant sees a discrepancy in the information reported, the applicant will be required to correct the discrepancy before any further processing. SDHC shall perform an interim recertification, resolve whether further action is necessary, and report the outcome to the Director of the HCV Program or designee.

If, in the course of a loan application, a loan originator, or other third party, documents income not previously reported to SDHC, SDHC will conduct an interim recertification of income. Should the recertification result in a debt or proposed repayment agreement, SDHC shall retain sole discretion to withdraw the Certificate of Eligibility subject to the outcome of any grievance procedure related to the income discrepancy. The participant family must remain on the HCV program for an additional year, in good standing, before SDHC will further review the applicant for possible re-issuance of a Certificate of Eligibility.

E. DETERMINING “MORTGAGE READY” APPLICANTS

Applications for homeownership are date-stamped. Complete applications – those with all necessary attachments in place – are placed on a waiting list in order of date and time received and preferences.

A Certificate of Eligibility is awarded on a first-come, first-served based on HCV Homeownership preferences after a participant is determined eligible and “mortgage ready.” SDHC will issue Certificates of Eligibility each fiscal year as set forth in SDHC’s Moving to Work Plan and program goals.

The Certificate of Eligibility contains an estimate of the amount of HAP available to the family. This estimate is useful to the applicant and lender when determining income and debt ratios.

1. Incomplete Applications

Incomplete applications will not be reviewed and will be returned to applicants for completion. A checklist of application deficiencies will be attached to the incomplete application. Participants must correct all deficiencies noted on the checklist and resubmit the checklist, complete application, all attachments, and the last six months of bank statements verifying \$3,000 in savings for additional consideration. Applications that are returned for incompleteness will be re-stamped and dated when they are returned complete.

2. Homeownership Counseling

SDHC partners will provide homeownership counseling after an acceptable application is submitted and before a Certificate of Eligibility is issued. An HCV applicant must attend and satisfactorily complete the pre-assistance counseling program within 12 months before the Certificate of Eligibility is issued. The



counseling program includes, but is not limited to, the topics listed below. Applicants whom SDHC determines are not yet “mortgage ready” may be required to obtain additional information on any of the following issues:

- Is homeownership right for the applicant
- Special needs of disabled home buyers/fair housing issues;
- Budgeting and money management;
- Credit counseling;
- How to negotiate the purchase price of a home;
- How to obtain homeownership financing and loan pre- approvals, including a description of types of financing that may be available, and the pros and cons of different types of financing;
- How to find a home, including information about homeownership opportunities, schools, and transportation services in the area;
- Information about the Real Estate Procedures Act, State and Federal truth-in-lending laws, and how to identify and avoid loans with oppressive terms and conditions;
- Home maintenance.

Upon completion of the pre-assistance counseling provided by partnership agencies, the applicant shall be scheduled for a homebuyer briefing by SDHC will be scheduled to include:

- Certificate of completion;
- Housing search;
- Program operations, local obligations;
- Taxes and IRS proration requirements of taxes if assisted by the program;
- Inspection criteria, HQS requirements, special requirements in the contract for sale; and
- Post purchase counseling.
- Criminal Background Review (family completes the Statement of Criminal History Checks form);
- Additional Income Verification and EIV;
- Other Program Requirements, etc.; and
- Execute HUD Statement of Homeowner Obligations and SDHC Statement of Homeowner Obligations.

A Certificate of Eligibility will be issued upon meeting all eligibility requirements.



F. Certificate of Eligibility

If the HCV Homeownership Assistant determines that a family meets minimum eligibility criteria, he/she may issue a Certificate of Eligibility to enable the applicant to shop for a home purchase. The HCV Homeownership Assistant will deliver the Certificate of Eligibility after completion SDHC's homebuyer briefing. The estimated HAP will be provided to the participant to assist in determining the maximum sales price and loan amount in the pre-qualification process in conjunction with their lender.

Whenever an opening occurs in the program, SDHC will select the next available qualified applicant for the final interview. The HCV Homeownership Assistant will interview the applicant to ensure that all the information contained in their Homeownership Application is current and that the applicant is eligible for homeownership.

The issuance of a Certificate of Eligibility does not guarantee that a participant will have the ability to secure a homeownership loan. Other considerations such as the housing market, an applicant's credit history, total indebtedness, and current income, will be factors that will determine a participant's ability to secure a home mortgage. All participants will qualify independently through a mortgage lender of their choice and must provide complete pre-approval/loan documents to the HCV Homeownership Assistant immediately for review.

The family will be issued an interim recertification packet with the Certificate of Eligibility. This packet must be returned to the HCV Homeownership Assistant with an executed Contract of Sale Addendum to Residential Purchase Agreement, and pre-approval/loan documents if not previously provided. Information must be up to date to the date of submission.

1. Changes in Family Size or Composition

All changes in family composition must be reported prior to the change to the HCV Homeownership Assistant. The Certificate of Eligibility will reflect the applicable subsidy standard SDHC assigns to the family based upon the family's size and composition. The final Housing Assistance Payment (HAP) will be issued based upon the subsidy standard applicable on the date of closing.

Any requested additions to the family prior to admittance to the Home of Your Own program must be approved by the HCV Homeownership Assistant. As a general rule, only additions due to birth, adoption, court-awarded custody, or marriage will be allowed at the family's admission to the Home of Your Own program. Other reasons for additions will be reviewed on a case-by-case basis.



GENERAL HOMEOWNERSHIP VOUCHER SIZE ISSUANCE CHART

VOUCHER SIZE	PERSONS IN HOUSEHOLD	
	Minimum	Maximum
0 Bedroom	1	1
1 Bedroom	1	4
2 Bedroom	2	6
3 Bedroom	4	8
4 Bedroom	6	10
5 Bedroom	8	12
6 Bedroom	10	14

2. Changes in the Payment Standards

The payment standard applicable on the date of closing establishes the baseline payment standard for the unit. If the payment standard changes between the issuance of the certificate and the date of commencement of homeownership assistance, SDHC will use the greater of the payment standard at issuance or commencement. SDHC will reissue a revised Certificate of Eligibility effective on the effective date of the new Payment Standard.

Utilizing MTW flexibility, the payment standards are not required to be tied to the HCV Rental Assistance Program payment standards. SDHC has determine appropriate payment standards for each bedroom size for the HCV Homeownership Program to better follow housing market trends and increase affordability.

G. ELIGIBLE UNITS

Eligible homes must be located within the respective geographic boundaries that govern SDHC's HCV rental program.

A family approved for homeownership assistance may purchase the following type of homes:

- A new or existing home;
- A single-family home;
- A condominium;
- A home in a planned use development, a cooperative, a loft or live/work unit;



A manufactured home, if situated on a privately owned lot or on a leased pad in a mobile home park.

If the family does not own fee title to the real property on which the home is located, the family must have the right to occupy the site for a period of at least forty (40) years and the home must have a permanent foundation.

A unit can be under construction at the time a family enters into the contract of sale. A unit is considered to be “under construction” if the footers have been poured. Newly constructed homes are eligible for assistance when the construction is 100% complete and available for occupancy.

For SDHC-owned or substantially controlled units all of the following conditions must be satisfied:

SDHC informs the family, both orally and in writing, that the family has the right to purchase any eligible unit and a SDHC-owned unit is freely selected by the family without SDHC pressure or steering;

The unit is not an ineligible housing unit;

SDHC obtains the services of an independent agency to review the independent inspection report, review the contract of sale, determine the reasonableness of the sales price and any SDHC provided financing. All of these actions must be completed in accordance with program requirements. SDHC will obtain the services of a neighboring PHA or other independent HCV administering agency to perform these services, so long as the independent agency is operating a HCV Program.

For SDHC-owned or substantially controlled units or other available units in the market, project-based or unit incentives may be available. SDHC will refer an eligible family to the supplier. The person still has freedom of choice to select this or other units in the market.

For units not yet under construction:

Families may enter into contracts of sale for units not yet under construction at the time the family enters into the contract for sale. However, the PHA shall not commence homeownership assistance for the family for that unit, unless and until either:

- 1) The responsible entity completed the environmental review procedures required by 24 CFR part 58, and HUD approved the environmental certification and request for release of funds prior to commencement of construction; or
- 2) HUD performed an environmental review under 24 CFR part 50 and notified the PHA in writing of environmental approval of the site prior to commencement of construction.



H. FAMILY SEARCH AND OFFER TO PURCHASE

At the time the Certificate of Eligibility is issued, the family is placed in “home shopping status.” The family has 180 days to locate and make an offer on a home, and secure a pre-approval letter from their lender. The HCV Homeownership Assistant may recommend three additional 30-day extensions, not to exceed a total of 270 home shopping days. Additional 30-day extensions are available on a case-by-case basis, subject to approval by the Director of Rental Assistance or designee.

