ITEM 86

STAFF REPORT

CITY OF OCEANSIDE

DATE: June 23, 2015

TO: Chairman and Members of the Housing Commission

FROM: Neighborhood Services Department

SUBJECT: SECTION 8 HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN

SYNOPSIS:

Staff recommends that the Housing Commission recommend that the Community Development Commission (CDC) approve the revised Section 8 Housing Choice Voucher (HCV) Program Administrative Plan.

BACKGROUND:

The CDC is currently administering a Section 8 (HCV) Program consisting of 1,384 vouchers. In addition, the CDC administers approximately 170 additional vouchers for families who have moved to Oceanside from other jurisdictions. The Housing and Urban Development (HUD) Department requires Housing Authorities (HA's) to develop and submit an administrative plan that establishes local HA policies for administration of the program in accordance with HUD requirements. HUD regulations require that any revisions to the Administrative Plan be formally adopted by the HA Board of Commissioners.

The CDC was awarded 40 Veteran's Affairs Supportive Housing (VASH) vouchers effective June 1, 2015. This program combines HCV rental assistance with case management and clinical services provided by the Department of Veterans Affairs (VA) at its medical centers and in the community.

Housing Authorities must establish income limits for families admitted to the HCV program that do not exceed 80 percent of county median income, (by household size), known as low-income. The CDC, like most other housing authorities, has set its income limits at 50 percent of county median income (by household size), known as very-low-income. However, HUD regulations governing Income Targeting require that 75 percent of applicants admitted to the program annually have incomes at or below 30 percent of the county median income (by household size), known as extremely-low-income.

HUD's Income Targeting requirement does not apply to the VASH voucher program. The VA San Diego Medical Center staff, which provide referrals to the CDC for the VASH program, has requested that the CDC set the income limit at 80 percent of

county median income (by household size) for the VASH program to ensure that a variety of homeless veterans are served.

The CDC has established a local Homeless Preference to assist a maximum of thirty homeless veteran families (including single persons) and chronically homeless single persons. Some homeless persons have criminal histories that do not comply with the CDC's current admission requirements.

HUD regulations authorize HAs to establish eligibility requirements related to past criminal activity, particularly drug-related and violent criminal activity. The CDC's current policy prohibits the admission of applicants who have engaged in violent criminal activity and certain types of drug-related activity during the past five years. In addition, HAs may establish mitigating circumstances policies that allow applicants to present mitigating evidence to overcome a criminal-based denial of admission.

HUD requires that HAs perform rent reasonableness tests to assure that a fair rent is paid for units selected for participation in the HCV program. Rent reasonableness determinations are made when units are placed under contract for the first time, before any rent increase to owner, and if there is a five percent decrease in the published Fair Market Rent. In late 2014, the CDC began using the Go Section 8 Rent Reasonableness system as the primary tool to determine rent reasonableness.

ANALYSIS:

Staff is recommending revisions to the Section 8 Housing Choice Voucher Administrative Plan.. Proposed changes are highlighted and strikeout indicates provisions that are being deleted. Major or significant revisions are outlined below:

Page 10: An additional section titled, *Income Limits*, has been added to clarify that the HA will not admit families whose income exceeds 50 percent of the area median income, except low-income families in three categories. One category is a low-income family referred from the local Veterans Administration Medical Center for the HUD-VASH program. A low-income family has income of 80 percent of area median income or less (by household size).

Pages 12-13: The *Denial of Admission* section has been revised to reduce the following look back periods from five to three years as follows:

13. The family previously engaged in violent criminal activity during the past three years.
14. The family previously engaged in illegal drug-related activity in the past three years that involved: sales, transportation, manufacture or possession for sale.
15. The family previously engaged in other criminal activity during the past three years that would threaten the health or safety of the HA, owner, employee, contractor, or agent of the HA or the right to peaceful enjoyment of the premises by other residents.

17. Wording was added to allow the applicant to provide proof of participating in good standing in a supervised drug rehabilitation program as a mitigating circumstance.

Pages 13-14: A section titled *Applicants Claiming Mitigating Circumstances* has been added to clarify that an applicant may present mitigating evidence to overcome a criminal records-based denial of admission to the HCV program and provides additional information related to mitigating circumstances.

Pages 15-16: The *Rent Reasonableness* section has been expanded and now includes information about the Go Section 8 Rent Reasonableness System.

FISCAL IMPACT:

There is no significant fiscal impact. The amount of Housing Assistance Payments to landlords may decrease for VASH vouchers only depending upon the number of higher income veterans receiving VASH vouchers.

RECOMMENDATION:

Staff recommends that the Housing Commission recommend that the Community Development Commission (CDC) approve the revised Section 8 Housing Choice Voucher (HCV) Program Administrative Plan.

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Attachment: Section 8 Housing Choice Voucher Draft Administrative Plan (June 2015)

ADMINISTRATIVE PLAN

FOR THE

SECTION 8
HOUSING CHOICE VOUCHER PROGRAM

CITY OF OCEANSIDE COMMUNITY DEVELOPMENT COMMISSION
NEIGHBORHOOD SERVICES DEPARTMENT
300 North Coast Highway
Oceanside, CA 92054-2885

Revised June 2015

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CITY OF OCEANSIDE NEIGHBORHOOD SERVICES DEPARTMENT
SECTION 8 HOUSING CHOICE VOUCHER PROGRAM
ADMINISTRATIVE PLAN

I. INTRODUCTION

The Section 8 Program was enacted as part of the Housing and Community Development Act of 1974, which re-codified the U.S. Housing Act of 1937. The Act has been amended from time to time, and its requirements, as they apply to the Section 8 Housing Choice Voucher Program, are described in and implemented through this Administrative Plan.

Administration of the Section 8 Program and the functions and responsibilities of the City of Oceanside Neighborhood Services Department staff shall be in compliance with the City's Personnel Policy, 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.

The goal of the City of Oceanside Neighborhood Services Department, herein referred to as the Housing Authority (HA), is to provide rental assistance to United States citizens and eligible lawful residents who are very low-income single persons, families, elderly, handicapped and disabled in order that they may obtain affordable, decent, safe and sanitary rental housing in the HA's jurisdiction. In furtherance of this goal, the HA is committed to the policies and goals contained in the Housing Element of the General Plan and the Consolidated Plan for Housing and Community Development Programs.

The City of Oceanside is committed to a regional approach to meeting housing needs and cooperates with the San Diego Association of Governments (SANDAG) and with other cities in the region to encourage region-wide application of federal and state housing funds and programs.

The HA will revise the Administrative Plan, as required, to comply with changes in federal regulations.

A. Local Objectives

The Section 8 Program is designed to achieve three major objectives:

1. To provide affordable decent, safe and sanitary rental housing, of a modest (non-luxury) nature, for very low-income families.
2. To promote freedom of rental housing choice and spatial deconcentration of very low-income families of all racial and ethnic backgrounds.
3. To provide an incentive to private property owners to rent to very low-income families by offering timely assistance payments.

In addition, the HA has the following goals for the program:

1. To assist the local economy by increasing the occupancy rate and the amount of money flowing into the community.
2. To encourage self-sufficiency of participant families.

B. Purpose of the Administrative Plan

The purpose of the Administrative Plan ("Plan") is to establish policies for carrying out the Section 8 Housing Choice Voucher (HCV) Program in a manner consistent with HUD requirements and local objectives. The Plan covers both admission and continued participation in the Section 8 HCV Program.

The HA 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 original Plan and any amendments must be approved by the Housing Commission and the Oceanside Community Development Commission. An adopted copy of the Plan must be provided to HUD.

This Plan fulfills the HUD regulatory requirement that HA's adopt a written administrative plan that establishes local discretionary policies for administration of the programs in accordance with HUD requirements. The Administrative Plan is a supporting document to the Public Housing Agency (PHA) Plan and must be available for public review. This Plan does NOT include all HUD regulations concerning the Housing Choice Voucher Program. This Plan is to be utilized in conjunction with the PHA Plan, HUD regulations, handbooks, memorandums and notices. The user of this Plan is advised to consult the PHA Plan, HUD regulations, handbooks, current notices and reference manuals for detailed information and guidance.

C. Code of Conduct

All officers and employees will comply with all City of Oceanside policies as well as those mandated under the conflict of interest requirements of the Housing Choice Voucher Program. The conflict of interest provision under 24 CFR 982.161 prohibits the PHA, or any of its contractors or subcontractors, from entering into any contract or arrangement in connection with the tenant based programs in which any of the following classes or persons has any interest, direct or indirect, during tenure or for one year thereafter. The classes or persons include: (1) any present or former member or officer of the PHA (except a participant commissioner); (2) any employee of the PHA, or any contractor or subcontractor or agent of the PHA, who formulates policy or influences decisions with respect to the programs; (3) any public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the programs; and, (4) any member of the Congress of the United States. Any members of the classes described in this section must disclose their interest or prospective interest to the PHA and HUD. The HUD field office may waive for good cause the conflict of interest provision under this section.

All PHA officers, employees, contractors, subcontractors, or agents will comply with all requirements that prohibit the solicitation or acceptance of gifts or gratuities in excess of a nominal value.

All PHA officers, employees, contractors, subcontractors, or agents will conduct business with integrity and in an honest and professional manner.

Any violations of the PHA Code of Conduct and City of Oceanside ethical standards policies, including those contained in the City of Oceanside City Code; Personnel Rules; Housing and Neighborhood Services Department rules and regulations; and applicable Memoranda of Understanding (including standards of conduct specified within), will result in disciplinary action ranging from letter(s) of warning to termination of employment and/or contract. Opportunity may be offered, on a case-by-case basis, to correct a conflict of interest. The Code of Conduct will be communicated to the above groups upon initial employment, prior to execution of a contract, and at least annually.

D. Administrative Fee Reserves

The Community Development Commission must approve expenditures of the administrative fee reserve (operating reserve) in excess of $50,000. Such expenditures must be for other housing purposes, as defined by HUD.

II. FAIR HOUSING POLICY

It is the policy of the HA 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. HA staff members may be required to attend fair housing training and shall follow the HA's Fair Housing and Equal Opportunity Policies and Procedures Manual.

The HA shall not deny any family or individual the opportunity to apply for or receive assistance under the Section 8 Program on the basis of race, color, national or ethnic origin, age, religion, sex, familial or marital status, disability, or sexual orientation.

To further its commitment to full compliance with applicable Civil Rights laws, the HA will provide federal/state/local information to Section 8 participants regarding "discrimination" and any recourse available to them if they are victims of discrimination. Such information will be made available during the initial program briefing session; applicable Fair Housing Information, HUD-1260-FHEO Fair Housing handbook, and Discrimination Complaint Forms will be included as part of the Section 8 briefing packet. This information will also be given upon request. In addition, Fair Housing pamphlets in English and Spanish are displayed in the HA's lobby. HA staff will be available to assist applicants and participants in completing Discrimination Complaint Forms upon request.

The HA contracts with an agency for the provision of fair housing counseling services, discrimination investigation, landlord-tenant mediation, training and education, and complaint and paired testing. The HA provides referral information to fair housing agencies and legal aid. The HA records race, ethnicity, familial status, and disability data provided on Section 8 HCV FSS assessment forms and personal declaration forms.

The HA will take the following steps to affirmatively further fair housing in the HA's Housing Choice Voucher Program, including in the administration of any new vouchers awarded to the HA.

- ☐ Inform affected applicants and participants on how to file a fair housing complaint, including the provision of the toll-free number for the Fair Housing Complaint Hotline: 1-800-669-9777 or via TTY by calling the Federal Information Relay Service at 800-887-8339 for persons with hearing or speech impairments.
- ☐ Comply with the affirmatively furthering fair housing requirements of 24 CFR Section 903.7(o). by:
  1. Examining the Housing Authority's programs or proposed programs;
  2. Identifying any impediments to fair housing choice within those programs;
  3. Addressing those impediments in a reasonable fashion in view of the resources available;
  4. Working with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the HA's involvement; and
  5. Maintaining records reflecting those analyses and actions.
- ☐ Inform applicants and participants of the advantages of living in areas with a lower concentration of low- and very-low income persons.
- ☐ Where requested by an individual, help program applicants and participants gain access to supportive services available within the community, but not require eligible applicants or participants to accept such supportive services as a condition of continued participation in the program.
- ☐ Identify public and private funding sources to assist participants with disabilities in covering the costs of structural alterations and other accessibility features that are needed as accommodations for their disabilities.

- ☐ Not deny other housing opportunities to persons who qualify for an HCV under this program with other housing opportunities, or otherwise restrict access to HA programs to eligible applicants who choose not to participate.
- ☐ Provide housing search assistance by providing lists of apartment complexes in Oceanside and other available units. The HA advises applicants, participants and owners that we maintain a list of available units that is updated at least weekly and is available at the HA offices and on the HA website – oceansideha.com.
- ☐ Approve higher rents to owners that provide accessible units with structural modifications for persons with disabilities.
- ☐ Provide technical assistance, through referrals to North County Lifeline, to owners interested in making reasonable accommodations or units accessible to persons with disabilities.

A. Accommodations

The HA has a designated Section 504 Coordinator and has provided notice of how to contact the Coordinator in the HA office and on the HA website. The HA has established grievance procedures to include a request for reasonable accommodation, appeal of a reasonable accommodation response and request for access improvements. HA staff and the 504 Coordinator are available to assist persons with such requests and will respond in a timely manner.

The HA has conducted a Self-Evaluation and has a Transition Plan on file for access to the HA office and programs. The Transition Plan will be reviewed on an annual basis. The HA's office located at 321 N. Nevada Street, Oceanside, is accessible to persons with disabilities with access for the hearing-impaired ~~is~~ provided through the California Relay System and written materials and access for the visual-impaired through readers. The accommodation policy is applicable to all situations described in this Plan; when an applicant/participant initiates contact with the HA including when a family applies, when the HA initiates contact with a family, and when the HA schedules or reschedules an appointment.

The HA's policies and practices are designed in accordance with Section 504 of the Rehabilitation Act of 1973, as amended and provide assurances that all persons with disabilities will be provided reasonable accommodation so that they may fully access the ~~Housing and~~ Neighborhood Services Department's services. Requests for reasonable accommodation from persons with disabilities will be granted. Third-party verification that the requestor is a person with disabilities, as well as certification that the person's impairment limits their participation in the Section 8 program in a specific way that can be alleviated by the requested accommodation will be required. Third-party verifications must be provided by a professional competent to render the opinion and knowledgeable about the person's situation. A designee will be allowed to provide some information, but only with the permission of the person with the disability. Upon request, a list of accessible rental units for persons with a disability will be provided. Posters and housing information are displayed in locations throughout the HA's office in such a manner as to be easily readable from a wheelchair.