During a participant’s search for a home, their housing choice voucher rental assistance shall continue. The participant family remains subject to all applicable rules and regulations.

The family is required to contact the HCV Homeownership Assistant once a month during the search period to provide home search progress updates. This contact may be made by phone call or by e-mail.

If a participant family is unable to locate and purchase a home within the timeframe approved by SDHC, the family may continue to receive rental assistance through their Housing Choice Voucher.

The family may not re-apply for the Home of Your Own Program until they have completed an additional full year of participation in the rental program following the expiration date of the Certificate of Eligibility.

SDHC may require additional homeownership counseling prior to issuance of a second Certificate of Eligibility. The participant must meet all other eligibility criteria of the program at the time of resubmission.

A unit is considered “located” if a letter from the lender has been issued to the participant and the buyer and seller have executed an ‘earnest money’ purchase agreement that includes SDHC’s Addendum to the Residential Purchase Agreement.

I. CONTRACT OF SALE

Eligible homes must be located within the boundaries of SDHC’s HCV Program. The seller cannot be an individual, company, or corporation who has been debarred, suspended, or is subject to a limited denial of participation by HUD or SDHC may deny approval of a seller for any reason provided for disapproval of a landlord under the voucher rental program regulations.

Before commencement of homeownership assistance, the homeownership applicant must enter into a contract of sale, or earnest money agreement, with the home seller.

SDHC will provide the buyer with an Addendum to the Residential Purchase Agreement. Both the buyer and seller must execute the earnest money agreement and Addendum.

The Addendum to the Residential Purchase Agreement shall contain the following provisions:

- 1) Provide that the purchaser will arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected by the purchaser.



- 2) Provide that the purchaser is not obligated to purchase the unit unless the inspection is satisfactory to the purchaser and SDHC.
- 3) Provide that the purchaser is not obligated to pay for any necessary repairs beyond the resources available to the family as determined by SDHC.
- 4) Specify that an HQS inspector be granted access to the property to perform an HQS inspection prior to closing. Homeownership assistance is contingent on satisfactory inspections by both inspectors and subject to approval by SDHC.
- 5) Specify that the seller has not been debarred, suspended, or subject to a limited denial of participation in a HUD program under 24 CFR.
- 6) Provide the opportunity for the purchaser's option to have a lead based-paint assessment at the purchaser's expense within 10 days of the contract for sale.

J. HOME INSPECTIONS

Two home inspections are required prior to occupancy:

1. An independent home inspection, and
2. An HQS inspection.

1. Independent Home Inspection

HUD regulations require a home inspection by an approved independent, professional home inspector. The family is required to select and pay for a home inspector to identify any physical defects and determine the condition of the major building systems and components. The buyer and SDHC must receive a written report of this examination describing the observable major defects, required repairs and/or accessibility modification requirements.

The inspector shall also be acceptable to the local lending institutions. In all cases, the 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 unit must pass a termite or wood destroying organism report and any other requirements as determined by the State.

SDHC may not require the family to use an independent inspector selected by SDHC. The independent inspector may not be a SDHC employee or contractor, or other person under control of SDHC. However, SDHC has established standards for qualification of inspectors selected by families under the homeownership program.

SDHC and the family will discuss the results of the inspection and determine if any pre-purchase repairs are necessary. ICBO inspections performed by an independent inspector, performed at periodic points in the homebuilding process, may be utilized. The cost of the ICBO inspection is included in the cost of the home. SDHC may disapprove the unit for purchase based on the results of the independent inspection.



2. Housing Quality Standards (HQS) Inspection

A Housing Quality Standards (HQS) inspection is required whenever the home is 100% ready for occupancy. The condition of the home must satisfy HQS standards before commencement of homeownership assistance. SDHC will conduct a Housing Quality Standards (HQS) inspection first, and if satisfactory, then require the independent inspection.

No further HQS inspections are required if CalFHA or specific lender requirements preclude the HQS after the initial inspection. However, SDHC reserves the right to conduct interim HQS inspections before continuing to provide yearly homeownership assistance. SDHC may exercise this option during the first recertification cycle, or if it has reason to believe the home would no longer meet HQS standards, or has reason to believe that unauthorized individuals are living in the household, or if required by HUD or other program violations.

Non-compliance with HQS standards may jeopardize a family's housing assistance payment. If the home does not pass the initial HQS inspection, the HCV Homeownership Assistant will discuss with the purchasing family whether it would be more feasible to locate another home to purchase, or to have the needed repairs completed prior to the sale.

K. FINANCING AND AFFORDABILITY OF PURCHASE

It is the responsibility of the family to secure financing for the home purchase. The issuance of the Certificate of Eligibility does not guarantee that a family has the ability to secure financing for a home purchase. The HCV Homeownership Assistant and/or partner agencies will provide guidance to potential homebuyers to ensure they avail themselves of various down payment assistance programs, optimum loan packages, mortgage interest rates, and ways to avoid predatory lending practices. SDHC reserves the right to implement a maximum home price for the HCV Homeownership program, to ensure affordability of purchase.

At its discretion and in consultation with the mortgage lender(s), SDHC will pay homeownership payments either directly to the mortgage lender(s), to the family or into a trust account. If SDHC opts to pay into a trust account, SDHC and the family will pay their appropriate portion of the mortgage payment directly into the account on a monthly basis. Neither SDHC nor the family will be able to withdraw monies from the trust account without written permission of the lender(s), SDHC and the family. The mortgage lender(s) will withdraw the appropriate mortgage payment from the account on a monthly basis. If SDHC opts to pay the lender(s) directly or pay into a trust account and the assistance payment exceeds the amount due the lender(s), SDHC will pay any excess directly to the family.

1. Down Payment Requirement

The purchasing family is required to invest at least \$3,000 of their own funds, which may not be a gift or a loan. This investment can take the form of a down payment, closing costs, or a combination of the two.

The buyer may acquire financing through any SDHC approved lender. If the home is purchased using FHA mortgage insurance, it is subject to FHA mortgage insurance requirements.



Qualified participants may use the value of rental assistance as a form of “income” to help them qualify for a mortgage. The lender will determine the application of HAP to the mortgage model, subject to approval by SDHC. Their assistance may be applied directly against their mortgage payment, therefore enabling a borrower to qualify for a home purchase.

There is no prohibition against using local/state grants or other subsidized financing in conjunction with the Housing Choice Voucher Homeownership Program. The program can be combined with a variety of mortgage loan products and other HUD programs to assist a potential homebuyer in achieving the most favorable interest rate and terms of purchase.

2. Foreclosure Incentives

SDHC may offer incentives to participants who elect to purchase foreclosed properties within its jurisdiction. These incentives will be subject to funding availability and applicant/unit eligibility.

An incentive of \$10,000 per eligible family may be granted and used as down payment assistance, closing costs and/or SDHC pre-approved home repairs to bring a unit to HQS compliance before housing assistance begins. The funds may only be used for the purposes listed above; if the funds required for the above are less than \$10,000, the lesser amount will be granted.

From MTW funds, SDHC may pay the entire mortgage payment(s) for the first two months of homeownership.

Please note that families who purchased a home under the previous Foreclosure Incentives (during Fiscal Years 2009-2011) will not have their assistance timeframe shortened as indicated in previous Administrative Plans.

3. Lending Partners

SDHC may not influence a family’s choice of lending options by limiting the use of homeownership assistance to particular units, neighborhoods, developers, lenders or require a family to use a set financing approach. However, HUD encourages local public housing authorities to develop partnerships with lenders to better serve the needs of families. SDHC will counsel the family to avoid predatory lenders or lending practices. SDHC will review any financing package that arises from any lender approved by SDHC.

4. Underwriting Options

The following underwriting options are suggested under this program. The lender will decide upon the option based upon income and borrower qualifications determined on a case-by-case basis by the lender, and dependent upon the specific loan products utilized. However, because of the high cost market and other conditions, SDHC has determined the most feasible model for the program in the area is the Two Mortgage Approach and has established partners to be successful by using this model.

Option One: Deduct HAP from Principal, Interest, Taxes & Insurance (PITI)

The borrower’s HAP is applied directly to the PITI, and the housing debt to income ratio is calculated on the “net housing obligation” of the borrower.

Option Two: Add HAP to Borrower’s Income



Calculate total income as a combination of the tax-exempt HAP (grossed up by 25%) and the borrower's income from employment using underwriting ratios specific to the loan product being used.

Option Three: Two-Mortgage Approach

Borrower qualifies for the first mortgage (PITI) using the family's income. The HAP is used to qualify the P&I for a second mortgage.

5. Loan Restrictions

Mortgages with negative amortization, interest-only, adjustable or variable interest rates are not allowed under this program. The buyer may not enter into private seller financing. Lease-purchase agreements will be explored on a case-by-case basis subject to changing conditions in the market.

SDHC reserves the right to review lender qualifications and the loan terms before authorizing homeownership assistance. SDHC may disapprove proposed financing of the debt if SDHC determines that the debt is unaffordable. In making this determination, SDHC will take into account family expenses such as childcare, un-reimbursed medical expenses, homeownership expenses, and other family expenses, in addition to the participant's income.

On the initial purchase, SDHC has determined it will use an affordability cap that the family share can be no greater than 45% of their adjusted income. Family share will be the homeowner expenses less the HAP.

SDHC must review and approve any proposed refinancing of the property and any requests to open home equity lines of credit.

Refinancing the property, without prior written approval from SDHC, may result in termination of the HCV Homeownership assistance.

In making its determination, SDHC will take into account the reason(s) for the request to refinance, as well as the current assets and liabilities of the family, and how the refinancing will affect the total tenant payment. Homeownership assistance may continue if refinancing is approved, but will be limited to the remaining term on the initial mortgage loan.

L. CONTINUED ASSISTANCE: FAMILY OBLIGATIONS

Before a family is allowed to search, the family and SDHC must execute a HUD prescribed "Statement of Homeowner Obligations." In the statement, the family agrees to comply with all obligations under the homeownership option. The initial "Statement of Homeowner Obligations, HUD-52649" will be reviewed and executed at SDHC HCV homeownership eligibility interview.

The family must also execute SDHC Statement of Family Obligations, which details the additional SDHC HCV Homeownership Program obligations.



1. Continuous Reporting Requirements

SDHC will reexamine the family's income and composition on an annual basis. All Home of Your Own participant families will be excluded from the Moving Forward triennial recertification cycle.

After purchase of the home, the family must continue to adhere to the "HUD Statement of Homeowner Obligations" and the "Housing Commission Statement of Family Obligations" in order to continue to receive the monthly housing assistance payment. The "Housing Commission Statement of Homeowner Obligations" and the "HUD Statement of Homeowner Obligations" will both be reviewed by the family and signed at each annual recertification.

A new Certificate of Housing Assistance Payment and, if a change in lenders, a new Servicing Agreement must be signed prior to any change in the housing assistance payment. Working families are required to annually document continued compliance with the full-time work requirement of the program by annual completion of the HCV Homeownership Personal Declaration and independent verification.

A family must disclose all changes in writing in income within ten (10) calendar days of the change and at the annual recertification. Failure to disclose or accurately report changes will jeopardize a family's continued participation in this program. A family may not add an adult household member without prior SDHC approval. SDHC will deny admission to any individual who would otherwise not qualify for admission to the program due to criminal history, drug related history, program violations, registry on a sex-offender list or other factors used to determine eligibility.

Participant must agree to attend post-purchase counseling sessions in conjunction with acceptance into this program to continue to receive assistance. SDHC may require families who become delinquent on their mortgage payments to participate in additional homeownership and/or credit counseling classes.

SDHC may deny or terminate assistance for violation of participant obligations as described in the "HUD Statement of Homeowner Obligations", SDHC Statement of Family Obligations or other program requirements.

2. Continuous Employment Obligations

The applicant head of household, spouse, or adult on the mortgage document must remain continuously employed (average of no less than 35 hours per week) while participating in the program.

Part-time employment by both parties, totaling over 35 hours per week, does not constitute full-time employment by either party.

For continued eligibility purposes, continuous employment is defined in two ways:

Continuous employment by the head, spouse or adult on the mortgage document defined as full time employment (average of no less than 35 hours per week) with no gap in employment lasting more than four weeks total (35 hours x 48 weeks = 1,680 hours) or,

Earned income received by the head, spouse or adult on the mortgage document during the past year greater than the state minimum wage times 2,000 hours.

The employment requirement is not applicable to elderly or disabled families.



3. Mitigating Circumstances and Hardship Policy

If a working family is subsequently determined by SDHC to now qualify as a “disabled family,” as defined by HUD, the full-time employment requirement is no longer applicable to that family.

SDHC will consider mitigating circumstances where certain lapses in employment prohibit the family from meeting its continuous employment obligation. These include receipt of Unemployment Insurance Benefits due to layoff; absences defined under the Family Medical Leave Act receipt of Workman’s Compensation benefits.

SDHC will allow week-for-week substitutions whenever of any of these benefits are received.

The participant must return to full-time employment within 30 days after exhaustion of unemployment benefits. Failure to return to full-time employment (average of no less than 35 hours per week) within 30 days will generate a 60-day Notice to Correct. Failure to correct will result in a correctable 30-day Notice of Termination.

A participant who is employed but is on leave from work due to maternity leave, FMLA or is receiving Workman’s Compensation, is exempt from the full-time employment requirement during the period of approved leave from work. A participant must return to full-time employment within 30 days after exhaustion of applicable benefits. Willful failure to return to full-time employment (an average of no less than 35 hours per week), after 30 days, will generate a 60-day Notice to Correct. Failure to correct will result in a correctable 30-day Notice of Termination.

Consideration of other mitigating circumstances is at the discretion of the HCV Homeownership Assistant recommendation to the Vice President of Rental Assistance. Determinations of the Vice President are made on a case-by-case basis.

4. Guests and Changes in Family Composition

All changes in family composition must be reported to the HCV Homeownership Assistant. The birth, adoption, or court-awarded custody of a child must be reported in writing with in ten (10) calendar days. All other new family members, including foster children, must be approved as eligible residents before moving into the residence.

Family guests are permitted for a period not to exceed 30 days in any calendar year. SDHC may consider persons who exceed the 30-day occupancy limit, or who use the residence as a personal mailing address, unauthorized family members. The family may be in violation of their family obligations and SDHC may take appropriate action up to and including termination of assistance.

5. Other Continued Family Obligations

By completing the HUD Statement of Homeowner Obligations and SDHC’s Statement of Homeowner Obligations Addendum prior to the issuance of the Certificate of Eligibility, the family agrees to comply with all family obligations under the Homeownership Program, including but not limited to:

The family must comply with the terms of any mortgage securing debt incurred to purchase the home or any refinancing of such debt.



At any time during which the family is receiving homeownership assistance, the family may not sell or transfer any interest in the home to any entity or person other than a member of the assisted family residing in the home.

A home equity loan or any refinancing may not be acquired without the prior written consent of SDHC.

The family must provide required information regarding income and family composition in order to correctly calculate the total tenant payment (TTP) and homeownership assistance, consistent with the HCV requirements and any other information requested by SDHC concerning financing, the transfer of any interest in the home, or the family's homeownership expenses.

While receiving homeownership assistance, the family must notify SDHC within ten (10) calendar days if the family defaults on a mortgage securing any debt incurred to purchase the home.

While receiving homeownership assistance, the family must notify SDHC thirty (30) days before the family moves out of the home.

Request and receive SDHC approval in writing to add other family members, including foster children, or live-in aide as an occupant prior to moving them into the assisted unit;

Report to SDHC in writing within ten (10) calendar days the birth, adoption, or court awarded custody of a child, except for foster children;

Notify SDHC within ten (10) calendar days if any family member no longer resides in the unit;

Supply true and complete information;

The family must, at annual recertification, document that the family is current on mortgage, insurance, escrow accounts, maintenance and major repair reserve account, HOA and COA fees, and utility payments.

The family is prohibited from moving more than one (1) time in a one (1) year period. The family may be required to participate in pre- and post-purchase homeownership counseling prior to re-housing.

While receiving homeownership assistance, no family member may have any ownership interest in any other residential property.

Sign a release allowing SDHC, counselors, realtors, and participating lenders to exchange information on the borrower.

Allow the family's portion of the payment to be collected by a lender through a mandatory electronic withdrawal. Funds for electronic withdrawal must be available between the first and 5th of each month.

Agree to maintain the condition of the home to comply with minimum HUD Housing Quality Standards (HQS).

Acknowledge that the termination of assistance shall be in accordance with program requirements and the Administrative Plan.

Acknowledge that the family is obligated for the whole mortgage payment(s) in the event of termination of assistance.



Disclose any and all changes of family income in writing within ten (10) calendar days of the change to SDHC.

In the case of a non-elderly/non-disabled family, continue to fulfill an employment requirement of an average minimum of 35 hours per week. In case of unemployment, an adult homeowner will re-secure employment within 30 days of the termination of unemployment benefits, unless a documented hardship exists.

Agree that the family must notify SDHC within three (3) days of any late payment, delinquency notices, or default notices and must agree to participate in default counseling with a designated agency to become current.

Agree to attend all identified pre-purchase, financial, homeowner or post-purchase counseling during time of assistance.