B. Equal Employment Opportunity

The City of Oceanside provides equal employment opportunities to all potential job applicants and employees in accordance with the City of Oceanside's Equal Employment Opportunity Policy adopted February 7, 2001. In employing personnel for all housing programs, the HA will follow the non-discrimination guidelines of the above plan.

C. Owner Outreach

The HA encourages owners of decent, safe and sanitary housing units to lease to Section 8 participants. The HA maintains an ongoing list of available rental units and interested owners/property managers. The list is available in the lobby and is updated on a weekly basis. When listings from owners/property managers are received, they will be compiled by the HA staff ~~by bedroom size~~.

Actions to encourage participation by owners of suitable rental units located outside areas of low-income and minority areas:

1. The HA maintains communication with the San Diego County Apartment Association, and several residential management companies. These resources will be used to make owners aware of the benefits of the Section Housing Choice Voucher Program.
2. In order to expand participation of new owners who are interested in the program or are unfamiliar with the program, a Housing Specialist will call the prospective owner to explain the benefits of the program and encourage their participation. Owner information packets are also available at an owner's (or applicant/participant's) request.
3. Housing representatives will attend local agency and community fairs to increase awareness of the program and benefits for owners. Housing representatives will also participate in Owner seminars/workshops, which are organized through San Diego County Apartment Association, and other organizations representing property managers and rental owners.
4. Owner information packets describing the benefits of the rental assistance program will be available to all interested persons.
5. The HA will market the Section 8 program by conducting Rental Owner workshops for prospective owners periodically to explain the program benefits, especially during periods of low voucher utilization and low vacancy rates. Prospective owners will be sought in areas with low concentrations of low- and very-low income persons.
6. The HA will encourage continued participation by current rental owners by offering workshops periodically to provide updated program information.
7. The HA will utilize the media, including newspapers, magazines, television and radio to market the program as determined necessary.

The HA will periodically evaluate the distribution of assisted families to identify areas within the jurisdiction where owner outreach should be targeted.

D. Family Outreach

The outreach program will inform all segments of Oceanside's population, who may be eligible to apply, of the availability of the Section 8 program. If applicant groups are not reflective of the eligible population, additional outreach aimed at targeted groups will be increased. The HA will publicize the availability of rental assistance for very low-income families in newspapers of general circulation, minority media, and by other suitable means. Notices will also be provided in Spanish. Also, the HA will distribute fact sheets to the broadcasting media, and initiate personal contacts with members of the news media and community service personnel. In addition, the HA will utilize public service announcements. The following is a list of media to be used:

1. Daily Publications
   San Diego Union Tribune

2. Weekly Publications
   Hispanos Unidos

The Reader
The Coast News
La Prensa San Diego

3. T.V. Stations

KGTV-Channel 10
KFMB-Channel 8
KNSD-Channel 39/Cable 7
KOCT-Channel 18 and 19 (Local cable)

Liaisons have been established with a variety of city and county agencies, private social service agencies, non-profit agencies and special interest groups. The HA will communicate the status of rental assistance availability to the service providers in the community, advising them of eligibility factors and guidelines in order that they can make appropriate referrals. Fliers explaining the Section 8 program have been prepared for both applicants and rental property owners/managers. Fliers are also distributed to local social service agencies, non-profit groups and community organizations. Community contacts include but are not limited to the following:

Access 2 Independence
Aid to Veteran's of America
Association for Retarded Citizens
Brother Benno's
Carlsbad Unified School District
Casa de Amparo
Community Interface Services
Department of Rehabilitation, State of California
Employment Development Department
Health and Human Services Agency, County of San Diego
Interfaith Community Services
Legal Aid Society
Lifeline Community Services
MAAC
Mental Health Systems Inc
Mira Costa College
MITE, North County
North County Career Center
North San Diego County Association of Realtors
Oceanside Mobile Homeowners Alliance
Oceanside Senior Center
Oceanside Unified School District
Palomar College
Regional Occupation Program
Salvation Army
SER – Jobs for Progress
Social Security Administration
Veteran's Administration
Vista Unified School District
Women's Resource Center

E. Limited English Proficiency (LEP)

Language for Limited English Proficiency Persons (LEP) can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the HCV program. In certain circumstances, failure to ensure that LEP persons can effectively participate in or benefit from federally-assisted programs and activities may violate the prohibition under Title VI against discrimination on the basis of national origin.

In accordance with Executive Order 13166, the HA has conducted a Four Factor Analysis and has an established Language Access Plan (LAP) which shall be reviewed on an annual basis. This plan determines the level of language access to be made available to persons speaking English "less than very well" based on the jurisdiction's population, the HA's contact with LEP persons and the availability of resources to provide language services. LEP persons not triggered by the Four Factor analysis shall be accommodated on a case-by-case basis. The HA will analyze the various kinds of contacts it has with the public, to assess language needs and decide what reasonable steps should be taken. "Reasonable steps" may not be reasonable where the costs imposed substantially exceed the benefits.

The HA utilizes HUD's Language Identification Flashcard to determine the language needed by an LEP person for in-person contacts. Where feasible, the HA bilingual staff will be available to act as interpreters and translators and will standardize documents. The HA has an account with a third party language interpretation phone service to bridge calls or assist through a conference call for live meetings.

Where LEP persons desire, they will be permitted to use, at their own expense, an interpreter of their own choosing, in place of or as a supplement to the free language service offered by the HA. The interpreter may be a family member or a friend.

III. ADMISSION TO THE HOUSING CHOICE VOUCHER TENANT-BASED PROGRAM

The HA may set aside up to 50 vouchers for a Project-Based Voucher (PBV) Program as described later in this Administrative Plan. A separate waiting list will be established for the PBV Program.

An applicant for the HCV Tenant-Based Program may be admitted to the program by two methods:

1. **Special Admission.** Special purpose funding or grants for specified families or for a specified category of families may be received, from time to time, by the HA. Such housing assistance funding shall be for the individuals and families indicated in the federal, State or local ordinances, rules and regulations. A specific waiting list may be necessary for each special category of eligible families. Separate notices, special program rules and information will be made available to the public and to the targeted individuals and families. The HA has received voucher funding under the Non-Elderly Disabled (formerly known as Mainstream), Family Unification and Veteran's Affairs Supportive Housing (VASH) Programs. Non-Elderly Disabled vouchers are set-aside for households in which the head or spouse is a person with disabilities who is admitted to the HCV program prior to age 62. The Family Unification program promotes family unification by providing vouchers to families for whom the lack of adequate housing is a primary factor in the separation, or the threat of imminent separation, of children from their families. VASH vouchers are for homeless veterans via direct referral from the San Diego Veteran's Administration Medical Center.

2. **Waiting List Admission.** Except for special admissions, participants shall be selected from the HA waiting list. The HA shall select participants from the waiting list in accordance with the admission and equal opportunity policies described in this Plan.

A. Waiting List Collaboration Between Housing Authorities

The HA has adopted a collaborative policy with the five Housing Authorities in San Diego County with regards to applicants on waiting lists who move between housing jurisdictions. The participating HA's are the San Diego County Housing Authority, San Diego Housing Commission, Carlsbad Housing Authority, Encinitas Housing Authority and National City Housing Authority. The HA, upon request from an applicant, will forward or accept waiting list applications for applicants who move to another agency's jurisdiction or move within this HA's jurisdiction. Upon acceptance of such application, the HA will integrate the application into the current waiting list preserving the original date and time of the initial application. An application for a specific date from another local housing authority will be accepted one time only. If the application is denied for any reason or the applicant fails to use a voucher issued by the HA for any reason, the same application will not be accepted again on the He's waiting list.