Agree to the continued employment requirement as stated in SDHC's Administrative Plan.

SDHC requires the family to maintain a minimum reserve for maintenance and major repairs. The minimum reserve shall be equal to the monthly reserve amounts times the number of months assisted as a homeowner less any SDHC approved withdrawals. The maximum maintenance and major repair reserve required by SDHC is \$15,000.

Agrees that should they itemize deductions for IRS taxing purposes, they shall deduct in accordance with the IRS opinion that provides for a prorate deduction of the interest on a homeownership mortgage and homeownership taxes.

Other factors as determined by SDHC local statement of homeowner obligations.

The family must comply with the obligations of a participant family described in 24 CFR 982.551, except for the following provisions which do not apply to assistance under the homeownership option: 24 CFR 982.551(c), (d), (e), (f), (g) and (j).

The homeownership family may not rent out their home for profit while receiving homeownership assistance.

M. MAXIMUM TERM OF HOMEOWNERSHIP ASSISTANCE

For nonelderly/nondisabled households, homeownership assistance is available for a maximum 15-year term for mortgages with a 20-year or longer term and a maximum 10-year term in all other cases. The term is calculated from the date of issuance of the first housing assistance payment on the initial mortgage loan.

Families that qualify as a disabled family at the commencement of homeownership assistance, or at any time during the provision of homeownership assistance, are not subject to the 15-year term limitation. Homeownership assistance is available for a disabled family as long as the family remains eligible for the program.



If, during the course of homeownership assistance, the family ceases to qualify as a disabled family, the family will continue to be eligible for the homeownership assistance, subject to eligibility requirements of the Housing Choice Voucher program. The term of assistance will change to a maximum of 15-years for mortgages with a 20-year or longer term and a maximum ten-year term in all other cases. This term will be calculated from the date of issuance of the first housing assistance payment on the initial mortgage loan. If the family has already received homeownership assistance for a full 15 year term from the date of the issuance of the first housing assistance payment on the initial mortgage loan, the family will be provided with an additional 6 months of homeownership assistance and will then be terminated.

In the case of an elderly family, the maximum term is for as long as they are eligible, provided the family qualifies as an elderly family at the start of homeownership assistance. If the family becomes an elderly family during the course of the homeownership assistance, they will still be subject to the 10/15 year maximum term rule.

Upon the death of a family member who holds, in whole or in part, title to the home, homeownership assistance may continue, pending settlement of the decedent's estate. The home must be solely occupied by remaining family members in accordance with [24 CFR 982.551(h)].

For a nonelderly/nondisabled family, the total homeownership assistance (HAP) received by a family, whether on different homes or through different public housing agencies, cannot exceed the eligible term of assistance based on the term of the initial mortgage loan.

N. HOUSING ASSISTANCE PAYMENT (HAP)

While the family is residing in a homeownership unit, the HAP is equal to the lower of:

The payment standard minus the total tenant payment, or

The monthly homeownership expenses minus the total tenant payment.

The family is responsible for all monthly homeownership expenses not reimbursed by the housing assistance payment.

Homeownership expenses include:

- Principal and interest on the initial mortgage debt and any refinancing of such debt;

- Any mortgage insurance premium incurred to finance the purchase of the home;

- Real estate taxes and public assessments on the home;

- Home insurance;

- Cooperative or condominium operating charges or maintenance fees assessed by the condominium or cooperative homeowner association;

HOA fees for a housing unit:



SDHC allowance for maintenance expenses;

Monthly maintenance allowance: The monthly maintenance allowance will be the annual maintenance allowance, divided by twelve. The maintenance allowance is a flat rate and does not vary by bedroom size;

Monthly maintenance allowance = \$50 per unit

SDHC allowance for costs of major repairs and replacements;

Monthly major allowance: The monthly major allowance will be the annual major allowance, divided by twelve. The major allowance is a flat rate and does not vary by bedroom size;

Monthly major repair/replacement allowance = \$50 per unit;

If the unit is a condominium and has the condominium fee that includes provisions for capital improvements, the major repair/replacement allowance will be \$25 per unit;

SDHC utility allowance for the home; and

Principal and interest on debt incurred to finance major repairs, replacements or improvements on the home.

For an individual with disabilities, such debt may include those costs incurred by the family to make the home accessible.

O. PAYMENT STANDARD/SUBSIDY STANDARD

For homeownership assistance, the payment standard for the family is the lower of:

The payment standard for the family unit size, or

The payment standard for the size of the home purchased (number of bedrooms in the house).

At the annual anniversary, SDHC will apply a payment standard that is the greater of:

The payment as calculated in Section M, above, at the commencement of homeownership assistance, or

SDHC payment standard for family unit size, used at its most recent annual anniversary. [24 CFR 982.635]

The SDHC subsidy standards determine the bedroom-size that SDHC assigns to the family based upon its size and composition. The subsidy standards are approved by SDHC Board of Commissioners; they generally remain the same from year to year and are available on SDHC web page. The initial subsidy standard applied to a homeownership family is the same standard used for the rental program. SDHC may adopt subsidy and occupancy standards different from the rental standards in the future based on MTW deregulation status. If the payment standard changes between the issuance of the Certificate of Eligibility and the date of commencement of homeownership assistance, SDHC will use the greater of the payment standard at issuance or commencement.



The respective payment and subsidy standard applicable on the date of closing establishes the baseline payment and subsidy standards for the unit. The payment standard for subsequent years is the greater of the payment standard at the commencement of homeownership assistance or the payment standard at the most recent annual re-examination. Unlike the voucher rental assistance program, the initial payment standard shall be the base for future housing payments. The payment standard shall not drop below the initial amount due to changes by HUD or due to changes in family composition.

P. PORTABILITY

SDHC will permit portability of HCV homeownership assistance to another jurisdiction subject to SDHC policies governing portability. However, the family will lose all MTW flexibility and will be subject to the rules and regulations of the receiving jurisdiction. The receiving jurisdiction must operate a HCV Homeownership Program for which the applicant qualifies and it must be willing to administer new homeownership families. In order to remain eligible for the program, the participant must sell the current home purchased under the HCV Homeownership Program and incur no mortgage default.

SDHC will also accept families from another HCV Homeownership Program subject to SDHC admission requirements for the homeownership program. It will administer the voucher if approved for homeownership.

Q. MOVE WITH CONTINUED TENANT-BASED ASSISTANCE

A family receiving homeownership assistance may move to a new unit with continued assistance. A family member must not own any title or other interest in the prior home and may not move more than once per year. SDHC will review all requests to move with continued tenant-based assistance and may deny permission to move based on lack of sufficient funding to provide continued assistance or based upon the violations listed in this document.

R. FORECLOSURE OF ASSISTED HOMES

It is the family's responsibility to notify SDHC if they move into the foreclosure process. Once SDHC is aware that the foreclosure process has begun, the following steps will be taken:

The HAP will be placed on hold.

The family will be contacted to discuss the foreclosure.

SDHC will work with the family and/or lender to determine when the last mortgage payment was made.

A written request will be sent to the family to return all HAP payments made from the date the last mortgage payment was made.



A repayment agreement will not be allowed; all funds must be repaid within 30 days from the date of the request letter.

If the funds are not returned within that time, the case will be referred to PIU. The family may be terminated and the debt may be referred to a debt collection agency.

SDHC will review foreclosures on a case-by-case basis to determine whether the family will be allowed to remain a program participant.

S. TERMINATION OF HOMEOWNERSHIP ASSISTANCE

A family's homeownership assistance may be terminated if a family fails to comply with its obligations under the HCV Homeownership Program or if the family defaults on the mortgage.

1. Failure to Comply with Homeowner Obligations

The family must comply with the terms of any mortgage incurred to purchase and/or refinance the home. The family must provide SDHC with written notice of any sale or transfer of any interest in the home; any plan to move out of the home prior to the move; notification of the family's household composition and income and homeownership expenses on an annual basis; and any notice of mortgage default received by the family. Except as otherwise specified in this plan, the family may not convey or transfer the home to any entity or person.

Homeownership assistance may be denied or terminated in accordance with any of the provisions listed at 24CFR 982.638 and/or SDHC requirements.

2. Occupancy of Home

Homeownership assistance will only be provided while the family resides in the home. If the family moves out of the home, SDHC will not continue homeownership assistance commencing with the month after the family moves out. Neither the family nor the lender is obligated to reimburse SDHC for homeownership assistance paid for the month the family moves out.

3. Changes in Income Eligibility

SDHC may adjust a family's homeownership assistance based upon changes in family income. The effective change shall occur the first day of the month following the month in which a recertification of income occurred.