B. Waiting List Administration

Any apparently eligible person interested in seeking rental assistance must apply to be placed on the waiting list. The HA maintains an ongoing, open waiting list. Pre-applications are available in the Neighborhood Services Department's lobby, located at 321 North Nevada Street, Oceanside. Pre-applications are accepted Monday through Thursday, between 7:30 am and 5:00 pm and on Fridays between 7:30 am and 4:00 pm. Pre-applications will be mailed, upon request. Alternate application arrangements will be made available to applicants with disabilities. An applicant's eligibility for a local preference will not be verified until the applicant's name comes up for certification from the waiting list. In the event there are two or more eligible applicant families with identical preference status, the one with the earliest date of placement on the waiting list will be selected first. It is the responsibility of an applicant to update their application as key information changes.

The waiting list will be maintained by application date and local preference. The HA will accept applications from apparently eligible citizens and eligible lawful residents who are very low-income single persons, families, elderly, handicapped and disabled. The date and time of the applicant information will be recorded when the pre-application is received by the HA. After placement on the waiting list, a letter of confirmation will be sent to the applicant. The letter of confirmation will also advise the applicant to notify the HA, in writing, of any changes in address, income, household composition, or any other changes that may effect eligibility for a local preference.

C. Waiting List Purge

Periodically, the HA may purge its waiting list. An applicant will be mailed a notification requesting an update in information and interest in remaining on the waiting list. The HA will withdraw an applicant's application from the waiting list when:

1. The applicant does not respond to HA requests for information or updates.
2. The applicant refuses an offer of assistance under the Housing Choice Voucher program.
3. The HA has information establishing fraud on the part of the applicant. HA will notify applicant of intention to remove name from waiting list.
4. Based on updated information, the applicant is determined ineligible. HA will notify applicant of

intention to remove name from waiting list.

5. The applicant requests removal of their application from the waiting list.

D. Admission Preferences for Selection of Applicants

Single Elderly, Disabled, Displaced Person. A single person who is elderly, disabled or displaced is selected or assisted before a single person who is not elderly, disabled or displaced.

Local Preferences. The City of Oceanside has established local preferences. An applicant who is a resident of or employed within Oceanside will have preference over an applicant who is not a resident or is not employed in Oceanside. Applicants may also be eligible for the following local preferences in the following order:

1. Homeless preference. Veteran families (including single persons or two or more persons who share residency) and chronically homeless single persons referred through the 25 Cities –North County Coordinated Assessment and Housing Placement (CAHP) system. The definition of veteran and chronically homeless will be the same as that used in the CAHP system. A maximum of 30 veteran or chronically homeless single applicant households may qualify for this preference. This preference is restricted to referrals through the 25 Cities – North County CAHP system and is intended to assist applicants who are homeless in Oceanside, living in a shelter in Oceanside, or living in a shelter in North San Diego County Coastal or Inland (as defined by San Diego Health and Human Services Agency) and can provide documentation of residing in Oceanside in the last six months.
2. Displaced by government action or Natural Disaster.
3. Veteran's preference. A head of household or spouse who has been discharged from military service under honorable or general (except dishonorable) conditions, or a spouse of a deceased veteran will have preference over non-veterans who submitted applications during the same calendar year (January-December).

Income Targeting. In accordance with HUD's mandate to admit 75% of applicants at 30% of median income, the HA will give a preference to applicants with incomes at or below 30% of the county median income (by household size) when the admit percentage falls below an acceptable level. Applicants with incomes above 30% of the county median income will be placed back on the waiting list until the percentage of admissions reaches the acceptable level.

E. Order of Waiting List Selection

Applicants will be selected from the waiting list in accordance with the date and time of application and taking into consideration the preferences that they are entitled to. Selection of applicants will be made in the following order:
Applicant resides or is employed in Oceanside:

1. VETERAN FAMILIES AND CHRONICALLY HOMELESS SINGLE PERSONS REFERRED THROUGH THE 25 CITIES – NORTH COUNTY CAHP SYSTEM.
2. DISPLACED BY GOVERNMENT ACTION OR NATURAL DISASTER
3. HEAD OF HOUSEHOLD OR SPOUSE IS A VETERAN
4. ALL OTHER APPLICANTS

Applicant does not reside or is not employed in Oceanside:

1. DISPLACED BY GOVERNMENT ACTION OR NATURAL DISASTER

2. HEAD OF HOUSEHOLD OR SPOUSE IS A VETERAN
3. ALL OTHER APPLICANTS

F. Verification of Preferences

All preferences must be verified

1. Live in or work in the City of Oceanside
   - 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 for third party verification that indicates the place of employment.

2. Homeless

   An applicant is considered homeless if the applicant lacks a fixed, regular and adequate nighttime residence and can provide verification that their nighttime residence is:
   - A supervised publicly or privately operated shelter designed to provide temporary living accommodations; or,
   - An institution that provides temporary residence for individuals intended to be institutionalized (not incarcerated); or
   - A public or private place not designed for, or ordinarily used as, a regular place for human beings.

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 housing program's sponsoring agency documenting the applicant's participation and readiness to maintain an independent tenancy.

IV. DETERMINATION OF APPLICANT ELIGIBILITY

A. INCOME LIMITS

The HA will not admit families whose income exceeds 50 percent of the area median income, except for those families included in 24 CFR 982.201(b) as described below.

To be income eligible, the family may be under the low-income limit in any of the following categories:

A very-low-income family.

A low-income family referred from the local Veterans Administration Medical Center for the HUD-VASH program. (Does not apply to the HCV program)

A low-income family that is continuously assisted under the 1937 Housing Act, such as a Public Housing family. An applicant is continuously assisted if the family had received federal assistance under the 1937 Housing Act within 120 days of voucher issuance.

B. Eligible Lawful Resident

In accordance with Section 214 of the Housing and Community Development Act of 1980, as amended, the Secretary of the U.S. Department of Housing and Urban Development (HUD) and HA's are prohibited from making financial assistance available to persons other than United States citizens, nationals, or certain categories of eligible non-citizens in HUD's Public Housing and the Section 8 Housing Assistance Payments (HAP) programs.

C. Family Definition/Composition

The term "family" includes, but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity or marital status:

1. A "family" may be a single person or two or more persons who share residency and whose combined income and resources are used to determine financial eligibility.
2. A "family" includes a family with a child or children.
3. A "family" may be a group of persons consisting of two or more elderly persons or disabled persons living together, or one or more elderly or disabled persons living with one or more live-in aides.
4. A "family" may be a single person.
5. A single person may be:
   a. an elderly person;
   b. a displaced person;
   c. a disabled person; or
   d. any other single person, such as the remaining member of an assisted family.

A child who is temporarily away from the home because of placement in foster care is considered a member of the family.

D. 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.

E. Selection from the Waiting List

When the applicant's name has reached the top of the waiting list and there is an available voucher and/or funding, an eligibility appointment will be scheduled. Eligibility is determined by the information provided by the applicant. The certification period will begin from the date of the eligibility appointment.

Applicants reinstated at Original date and time of application. Applicants removed from the waiting list will be given the benefit of the doubt if there is a possibility they were removed from the waiting list through no fault of their own. These applicants may be reinstated on the waiting list if there is a possibility they were not notified, such as in the case of only one notice being issued. In order to be reinstated, applicants must submit a statement requesting reinstatement and stating that they had resubmitted changes of address to the HA in a timely manner, that they had not changed their address,

or that they should be reinstated as a reasonable accommodation.

Point in time that family must be eligible for processing. A family selected off the waiting list is determined eligible or not eligible for eligibility processing based on the information provided on the Personal Declaration, the supporting documents submitted, and independent verification by the HA. The family must be eligible for the preferences it has claimed, income limits and targeting and jurisdiction priority as of the date it was pulled off the waiting list.

A family change in circumstances after the date the family was pulled off the waiting list for eligibility processing will not be evaluated for a possible change in preference status, jurisdiction, income limits and targeting, unless the family change in circumstances, prior to voucher issuance results in the family's income exceeding 50% of area median income, in which case, the family must be denied program admission. If the family is determined to be ineligible as of the date the family was pulled from the waiting list, the family will be required to reapply to the waiting list.

Examples:

If a family was over income at the time it was pulled from the waiting list but then the income was reduced as a result of termination of employment. The family must be denied as being over income at the time it was pulled off the waiting list and must reapply.

If the family was income-eligible at the time it was pulled from the waiting list but started working prior to the completion of the full application, which resulted in the family's income exceeding 50 percent of the AMI. The family must be denied as over-income and future changes in the family's circumstances cannot be considered, e.g. the family member quits his/her job. The family must reapply.

The family's income increases after it was issued a voucher. The income increase will be handled in accordance with the HA's current interim policy and may not be processed until the family's next annual reexamination after the family leases an assisted unit.

F. Denial of Admission

The HA shall deny an applicant admission to participation in the rental assistance program under the following circumstances:

1. If the applicant or participant currently has breached an agreement and owes money to the HA or to another HA. If an existing repayment agreement is in good standing, in connection with any housing program under the United States Housing Act of 1937, the applicant may continue making payments or pay in full and be approved for continued processing.
2. If the applicant, as a previous participant in any rental assistance program, has not reimbursed the HA for any amounts paid to an owner under a contract for rent or any other amounts owed by the family under the lease or for a vacated unit.
3. If any family member commits fraud, bribery, or another corrupt or criminal act in connection with any federal housing assistance program.
4. If the family has violated any family obligation under the program(s).
5. If the applicant is currently engaging in drug-related criminal activity or violent criminal activity, including criminal activity by any family or household member. Currently engaging in illegal drug, or violent criminal activity means that an individual has engaged in the behavior recently enough to justify that the individual's behavior is current.
6. If any member fails to sign consent forms for obtaining information.
7. If any HA has terminated assistance under the program for any member of the family in the past

five (5) years.

8. If the family has engaged in or threatened abusive or violent behavior towards HA personnel.
9. If any member of the household is subject to a lifetime registration requirement under a State sex offender registration program.
10. The HA has reasonable cause to believe that illegal drug use or a pattern of illegal drug use by a household member may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.
11. Any household member has ever been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing.
12. The HA determines that it has reasonable cause to believe that abuse or a pattern of abuse of alcohol by a household member may threaten the health or safety of, or the right to peaceful enjoyment of the premises by other residents.
13. The family previously engaged in violent criminal activity during the past ~~five~~ three years. Violent criminal activity is 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 likely to cause, serious bodily injury or property damage.
14. The family previously engaged in illegal drug-related activity during the past ~~five~~ three years that involved: sales, transportation, manufacture or possession for sale.
15. The family previously engaged in other criminal activity during the past ~~five~~ three years that would threaten the health or safety of the HA, owner, employee, contractor or agent of the HA or the right to peaceful enjoyment of the premises by other residents.
16. The family was evicted from federally assisted housing for illegal drug activities in the previous three years for personal drug use. This does not apply if evidence of rehabilitation is provided or the violator is absent.
17. The family has engaged in illegal drug use or possession of drugs for personal use during the past one year. This does not apply if proof of completing or participating (in good standing) in a supervised rehabilitation program is provided.

The event that triggers the denial shall be based on the date that the applicant engaged in the criminal activity. The date of determination of eligibility is the date that the family's name is pulled from the waiting list.

G. Applicants Claiming Mitigating Circumstances

If negative information is received about an applicant, the HA shall consider the time, nature, and extent of the applicant's conduct and factors that might indicate a reasonable probability of future favorable conduct. To be considered, mitigating circumstances must be verifiable.

An applicant may present mitigating evidence to overcome a criminal records-based denial. Mitigating circumstances are facts relating to criminal history, that, when verified, indicate (1) the reasons for the unsuitable criminal history or behavior; and (2) that the reason for the unsuitable criminal history or behavior is no longer in effect or is under control, justifying admission. Mitigating circumstances would overcome or outweigh information already gathered in the screening process.

If the applicant asserts that the mitigating circumstances relate to a disability, medical condition or treatment, the HA shall evaluate the evidence and verify the mitigating circumstance. The HA shall also have the right to request further information necessary to verify the mitigating circumstance. Such inquiries will be limited to the information necessary to verify the mitigating circumstances or, in the case of a person with disabilities, to verify a reasonable accommodation.

In its decision to deny assistance, the HA may consider the seriousness of the case, and the effect of denial of assistance on other family members who were not involved in the action or failure to act. The HA, if it admits such a family to the program, may impose as a condition of assistance, the requirement that family members who participated in or were culpable for the action or failure to act will not reside in the assisted unit.

Examples of mitigating circumstances may include:

1. Evidence of successful rehabilitation. The household member who engaged in drug-related criminal activity or alcohol abuse has successfully completed a supervised drug or alcohol program verified by the HA.
2. Circumstances leading to the criminal activity no longer exist (for example, the criminal household member has died or is imprisoned).
3. Evidence of the family's participation in social service or other appropriate counseling service; or
4. Evidence of successful and sustained modification of previously disqualifying behavior.

Consideration of mitigating circumstances does not guarantee that the family will qualify for admission. The HA will consider such circumstances in light of:

1. The ability to provide documentation/evidence to verify the mitigating circumstances and prospects for improved future behavior;
2. The overall performance with respect to all the screening requirements; and
3. The nature and seriousness of the criminal activity, especially drug related and criminal activity that appears in the applicant's record.

V. VOUCHER ISSUANCE AND BRIEFINGS

A. Briefing of Applicants

Prior to issuing any vouchers, the HA will determine whether it has sufficient funding in accordance with the policies in Chapter XIII. After an applicant is determined eligible, the applicant will be scheduled for a briefing session. Group, individual, and at-home briefing sessions will be conducted based on the needs of the eligible applicants. Separate briefings will be conducted for non-English speaking applicants when necessary. The briefing format will be an oral presentation with visual aids. The briefing will include a description of how the program works; family and owner responsibilities; and where the family may lease a rental unit, including transferring assistance to another jurisdiction. The briefing will also explain the portability process and relocating to non-impacted census tracts. Applicants will be given a Briefing packet which includes materials and information as outlined in the Federal Regulations. The Briefing information packet will include literature concerning, but not limited to: term and the suspension of the term of the voucher, voucher payment standards, utility allowances, HUD-required "lease addendum", Request for Tenancy Approval, statement of the HA's policy on providing information about a family to a prospective owner, HA subsidy standards and HA's policy on granting exceptions to the subsidy standards, HUD brochure on selecting a suitable rental unit, HUD lead-based paint brochure, HUD Fair-Housing pamphlet, family obligations under the program, the grounds on which the HA may deny or terminate assistance, reasonable accommodation policies and the HA informal hearing procedures. If the HA determines that there is insufficient funding after a voucher has been issued, the HA may rescind the voucher and place the affected family back on the waiting list.