Participation in the HCV Homeownership Program shall continue until such time as the assistance payment amounts to zero for a period of six consecutive months. At that time the family will no longer be eligible and the HAP will be terminated. However, should the family go to zero HAP, for 180 consecutive days, SDHC reserves the right to extend the period past 180 days, should there be documented extenuating circumstances for an extension to the time period. Such documented extenuating circumstances include but is not limited to:

Death in the family;



Loss of employment or income due to no fault of the family; and/or

Documentation of a medical or financial hardship beyond the control of the family for a member of the assisted household.

4. Refusal to Meet Continuous Work Requirement

SDHC may terminate a working family's homeownership assistance based on a willful refusal to adhere to, or properly document, the full-time employment requirement.

5. Family Requests a Return to Rental Assistance

If a family requests to return to rental assistance, SDHC may provide the family with a rental voucher, provided there is no mortgage loan default and the family has met all obligations under the HCV Program. The family must sell the home before SDHC provides rental assistance. Requests will be reviewed on a case-by-case basis.

T. MORTGAGE DEFAULT

If a family defaults on a mortgage, SDHC will terminate assistance. If a hardship exemption is requested, mitigating circumstances may be reviewed. Any decision to approve or deny rental assistance is based on HCV rental program policies and procedures addressed in SDHC Administrative Plan.

If an applicant family includes an individual who, as an adult, previously experienced a mortgage default under the HCV Homeownership Program, that family will be denied admission to the HCV Homeownership Program.

U. INFORMAL HEARINGS [24 CFR 982.555]

An informal hearing will be provided for participants who are being terminated from the Program because of the family's action or failure to act as provided in 24 CFR 982.552. The rules and procedures set forth in the Administrative Plan, entitled "Informal Hearings," will apply.

V. RECAPTURE [24 CFR 982.640]

SDHC will not recapture the Homeownership Voucher payments unless there was an act of fraud or misrepresentation of a material fact in order to obtain a benefit. The HCV Homeownership recapture provision does not apply to any other program funds that may be used in the transaction. The First-time Homebuyer Deferred Loan program administered by SDHC will be recaptured upon sale, refinancing or at the end of the 30-year fixed mortgage, whichever occurs first. Any down payment assistance provided by SDHC, from any funding source, or partners may be recaptured if the family sells, refinances, or disposes of the property.



RESERVED



A. ACRONYMS USED IN SUBSIDIZED HOUSING

AAF	Annual Adjustment Factor. A factor published by HUD in the Federal Register that is used to compute annual rent adjustment.
ACC	Annual Contributions Contract
ADA	Americans with Disabilities Act of 1990
AMI	Adjusted Monthly Income
AMP	Address Match Program
BMIR	Below Market Interest Rate
BR	Bedroom
CC	Choice Communities
CDBG	Community Development Block Grant
CFR	Code of Federal Regulations. Commonly referred to as "the regulations". The CFR is the compilation of federal rules that are first published in the Federal Register and define and implement a statute.
COLA	Cost of Living Adjustment. Published increases or decreases to be used for adjusting, Social Security, and Veteran's Benefits income amounts.
CPI	Consumer Price Index. The CPI is published monthly by the Department of Labor as an inflation indicator.
EIV	Enterprise Income Verification System. HUD's computer matching up front verification (UIV) tool between HUD, Health & Human Services (HHS) and Social Security Administration (SSA)
ELI	Extremely low income
FDIC	Federal Deposit Insurance Corporation
FHA	Federal Housing Administration
FICA	Federal Insurance Contributions Act - Social Security taxes
FMR	Fair Market Rent



FUP	Family Unification Program
FY	Fiscal Year
GAO	Government Accounting Office
GR	Gross Rent
HAP	Housing Assistance Payment
HAP Plan	Housing Assistance Plan
HCDA	Housing and Community Development Act
HMIS	Homeless Management Information System
HOME	Home Investment Partnership Program
HOTMA	Housing Opportunities through Modernization Act
HQS	Housing Quality Standards
HUD	The Department of Housing and Urban Development or its designee.
HURRA	Housing and Urban/Rural Recovery Act of 1983; resulted in most of the 1984 HUD regulation changes to definition of income, allowances, rent calculations
HYO	Home of Your Own
IG	Inspector General
IGR	Independent Group Residence
IPA	Independent Public Accountant
IRA	Individual Retirement Account
LAP	Language Access Plan
LEP	Limited English Proficiency.
MOU	Memorandum Of Understanding
MSA	Metropolitan Statistical Area established by the U.S. Census Bureau



MTW	Moving to Work
NCR	National Credit Reporting
NED	Non Elderly Disabled.
NEPD	Non-Elderly Persons with Disabilities program
NIMH	National Institute of Mental Health
MTW	Moving To Work
PHA	Public Housing Agency
PMSA	A Primary Metropolitan Statistical Area established by the U.S. Census Bureau
PS	Payment Standard
PTS	Path to Success
QA	Quality Assurance
RFP	Request for Proposals
RFTA	Request for Tenancy Approval
RTO	Rent to Owner
SBV	Sponsor Based Vouchers
SDHC	San Diego Housing Commission
SRO	Single Room Occupancy
TBRA	Tenant Based Rental Assistance
TR	Tenant Rent
TTP	Total Tenant Payment
UA	Utility Allowance
UIV	Upfront Income Verification
VASH	Veterans Affairs Supportive Housing



VAWA Violence Against Women Act

B. GLOSSARY OF TERMS IN SUBSIDIZED HOUSING

ADMINISTRATIVE PLAN The HUD required written policy of the PHA governing its administration of the Section 8 Voucher program. The Administrative Plan and any revisions must be approved by the PHA's board and a copy submitted to HUD.

ABSORPTION In portability, the point at which a receiving PHA stops billing the initial PHA for assistance on behalf of a portability family. The receiving PHA uses funds available under the receiving PHA consolidated ACC.

ACC RESERVE ACCOUNT (FORMERLY "PROJECT RESERVE") Account established by HUD from amounts by which the maximum payment to the PHA under the consolidated ACC (during a PHA fiscal year) exceeds the amount actually approved and paid. This account is used as the source of additional payments for the program.

ACTIVE U.S. SERVICEPERSON A person in the active military of the United States.

ADDRESS MATCH PROGRAM Law enforcement entities including, but not limited to, the San Diego Police Department, Sheriff's Office and HUD Office of the Inspector General, can provide SDHC with arrest sheets for drug/violent crime arrests at subsidized housing units or for persons listing subsidized housing as their place of residence. SDHC can provide to the police a current list of subsidized units every month.

ADJUSTED INCOME Annual income, less allowable HUD deductions.

ADMINISTRATIVE FEE Fee paid by HUD to the PHA for administration of the program.

ADMINISTRATIVE FEE RESERVE (Formerly "Operating Reserve") Account established by PHA from excess administrative fee income. The administrative fee reserve must be used for housing purposes.

ADMISSION The effective date of the execution of the first HAP contract for a family (first day of initial lease term) in a tenant-based program. This is the point when the family becomes a participant in the program.

ALCOHOL ABUSE Abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.

ANNUAL BUDGET AUTHORITY The maximum annual payment by HUD to a PHA for a funding increment.

ANNUAL CONTRIBUTIONS CONTRACT (ACC) A written contract between HUD and a PHA. Under the contract HUD agrees to provide funding for operation of the program, and the PHA agrees to comply with HUD requirements for the program.



ANNUAL INCOME The anticipated total Annual Income of an eligible family from all sources for the 12-month period following the date of determination of income, computed in accordance with the regulations.

ANNUAL INCOME AFTER ALLOWANCES The Annual Income (described above) less the HUD-approved allowances.

ANNUAL RECERTIFICATION The process of securing documentation and verification of the family's income, assets and household composition used to determine the rent the family will pay. The term is sometimes called recertification.

APPLICANT (or applicant family) A family that has applied for admission to a program, but is not yet a participant in the program.

AREA EXCEPTION RENT Rent based on a HUD- approved payment standard amount that is higher than the basic range for a designated part of the fair market rent area ("*exception area*").

ASSETS (*See Net Family Assets.*)

ASSISTED TENANT A person or family who pays less than the market rent and in receiving rent subsidies

BIENNIAL INSPECTION A unit passing two consecutive, initial/annual, inspections on the first inspection appointment, is eligible for an inspection every two year.

BIENNIAL RECERTIFICATION The process of securing documentation and verification of the family's income, assets and household composition used to determine the rent the family will pay. Families will have a full recertification every other year rather than annually. The term is sometimes called reexamination.

BUDGET AUTHORITY An amount authorized and appropriated by the Congress for payment to PHA's under the program. For each funding increment in a PHA program, budget authority is the maximum amount that may be paid by HUD to the PHA over the ACC term of the funding increment.

CalWORKS The current name for welfare that aids families with dependent children.

CHILD CARE EXPENSES Amounts paid by the family for the care of minors under 13 years of age where such care is necessary to enable a family member to be employed or for a household member to further his/her education.

CHOICE COMMUNITIES Designated low-poverty areas in the City of San Diego to which SDHC is providing incentives to move.

CHRONICALLY HOMELESS A person who is "chronically homeless" is, or can be; an unaccompanied homeless individual with a disabling condition; children (with disabilities and without disabilities) who are homeless with their parents; parents (with disabilities and without disabilities) who are homeless and who have children with them; youth on their own without disabilities; unaccompanied individuals without disabilities; unaccompanied individuals who are unwilling to be declared disabled. Can include a person, who has completed a preliminary stay in a short-term treatment facility (this participant would



retain the status of “chronically homeless” as long as they “entered” into the treatment program while meeting the definition of “chronically homeless”). And

has either been continuously homeless for six (6) months or more, OR has had at least two (2) episodes of homelessness in the past three (3) years.

has a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations including:

welfare hotels; congregate shelters; transitional housing for the mentally ill; an institution that provides a temporary residence for individuals intended to be institutionalized; a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

CO-HEAD An individual in the household who is equally responsible for the lease with the Head of Household. *(A family never has a Co-head and a Spouse and; a Co-head is never a Dependent).*

CONGREGATE HOUSING Housing for elderly persons or a person with a disability that meets the HQS for congregate housing.

COOPERATIVE A dwelling unit owned and or shared by a group of individuals who have individual sleeping quarters and share common facilities such as kitchen, living room and some bathrooms.

COORDINATED ENTRY SYSTEM (CES) A client-centered process that streamlines access to the most appropriate housing intervention for each individual or family experiencing homelessness.

CONSOLIDATED ANNUAL CONTRIBUTIONS CONTRACT (*Consolidated ACC*) See 24 CFR 982.151.

CONTIGUOUS MSA In portability, an MSA that shares a common boundary with the MSA in which the jurisdiction of the initial PHA is located.

CONTINUOUSLY ASSISTED An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the voucher program.

CONTRACT *(See Housing Assistance Payments Contract)*

DEPENDENT A member of the family household (excluding foster children) other than the family head, spouse, or co-head who is under 18 years of age or is a Disabled Person or Handicapped Person, or is a full-time student 18 years of age or over.

DISABILITY ASSISTANCE EXPENSE Anticipated costs for care attendants and auxiliary apparatus for disabled family members that enable a family member (including the disabled family member) to work.

DISABLED PERSON A person who is any of the following:



A person who has a disability as defined in section 223 of the Social Security Act. (42 U.S.C.423).

A person who has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently; and is of such a nature that ability to live independently could be improved by more suitable housing conditions.

A person who has a developmental disability as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7)).

DISASTER HOUSING ASSISTANCE PROGRAM Specifically funded Housing Vouchers provided by the HUD via FEMA to provide rental assistance subsidy to victims of natural disasters, such as Hurricane Katrina.

DISPLACED PERSON/FAMILY A person or family displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized under federal disaster relief laws.

DOCUSIGN DocuSign is an Electronic signature service for documents/agreements that need to be signed by clients. SDHC Staff can send PDF files (Internal, uploaded or generated by Print Templates) to Clients, Landlords, Partners or Vendors and get the document signed electronically.

DOMICILE The legal residence of the household head, spouse, or co-head as determined in accordance with state and local law.

DRUG-RELATED CRIMINAL ACTIVITY The illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use a controlled substance. Drug-related criminal activity means on or off the premises, not just on or near the premises.

DRUG TRAFFICKING The illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute or use, of a controlled substance (*as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)*).

DISASTER VOUCHER PROGRAM Specially funded Voucher Program by HUD for victims of natural disasters.

EIV The EIV System is a web-based application, which provides PHAs with employment, wage, unemployment compensation and social security benefit information of tenants who participate in the Public Housing and various Section 8 programs under the jurisdiction of the Office of Public and Indian Housing (PIH). This system is available to all PHAs nationwide. Information in EIV is derived from computer matching programs initiated by HUD with the Social Security Administration (SSA) and the U.S. Department of Health and Human Services (HHS), for all program participants with valid personal identifying information (name, date of birth (DOB), and social security number (SSN)) reported on the form HUD-50058.



ELDERLY/DISABLED FAMILY Families in which 100% of adults are, 55 years or older, disabled, or a full-time student (18 to 23 years old) not including the head of household, spouse or co-head. The family may have any kind of income. (e.g. wages, SSI, SSA, VA, Retirement)

ELDERLY PERSON A person who is at least 62 years old.

ELIGIBLE FAMILY (Family) A family as defined by the PHA in the Administrative Plan.

EXCESS MEDICAL EXPENSES Any medical expenses incurred by elderly or disabled families only in excess of 3% of Annual Income that are not reimbursable from any other source.

EXTREMELY LOW-INCOME FAMILY A family whose annual income does not exceed 30% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families.

FAIR MARKET RENT (FMR) The rent including the cost of utilities (except telephone) that would be required to be paid in the housing market area to obtain privately owned existing decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. Fair market rents for existing housing are established by HUD for housing units of varying sizes (number of bedrooms) and are published in the Federal Register.

FAMILY A family is either a single person, or two or more people and includes:

A household with or without children. A child who is temporarily away from home due to placement in foster care should be considered a member of the family.

An elderly family, which is defined as a family whose head, co-head, spouse, or sole member is at least 62 years of age; or two or more persons, each of whom are at least 62, living together; or one or more persons who are at least 62 living with one or more live-in aides.

A disabled family, which means a family whose head, co-head, spouse, or sole member is a person with a disability; or two or more persons with a disability; or one or more persons with a disability with one or more live-in aides.

A displaced family, which is a family in which each member or the sole member is a person displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized by federal disaster relief laws.

A remaining member of a tenant family is a family member of an assisted tenant family who remains in the unit when other members of the family have left the unit.

A single person who is not an elderly or displaced person, or a person with a disability, or the remaining member of a tenant family.

FAMILY OF VETERAN OR SERVICE PERSON A spouse or ex-spouse that has not remarried.

FAMILY SELF-SUFFICIENCY PROGRAM (FSS PROGRAM) The program established by a PHA to promote self-sufficiency of assisted families, including the provision of an escrow account.

FAMILY SHARE The family's rent amount calculated by subtracting the housing assistance payment from the gross rent.



FAMILY UNIFICATION PROGRAM The PHA collaborates with Child Welfare Agencies (CWA) to provide timely housing voucher assistance for reunifying families or for families whose children are at risk of out-of-home placement due to inadequate housing. FUP provides CWA families with Section 8 rental assistance.

FAMILY UNIT SIZE The size of the voucher issued to the family based on the PHA's subsidy standards.

FMR/EXCEPTION RENT LIMIT The fair market rent published by HUD headquarters. In the voucher program the PHA may adopt a payment standard up to 110% of the FMR/exception rent limit.

FOSTER CHILD CARE PAYMENT Payment to eligible households by state, local, or private agencies appointed by the state, to administer payments for the care of foster children.

FULL-TIME STUDENT (MTW) A full time student age 18 – 23, who is not a Head, Spouse or Co-head, and attending school or vocational training on a full-time basis as defined by the institution.

FULL-TIME STUDENT (NON MTW) A person who is attending school or vocational training on a full-time basis as defined by the institution.

FUNDING INCREMENT Each commitment of budget authority by HUD to a PHA under the consolidated annual contributions contract for the PHA program.

GROSS RENT The sum of the Rent to Owner and the utility allowance. If there is no utility allowance, Rent to Owner equals Gross Rent.

GROUP HOME A dwelling unit that is licensed by a state as a group home for the exclusive residential use of two to twelve persons who are elderly or a person with a disability (*including any live-in aide*).

HAP CONTRACT (*See Housing Assistance Payments contract*)

HARDSHIP EXEMPTION: Eligible applicants or participants may request an exception to the minimum rent requirement if they are experiencing a financial hardship due to an unexpected or unprecedented economic burden on the family.

HEAD OF HOUSEHOLD The head of household is the person who assumes legal and financial responsibility for the household and is listed on the application as head.

HOMELESS (Literally Homeless) means an individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

(i) Has a primary nighttime residence that is a public or private place not meant for human habitation;

(ii) is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs); or



(iii) is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution

HOMELESS MANAGEMENT INFORMATION SYSTEM (HMIS) An official standard approved by HUD for capturing, storing and sharing provider, client and service information.

HOMELESS VETERAN A person who has served in the active military service of the United States and who shall have been released under conditions other than dishonorable.