B. Voucher Term limit

For participant's who are porting into the HA's jurisdiction, the voucher issuance and term date will be determined by the initial Housing Authority. The family will initially be issued a voucher for a term of 60 days. For an applicant, the issuance date is the date of the briefing. For a participant requesting to move or port to another jurisdiction, the issuance date is the earliest date the participant is eligible to enter into a new contract. For participant's who are porting into the HA's jurisdiction, the voucher issuance and term will be determined by the initial Housing Authority. The family may apply for one additional 60-day extension. The family must complete a form provided by the HA to demonstrate that the family has made efforts to locate a suitable rental unit. Extension requests must be submitted on or before the voucher expiration date. The family will be required to document units visited, addresses of the units, and phone numbers of prospective landlords and other relevant evidence of their housing search. The maximum term of the voucher is 120 calendar days (except for reasonable accommodation and extenuating circumstances as noted below) from the date of issuance. Extensions beyond 120 days may be granted as a "reasonable accommodation" for a person with disabilities. The need for "reasonable accommodation" will be verified. Extensions beyond 120 days, other than those for "reasonable accommodation", will only be considered for extenuating circumstances in which the applicant/participant through no fault of their own was not able to search for housing. Third-party documentation will be required for extensions beyond 120 days. The extension granted will only be for the amount of the time that the applicant/participant was not able to search for housing. Examples of extension requests for extenuating circumstances that may be approved by the Housing Authority include hospitalization and/or serious illness. Extensions will not be granted because of credit problems, financial inability to relocate to another unit or situations within the control of the family.

C. Suspension or "tolling"

Once the participant submits a Request for Tenancy Approval (RFTA), the term of the voucher is suspended. Suspension (tolling) means stopping the clock on the term of the voucher. The suspension of the term starts the day the RFTA is received in the office up to the date when the HA approves or denies a RFTA. Suspensions (tolling) will only be granted when the unit is not approved due to situations beyond the control of the family. There will be a 60-day maximum suspension. If the HA is unable to approve the unit within 60 days from the date of the suspension, the family must look for another unit. On the 61st day, the clock will begin again and the remainder time of the voucher term would be calculated. If a RFTA is denied by the HA, the term of the voucher will resume effective the date of the denial. The HA will change the dates on the voucher to reflect the appropriate term date and note the reason for the suspension. The HA will allow suspensions as reasonable accommodation for a family with a disabled family member to allow equal access to housing opportunities.

D. Voucher Payment Standard

The HA will review the voucher payment standard, *as needed to ensure effective utilization of vouchers.* The HA will take into consideration *available funding*, the number of families on the waiting list, the availability of affordable housing, the prevailing fair market rents for decent, safe and sanitary housing in the community, the availability of funds, and the ability of participants to pay rent exceeding the payment standard.

E. Rent Reasonableness

The purpose of the Rent Reasonableness Test is to assure that a fair rent is paid for units selected for participation in the Rental Assistance Program and the program does not have the effect of inflating rents in the community. Rent reasonableness determinations are made when units are placed under

contract for the first time, before any increase in rent to owner, and if there is a 5% decrease in the published Fair Market Rent. The HA will determine whether the rent to owner is a reasonable rent in comparison to rent for other comparable unassisted units. To make this determination, the HA will consider:

- The location, quality, size, unit type, and age of the contract unit.
- Any amenities, housing services, maintenance and utilities to be provided by the owner in accordance with the lease.

The HA will not approve a lease until initial rent to owner is determined reasonable. The HA must re-determine the rent to be reasonable before any of the following:

- Any increase in rent to owner.
- Before entering into a new HAP contract. The HA will not execute a HAP contract until it has documented that the charged rent is reasonable.
- If there is a five percent decrease in the published FMR in effect 60 days before the contract anniversary (for the unit size rented by the family), as compared with the FMR in effect one year before the contract anniversary.

All HA active participant files will contain documentation of the last applicable reasonable rent determination. The HA may elect to redetermine rent reasonableness at any other time. At all times during the assisted tenancy, the rent to owner may not exceed the reasonable rent as most recently determined or redetermined by the HA. If requested, the owner must give the HA information on rents charged by the owner for other units on the premises and elsewhere. The HA may request additional information, such as owner rent rolls, if it appears the owner has a tendency to charge higher rents to program participants, or if needed for rent reasonableness comparables.

The data for other unassisted units will be obtained from the Go Section 8 Rent Reasonableness System, newspapers, realtors, professional associations, owners, market surveys, and other available sources. For manufactured home space rentals, the City of Oceanside's list of approved space rents covered by the City's rent control ordinance may be used for rent reasonableness determinations.

The market areas for rent reasonableness determinations are the nearby neighborhoods or communities of the subject unit. Subject units within a defined housing market area will be compared to similar units within the same area. Generally, bedroom size and location are most important rent reasonableness criteria.

RENT REASONABLENESS METHODOLGY

The HA will compare the rent to the average or mid-range rents for similar non-luxury units in the locality to determine rent reasonableness. The HA uses the Go Section 8 Rent Reasonableness System as the primary tool to determine rent reasonableness. For unusual unit types such as houses, mobile homes, duplexes or townhouses, the HA uses various sources of information. If no comparable information is available for the unusual unit types, staff will provide information on the closest comparable unit type available.

VI. SUBSIDY STANDARDS AND HOUSEHOLD COMPOSITION

The HA may take the administrative action at any time, if warranted by HUD funding limitations and/or reductions, to reduce its subsidy standards. The HA may take the administrative action at any time to increase its subsidy standards, if funding allows and if necessary to improve or maintain the viability of the program.

Subsidy standards determine the number of bedrooms allocated, for funding purposes, to an assisted family. The subsidy standard is based on the family composition at initial eligibility and will be reviewed each time there is a change in the household composition. Port-in families moving into this HA's jurisdiction, from another Housing Authority, will be subsidized based on this HA's subsidy standards. Subsidy standards do not dictate sleeping arrangements for the family.

Subsidy standards should not be confused with Housing Quality Standards (HQS) minimum space requirements. The HQS space requirements set a standard for the maximum number of people that can occupy the assisted unit. Further, the HQS space requirements allow space other than bedrooms to be considered "living/sleeping rooms" to ensure maximum flexibility in determining whether an assisted unit is overcrowded. In accordance with HQS minimum space requirements, the assisted unit must have at least one bedroom or living/sleeping room for each two persons in the household.

A. Subsidy Standards

Vouchers will be issued in the smallest bedroom size to which the family is entitled. One bedroom will be issued for each two persons in the household, regardless of age, sex or family relationship.

B. Exception To Subsidy Standards

The family must request in writing a larger voucher than warranted under the subsidy standards as a reasonable accommodation for a family member with disabilities or for a live-in aide. The family request must justify the need for a larger voucher. A family request for a reasonable accommodation must also explain what about the additional bedroom will allow the person with disabilities better access to the program. A reasonable accommodation will only be given to the person with disabilities – not the family member without disabilities. An increase in the approved bedroom size will not be granted if there are other sleeping and/or living areas (rooms) that can be used by the family. The HA's current subsidy standards currently exceed the minimum subsidy standards established by HUD. An extra bedroom will be issued for a live-in aide, in accordance with the Live-In Aide policy in this section.

C. Initial Household Composition

The HA shall approve the members constituting the household. The household members listed on the initial lease are approved household members and shall be considered the "initial household Composition (IHC)". Only Members of the IHC or mandatory additions (listed below) shall qualify as "remaining members" of a participant family. When adult family members leave the assisted household, they are no longer considered members of the IHC and will never be considered remaining members at any point in the future. Only remaining members have entitlement to continuing housing assistance should the head of household leave the Section 8 program.

D. Additions to Initial Household Composition

Prior HA approval to add an additional member is not required when:

1. There is a birth of a child to one of the HA approved members of the family.
2. The court awards custody of a child to one of the HA approved members of the family.
3. There is a legal adoption of a child by one of the HA approved members of the family.

However, program participants must report all changes in household composition to the HA within thirty (30) days of the change. It is the family's responsibility to provide a revised copy of their lease to the HA adding the new child within 30 days of the addition. The HA may require the participant to provide legal documents to substantiate the change reported. Housing Quality Standards will be reviewed at the time of the family composition change to verify that the addition(s) to the household will not result in an "over-crowded" situation.

E. Other Household Additions

The participant must ask for HA written approval **prior** to adding any other family member as an occupant of the unit (including a foster child and Live-In Aide). The HA may approve additions to the household composition, if the following conditions are met:

1. The landlord approves, in writing, a change in tenant composition, prior to the addition of the person(s) to the household, and;
2. The subsidy size does not increase, and;
3. An over-crowded condition is not created.

The subsidy size will not be increased due to the addition of adults to the household, including adult children returning to the home.

F. Live-In Aide

A Live-In Aide is a person who lives with a person over the age of 50, or an elderly individual, or a person with disabilities and who meets all of the following criteria: (A relative may be considered a live-in aide; however they must meet the specified criteria, especially the last.)

- ☐ Is determined to be essential to the care and well-being of the person(s), and
- ☐ Is not obligated for support of the person(s), and
- ☐ Who would not be living in the unit except to provide necessary support services.

Required documentation for approval of a Live-in aide is as follows:

- ☐ Live-In Aide form completed by the applicant/participant and a professional competent to render the opinion and knowledgeable about the person's situation.
- ☐ Request for Initial Approval/Continuation of Specific Live-In Aide form completed by the participant/applicant.
- ☐ Live-In Aide Certification completed by the Live-In Aide.

The live-in aide's family members may reside in the unit provided that the subsidy cost does not increase due to the need for additional bedrooms, and the presence of the live-in aide's family does not overcrowd the unit.

The live-in aide qualifies for occupancy in the unit only as long as the individual needing supportive services also resides in the unit. The live-in aide does not qualify for continued assistance as a remaining family member. A Live-in Aide may not have an ownership interest in the dwelling unit. A household member who has been out of the assisted household for at least one year is eligible to be added to the assisted unit as a Live-in Aide. The live-in aide must be approved by the landlord and the HA. The HA will consider all eligibility requirements used for applicants when approving live-in aides and will use the same standard that is used to approve applicants. The HA may refuse to

approve a particular person as a live-in aide, or may withdrawal such approval if:

1. The person commits fraud, bribery or any corrupt or criminal act in connection with any federal housing program;
2. The person commits drug-related criminal activity or violent criminal activity; or
3. The person currently owes rent or other amounts to the HA or to another HA in connection with Section 8 or public housing assistance under the 1937 Act.

G. Guest Policy

The HA recognizes that participants will have visitors who may stay at the assisted unit. The participant must notify the HA of visitors staying at the assisted premises for more than 14 days. Extended stays by visitors may be considered a family composition change which must be reported by the participant to the HA. The participant shall be, upon request by the HA, responsible for providing the HA information concerning visitors. Complying with all of the lease terms, including those that govern guests and visitors, is a family obligation.

The following visitor circumstances, separately or in combination may be considered a family composition change:

1. The visitor has moved personal clothing and possessions into the unit.
2. The visitor sleeps, as a pattern and practice, at the premises on a daily basis or for a majority of days in the week.
3. The visitor is working in the area but has no other place of permanent residence.
4. The visitor receives mail at the assisted residence.

Failure by the participant to inform the HA of the above circumstances shall be grounds for termination from the program.

H. Family Absence From the Unit

The HA **may** allow extended family absences from the assisted unit; however, the absence may not exceed 120 consecutive days in any circumstance, except for to provide "reasonable accommodation" to a person with disabilities. "Absence" is defined to mean that no member of the assisted family is residing in the rental unit. Family absences which are expected to last longer than one month must be approved by the HA. Acceptable reasons for extended family absences may include but are not limited to: illnesses or medical situations which require in-patient treatment, absences to care for relatives, and absences due to a family death. Unapproved absences lasting longer than one month may be subject to termination of HAP payments and rental assistance benefits. The participant must request approval in writing and inform the HA of the nature of the absence. Absences will not be approved for imprisonment due to drug-related or violent criminal activity.

I. Family Break-up

In determining which family members continue to receive assistance after a family breaks up, the HA shall take into consideration the following factors and conditions:

1. The Initial Household Composition at the time of admission to the program.
2. Whether the assistance should remain with family members staying in the assisted unit.
3. The interest of minor children or of ill, elderly or disabled family members.
4. Whether the family members are forced to leave as a result of actual or threatened physical violence against family members by a spouse or other member of the "household".

First, the HA will consider the welfare of the children, elderly and disabled above that of the adult members. The HA may consult with appropriate federal, State or local agencies and institutions for guidance in reaching a decision which serves the best interest of the entire family. Other information, including court decrees, concerning the social and economic circumstances and overall welfare of the family. The assigned Housing Specialist will make recommendations concerning disposition of the family, based on consultation (if possible) with the affected adult members, for the Senior Housing Specialist's approval. Such final recommendation will be reviewed with the family, before a final decision is made in either approving the recommendation or modification thereof.

J. Joint Custody of Children.

Children, who are subject to a joint custody agreement but live with the applicant/participant at least 51 percent of the time, will be considered members of the household. The definition of "51 percent of the time" is 183 cumulative days of the year.

In cases where separated parents are trying to claim the child as a member of the household, the parent whose address is listed in the school records will be allowed to claim the school-age child as a dependent.

In a joint custody arrangement, if the minor is in the household less than six months per year, the minor will be considered to be an eligible visitor and not a family member.

VII. REQUEST FOR TENANCY APPROVAL AND HOUSING ASSISTANCE PAYMENT CONTRACT EXECUTION

A. Family Tenancy History

The HA will inform the prospective owner that the HA **does not** screen the family's behavior or suitability for tenancy and that such screening is the owner's own responsibility. The HA must give the owner, upon request, the family's current address and the name and address of the owner at the family's current and prior address. The HA will provide the same information to all owners and families. The HA will not provide the owner with additional information regarding history of tenancy, drug-related activity, or violent criminal activity, unless instructed, in writing, by the participant.

B. Submittal of the Request for Tenancy Approval

The HA will permit an applicant or participant to submit one Request for Tenancy Approval (RFTA) at a time. The HA specifies the RFTA submission procedure at the briefing session and/or move appointment. In general, upon approval of tenancy by owner/owner's agent, the participant will furnish the prospective owner the RFTA form. Upon completion by the owner/owner's agent, the completed RFTA must be submitted to the HA. The HA will review the RFTA for approval. If the RFTA is approved, the HA will schedule an appointment with the owner and participant to conduct a Housing Quality Standards (HQS) inspection.

C. Security Deposits

In accordance with State and local Law, the owner may collect a security deposit from the tenant. The HA does not set a limit on the owner security deposit and it is the owner's responsibility to collect the established security deposit amount from the tenant. However, the HA prohibits the owner from collecting a security deposit in excess of private market practice, or in excess of security deposits for the owner's unassisted units.