HOME OF YOUR OWN The SDHC's Housing Choice Voucher Homeownership Program. Eligible participants are able to purchase a home and use the monthly homeownership assistance payment toward their mortgage(s)

HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT (HOTMA) Act signed into law on July 29, 2016. It amends the U.S. Housing Act and other housing laws to modify multiple HUD programs and the Department of Agriculture's single family housing guaranteed loan program.

HOUSING AGENCY A state, country, municipality or other governmental entity or public body authorized to administer the program. The term "PHA" includes an Indian housing authority (IHA). ("HA" and "PHA" mean the same thing.)

HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974 Act in which the U.S. Housing Act of 1937 (sometimes referred to as the Act) was re-codified, and which added the Section 8 Programs.

HOUSING ASSISTANCE PAYMENT The monthly assistance payment by a PHA. The total assistance payment consists of:

A payment to the owner for rent under the family's lease.

An additional payment to the family if the total assistance payment exceeds the rent to owner. The additional payment is called a "utility reimbursement" payment.

HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP contract) A written contract between a PHA and an owner in the form prescribed by HUD headquarters, in which the PHA agrees to make housing assistance payments to the owner on behalf of an eligible family.

HOUSING ASSISTANCE PLAN (1) A Housing Assistance Plan submitted by a local government participating in the Community Development Block Program as part of the block grant application, in accordance with the requirements of 570.303(c) submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD. (2) A Housing Assistance Plan meeting the requirements of 570.303(c) submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD.

HOUSING QUALITY STANDARDS (HQS) The HUD minimum quality standards for housing assisted under the tenant-based programs.

HUD REQUIREMENTS HUD requirements for the Section 8 programs. HUD requirements are issued by HUD headquarters as regulations, Federal Register notices or other binding program directives.



IMPUTED ASSET Asset disposed of for less than Fair Market Value during two years preceding examination or recertification.

IMPUTED INCOME HUD passbook rate times total cash value of assets. Calculation used when assets exceed \$5,000.

INITIAL PHA In portability, the term refers to both:

A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and

A PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA.

INITIAL PAYMENT STANDARD The payment standard at the beginning of the HAP contract term.

INITIAL RENT TO OWNER The rent to owner at the beginning of the HAP contract term.

INCOME Income from all sources of each member of the household as determined in accordance with criteria established by HUD.

INCOME FOR ELIGIBILITY Annual Income.

INDIAN Any person recognized as an Indian or Alaska Native by an Indian Tribe, the federal government, or any State.

INDIAN HOUSING AUTHORITY (IHA) A housing agency established either:

By exercise of the power of self-government of an Indian Tribe, independent of state law, or

By operation of state law providing specifically for housing authorities for Indians.

INTEREST REDUCTION SUBSIDIES The monthly payments or discounts made by HUD to reduce the debt service payments and, hence, rents required on Section 236 and 221 (d)(3) BMIR projects. Includes monthly interest reduction payments made to mortgages of Section 236 projects and front-end loan discounts paid on BMIR projects.

JURISDICTION The area in which the PHA has authority under state and local law to administer the program.

KINGAP Kingship Guardianship Assistance Program, or KinGap, is a payment program that provides relative caregivers who are unable or unwilling to adopt a child in foster care with another option for exiting the child welfare system, provided that permanent placement in the relative's home is in the best interest of the child.

LANDLORD This term means either the owner of the property or his/her representative or the managing agent or his/her representative, as shall be designated by the owner.

LEASE A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing



assistance payments under a HAP contract between the owner and the PHA. In cooperative housing, a written agreement between a cooperative and a member of the cooperative. The agreement establishes the conditions for occupancy of the member's family with housing assistance payments to the cooperative under a HAP contract between the cooperative and the PHA.

LEASE ADDENDUM *(See Tenancy Addendum)*

LIMITED ENGLISH PROFICIENCY Complying with Fair Housing Executive Order 13166, the HC eliminates, to the extent possible, limited English proficiency as a barrier to full and meaningful participation and access to programs and activities.

LIVE-IN AIDE A person who resides with an elderly person or disabled person and who:

Is determined to be essential to the care and well-being of the person.

Is not obligated for the support of the person.

Would not be living in the unit except to provide necessary supportive services.

LOCAL PREFERENCE A preference used by the PHA to select among applicant.

LOW-INCOME FAMILY A family whose annual income does not exceed 80% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families.

MANUFACTURED HOME A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the HQS. A special housing type. See 24 CFR 982.620 and 982.621.

MANUFACTURED HOME SPACE Is a space leased by an owner to a family in a manufactured home space rental. A manufactured home owned and occupied by the family is located on the space. See 24 CFR 982.622 to 982.624

MARKET RENT The rent HUD authorizes the owner of FHA insured/subsidized multi-family housing to collect from families ineligible for assistance. For unsubsidized units in an FHA-insured multi-family project in which a portion of the total units receive project-based rental assistance, under the Rental Supplement or Section 202/Section 8 Programs, the Market Rate Rent is that rent approved by HUD and is the Contract Rent. For BMIR units, Market Rent varies by whether the project is a rental or cooperative.

MEDICAL EXPENSES The total 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. A deduction for Elderly/Disabled Households only. These allowances are given when calculating adjusted income for medical expenses in excess of 3% of Annual Income. **MINOR** A member of the family household (*excluding foster children*) other than the family head, spouse or co-head who is under 18 years of age.

MIXED FAMILY A family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status as defined in 24 CFR 5.504(b)(3)



MONTHLY ADJUSTED INCOME One twelfth of the Annual Income after Allowances or Adjusted Income.

MONTHLY INCOME One twelfth of the Annual Income.

MOVING FORWARD The SDHC's local Moving to Work program.

MOVING TO WORK (MTW) A program for Public Housing Authorities (PHAs) that provides them the opportunity to design and test innovative, locally-designed strategies that use Federal dollars more efficiently, help residents find employment and become self-sufficient, and increase housing.

MOVE TO WORK (MTW) PLAN Annual plan submitted to HUD describing MTW activities an agency is proposing for the next fiscal year. Also includes information on agency housing program subsidies and vouchers and public/affordable housing stock information.

NATIONAL CREDIT REPORTING A search of Criminal Convictions in any country across the nation, including all information available regarding convictions.

NET FAMILY ASSETS Value of equity in savings, checking, IRA and Keogh accounts, real property, stocks, bonds, and other forms of capital investment. The value of necessary items of personal property such as furniture and automobiles is excluded from the definition.

NET FAMILY CONTRIBUTION Tenant Rent.

NON-CITIZEN A person who is neither a citizen nor a national of the United States.

NON ELDERLY DISABLED A family (non-elderly, disabled) household is one in which the head, spouse, or sole member is not an elderly person or a person with disabilities. Rental assistance is awarded under various special purpose HCV programs, specifically for non-elderly disabled (NED) families.

OCCUPANCY STANDARDS Standards established by a PHA to determine the maximum number of individuals that can reside in an assisted unit. SDHC's occupancy standards allows for two persons per bedroom and/or sleeping room.

OWNER Any persons or entity having the legal right to lease or sublease a unit to a participant.

PARTICIPANT A family that has been admitted to the PHA's voucher program. The family becomes a participant on the effective date of the first HAP contract executed by the PHA for the family (First day of initial lease term).

PATH TO SUCCESS A Moving Forward rent reform initiative that changed the traditional rent calculation methodology for Housing Choice Voucher and Public Housing programs.

PAYMENT STANDARD The maximum subsidy payment for a family (before deducting the family contribution).

PERSONS WITH DISABILITIES Individuals with any condition or characteristic that renders a person an individual with a handicap as defined in 24 CFR 8.2.



PORTABILITY Renting a dwelling unit with Section 8 tenant-based assistance outside the jurisdiction of the initial PHA

PREMISES The building or complex in which the dwelling unit is located, including common areas and grounds.

PREPONDERANCE OF EVIDENCE 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.

PRIVATE SPACE In shared housing: The portion of a contract unit that is for the exclusive use of an assisted family.

PROGRAM The Section 8 tenant-based assistance program under this part.

PROGRAM RECEIPTS HUD payments to the PHA under the consolidated ACC, and any other amounts received by the PHA in connection with the program.

PUBLIC ASSISTANCE Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately or jointly, by federal, state, or local governments.

PUBLIC HOUSING AGENCY (PHA) PHA includes any State, county, municipality or other governmental entity or public body which is authorized to administer the program (or an agency or instrumentality of such an entity), or any of the following:

- A consortia of housing agencies, each of which meets the qualifications in paragraph (1) of this definition, that HUD determines has the capacity and capability to efficiently administer the program (in which case, HUD may enter into a consolidated ACC with any legal entity authorized to act as the legal representative of the consortia members):
- Any other public or private non-profit entity that was administering a Section 8 tenant-based assistance program pursuant to a contract with the contract administrator of such program (HUD or a PHA) on October 21, 1998; or
- For any area outside the jurisdiction of a PHA that is administering a tenant-based program, or where HUD determines that such PHA is not administering the program effectively, a private non-profit entity or a governmental entity or public body that would otherwise lack jurisdiction to administer the program in such area.

REASONABLE RENT A rent to owner that is not more than rent charged for comparable units in the private unassisted market, and not more than the rent charged for comparable unassisted units in the premises.

RECEIVING PHA In portability: An PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA issues a certificate or voucher and provides program assistance to the family.

RENT BURDEN (MTW SDHC) Rent burden occurs when a participating family pays more than 50% of total family income on rent. Under the Moving To Work program, participating families are allowed to



pay up to 50% of their adjusted income toward their rent portion, with the exception of VASH program participants.

RENT TO OWNER The total monthly rent payable to the owner under the lease for the unit. Rent to owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay for.

RESIDENCY PREFERENCE A PHA preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the area (*"residency preference area"*).

RESIDENCY PREFERENCE AREA The specified area where families must reside to qualify for a residency preference.

RESIDENT ASSISTANT A person who lives in an Independent Group Residence and provides on a daily basis some or all of the necessary services to elderly, handicapped, and disabled individuals receiving Section 8 housing assistance and who is essential to these individuals' care or well-being. A Resident Assistant shall not be related by blood, marriage or operation of law to individuals receiving Section 8 assistance nor contribute to a portion of his/her income or resources towards the expenses of these individuals.

RESPONSIBLE ENTITY For the public housing and Section 8 tenant-based assistance, project-based voucher assistance and moderate rehabilitation program, the responsible entity means the PHA administering the program under an ACC with HUD. For all other Section 8 programs, the responsible entity means the Section 8 owner.

SECRETARY The Secretary of Housing and Urban Development.

SECURITY DEPOSIT A dollar amount that can be applied to unpaid rent, damages or other amounts to the owner under the lease.

SERVICE PERSON A person in the active military of the United States.

SHORT TERM TRANSITIONAL PROGRAM Project Based Subsidies for the Homeless. It is a short-term, transitional housing program using flat-subsidy, project-based subsidy paired with supportive services, offered by a selected provider agency.

SINGLE PERSON A person living alone or intending to live alone who is not elderly or displaced or a person with a disability, or the remaining member of a tenant family.

SPECIAL ADMISSION Admission of an applicant that is not on the PHA waiting list or without considering the applicant's waiting list position.

SPECIAL HOUSING TYPES See Subpart M of 24 CFR 982, which states the special regulatory requirements for SRO housing, congregate housing, group homes, shared housing, cooperatives (*including mutual housing*), and manufactured homes (*including manufactured home space rental*).

SPONSOR BASED VOUCHERS Rental Assistance Program(s) where the voucher is assigned to a service-providing Sponsor Agency. Housing Assistance Payments (HAP) are made directly to the Sponsor



Agency and the Sponsor Agency provides payments to owners. Most program administration is performed by the Sponsor Agency with oversight by SDHC. These programs combine housing assistance with supportive services and are generally for homeless or other families requiring supportive services.

SPOUSE The husband or wife of the head of the household.

SUB-REGIONAL AREAS Homogeneous geographic areas created by combining census tracts.

SUBSIDIZED PROJECT A multi-family housing project (with the exception of a project owned by a cooperative housing mortgage corporation or association) which receives the benefit of subsidy in the form of:

Below-market interest rates pursuant to Section 221(d)(3) and (5) or interest reduction payments pursuant to Section 236 of the National Housing Act; or

Rent supplement payments under Section 101 of the Housing and Urban Development Act of 1965; or

Direct loans pursuant to Section 202 of the Housing Act of 1959; or

Payments under the Section 23 Housing Assistance Payments Program pursuant to Section 23 of the United States Housing Act of 1937 prior to amendment by the Housing and Community Development Act of 1974;

Payments under the Section 8 Housing Assistance Payments Program pursuant to Section 8 of the United States Housing Act after amendment by the Housing and Community Development Act unless the project is owned by a Public Housing Agency;

A Public Housing Project.

SUBSIDY STANDARDS Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

SUSPENSION Stopping the clock on the term of a family's voucher, for such period as determined by the PHA, from the time when the family submits a request for PHA approval to lease a unit, until the time when the PHA approves or denies the request.

TENANCY ADDENDUM The lease language required by HUD contained in the lease between the tenant and the owner.

TENANT The person or a person (other than a live-in-aide) who executes the lease as lessee of the dwelling unit.

TENANT RENT The amount payable monthly by the family as rent to the unit owner.

TOTAL TENANT PAYMENT (TTP) The total amount the HUD rent formula requires the tenant to pay toward rent and utilities.

TRANSITIONAL BED ASSISTANCE Housing subsidy paid for transitional or shelter beds.

UNIT Residential space for the private use of a family.



UTILITIES Utilities means water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection and sewage services. Telephone service is not included as a utility.

UTILITY ALLOWANCE If the cost of utilities (except telephone) including range and refrigerator, and other housing services for an assisted unit is not included in the Contract Rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a PHA or HUD of a reasonable consumption of such utilities and other services for the unit by an energy conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthy living environment.

VACANCY LOSS PAYMENTS (For contracts effective prior to 10/2/95) When a family vacates its unit in violation of its lease, the owner is eligible for 80% of the Contract Rent for a vacancy period of up to one additional month, (beyond the month in which the vacancy occurred) if s/he notifies the PHA as soon as s/he learns of the vacancy, makes an effort to advertise the unit, and does not reject any eligible applicant except for good cause.

VERY LOW INCOME FAMILY A Lower-Income Family whose Annual Income does not exceed 50% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50% of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes. This is the income limit for the Voucher Program.

VETERAN (Section 8) A person who has served in the active military service of the United States at least four (4) months or longer and who shall have been released under conditions other than dishonorable, bad conduct or court martial.

VETERAN (Homeless Veteran) A person who has served in the active military service of the United States and who shall have been released under conditions other than dishonorable.

VIOLENCE AGAINST WOMEN ACT (VAWA) A federal law that provides certain rights and protections to program applicants or Section 8 program participants, who are victims of domestic violence, dating violence sexual assault and/or stalking, and who are otherwise compliant with all program obligations. The law protects against denial of assistance or denial of admission by a PHA or evictions by an owner or manager for an incident or incidents of actual or threatened domestic violence, dating violence, sexual assault and/or stalking.

VIOLENT CRIMINAL ACTIVITY Any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

VOUCHER HOLDER A family holding a voucher with an unexpired term (*search time*).

VOUCHER PROGRAM The Housing Choice Voucher program.

WAITING LIST ADMISSION An admission from the PHA waiting list.

WAITING LIST A list of families organized according to HUD regulations and PHA policy that are waiting for subsidy to become available.



WELFARE ASSISTANCE Income assistance from federal or state welfare programs, including assistance provided under TANF and general assistance. Does not include assistance directed solely for meeting housing expenses, nor programs that provide health care, childcare or other services for working families.

WORK-ABLE FAMILY Family in which at least one adult member is less than 55 years old, not disabled and not a full-time student ages 18 to 23 (excluding Head, Spouse or Co-head).

C. GLOSSARY OF TERMS USED IN THE NONCITIZEN RULE

CHILD - A member of the family other than the family head, spouse, or co-head who is under 18 years of age.

CITIZEN - A citizen or national of the United States.

EVIDENCE - Evidence of citizenship or eligible immigration status means the documents, which must be submitted to evidence citizenship or eligible immigration status.

HEAD OF HOUSEHOLD - The adult member of the family who is the head of the household for purpose of determining income eligibility and rent.

HUD - Department of Housing and Urban Development.

MIXED FAMILY - A family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status.

NATIONAL - A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

NONCITIZEN - A person who is neither a citizen nor nation of the United States.

PHA - A housing authority that operates Rental Assistance or Public Housing.

RESPONSIBLE ENTITY - The person or entity responsible for administering the restrictions on providing assistance to noncitizens with ineligible immigration status (the PHA).

SECTION 214 - Section 214 restricts HUD from making financial assistance available for noncitizens unless they meet one of the categories of eligible immigration status specified in Section 214.

SPOUSE - Spouse refers to the marriage partner, either a husband or wife, who is someone you need to divorce in order to dissolve the relationship. It includes the partner in a common-law marriage. It does not cover boyfriends, girlfriends, significant others, or "co-heads." "Co-head" is a term recognized by HUD.

USCIS - The U.S. Citizen & Immigration Services, formerly known as U.S. Immigration & Naturalization Services (INS).