D. Damage Claim Provisions

HAP Contracts executed under the Federal Regulations in effect prior to the Conforming Rule effective October 2, 1995. The HA will honor damage claim payment provisions, under the previous HAP Contracts, in accordance with the Federal Regulations that were in effect prior to October 2, 1995.

HAP Contracts executed under the Federal Regulations after the effective date of the Conforming Rule. Effective October 2, 1995, the Conforming Rule eliminates the right of the owner to claim reimbursement from the HA for damages or other amounts owed by the tenant under the lease. The owner must look to the tenant for payment of any damages. A participant who commits serious and/or repeated violations of the lease, or who causes damages that blatantly exceed normal wear and tear shall be terminated from the program. This provision applies to all participants, once notified of the updated Obligations of participant under the Conforming Rule.

E. Housing Quality Standards and Inspections

Housing Quality Standards (HQS) are the minimum quality standards for housing assisted under the Section 8 voucher program. Assisted Housing must comply with HQS, both at initial occupancy and during the term of the assisted lease. The goal is to assist eligible families to pay rent for decent, safe, and sanitary housing. Also, the HQS establishes the minimum space requirements. The HQS space requirements set a standard for the maximum number of people that can occupy the assisted unit. Further, the HQS space requirements allow space other than bedrooms to be considered "living/sleeping rooms" to ensure maximum flexibility in determining whether an assisted unit is overcrowded. In accordance with HQS minimum space requirements, the assisted unit must have at least one bedroom or living/sleeping room for each two persons in the household. The HQS space requirements do not dictate who sleeps in each bedroom or living\sleeping room. HA staff will perform initial inspections and inspections of currently assisted units at least every 24 months in accordance with HUD Housing Quality Standards and local City codes. HA staff will also conduct an HQS inspection at the request of a participant or owner/owner's agent, if there is a question as to whether the rental unit meets the standard of decent, safe, and sanitary housing. Also, HA staff will consult with the City Code Enforcement staff on situations that appear to fail the City's code enforcement standards.

If one or more items fail, the rental owner and the tenant are sent a letter noting the Fail or Pass with Comment item(s). If a unit has failed inspection, the owner is requested to bring the item into compliance within 30 days of notification. The Housing Specialist must note in the file any extensions given to the owner to make repairs for routine items, including the reason for and length of the extension.

If the item(s) are a "life-threatening fail", the item must be repaired within 24 hours.

The following items are considered of an emergency nature and must be corrected by the owner or tenant (whoever is responsible) within 24 hours of notice by the inspector:

- Waterlogged ceiling(s) in imminent danger of falling;
- Major plumbing leaks or flooding;
- Strong smelling natural gas leak or fumes;
- Electrical problem likely to cause shock or fire;
- Jagged, broken glass where someone could be injured;
- Other immediate observable danger(s) to the health and safety of the family.

The OHA may give a short extension of not more than 24 additional hours whenever the responsible party cannot be notified, or it is impossible to complete the repair within the 24-hour period.

In those cases where there is leaking gas or potential of fire or other threat to public safety, and the responsible party cannot be notified, or it is impossible to make the repair, the proper authorities will be notified by the OHA. The OHA will take the necessary steps to advise and assist the family on relocation, providing the hazards were not a result of actions caused by the family beyond normal wear and tear.

If the emergency repair item(s) are not corrected in the time period required by the OHA, and the owner is responsible, the housing assistance payment will be abated and the HAP contract may be terminated.

If the emergency repair item(s) are not corrected in the time period required by the OHA and it is an HQS breach that is a family obligation, the OHA will terminate the assistance to the family with a 30-day termination notice.

F. Housing Assistance Payment

The Housing Assistance payment shall **not** be made to the owner/owner's payee until the HA:

1. Approves the RFTA, lease and lease addendum;
2. Determines the rental unit is "eligible housing", passes the HQS inspection requirements, passes local City codes and is rent reasonable;
3. Receives and approves the United States Internal Revenue Service W-9 and related documents, if any;
4. HAP Contract has been signed by the owner/owner's payee and executed by the Housing and Neighborhood Services Director or his designee.

G. Moves

Families will not be permitted to move during the initial term of the lease, unless the move is necessary due to a family member being the victim of domestic violence, dating violence, or stalking, in which case a move will be allowed and no waiver will be required.

Families will not be permitted to move more than once in a twelve-month period, unless they can demonstrate the move is required due to a medical emergency, the landlord issuing a termination of tenancy notice, or as a result of a family member being the victim of domestic violence, dating violence, or stalking.

Families will not be permitted to move if the lease/rental agreement was not properly terminated either by the family providing to the owner a proper 30-day notice to move, an approved waiver between the landlord and the tenant, or by a termination of tenancy notice issued by the owner.

VIII. SPECIAL HOUSING TYPES

A. Special Housing Types-Manufactured Home

The HA allows Section 8 assistance to be used to provide assistance to a family that owns a manufactured home, but rents the space.

B. Special Housing Types-Homeownership

1. GENERAL PROVISIONS

The HA permits eligible participants in the Section 8 Housing Choice Voucher Program, including participants with portable vouchers, the option of purchasing a home with their Section 8 assistance rather than renting. The HA may limit the homeownership program to twenty-five families at any given time.

Eligible applicants for the Section 8 Homeownership Program are required to have completed an initial Section 8 lease term, not owe the HA or any other Housing Authority an outstanding debt, and meet the eligibility criteria set forth in the HA Administrative Plan.
Section 8 homeownership assistance may be used to purchase the following types of single unit homes within the HA jurisdiction: new or existing single-family, condominium, manufactured home or planned use developments. Other housing types may be approved on a case-by-case basis, but must be eligible for a residential real estate loan.

The HA will permit portability of Section 8 homeownership assistance to another jurisdiction provided the receiving jurisdiction operates a Section 8 Homeownership Program and is accepting new homeownership families.

2. FAMILY ELIGIBILITY REQUIREMENTS

Participation in the Section 8 Homeownership Program is voluntary. Each Section 8 homeownership participant must meet the general requirements for admission to the Section 8 Housing Choice Voucher Program as set forth in the Administrative Plan. Such a Section 8 family must be "eligible" to participate in the homeownership program. The additional eligibility requirements for participation in the HA's Section 8 Homeownership Program require the family: (A) be a first-time homeowner or have a member who is a person with disabilities; (B) with the exception of elderly and disabled households, meet a minimum income requirement without counting income from "welfare assistance" sources; (C) with the exception of elderly and disabled households, meet the requisite employment criteria; (D) to have completed an initial lease term in the Section 8 Housing Choice Voucher Program; (E) to have fully repaid any outstanding debt owed to the HA or any other Housing Authority; (F) to have not defaulted on a mortgage securing debt to purchase a home under the homeownership option; (G) to have no family member who has a present ownership interest in a residence at the commencement of homeownership assistance.

A. First-Time Homeowner

Each Section 8 family, except families with a disabled member, must be a first-time homeowner. A "first-time homeowner" means that no member of the household has had an ownership interest in any residence during the three years preceding commencement of homeownership assistance. However, a single parent or displaced homemaker who, while married, owned a home with a spouse (or resided in a home owned by a spouse) is considered a "first-time homeowner" for purposes of the Section 8 homeownership option; and the right to purchase title to a residence under a lease-purchase agreement is not considered an "ownership interest."

B. Minimum Income Requirement.

The HA shall establish a minimum income standard per household size based on current housing prices and available additional sources of funding. The HA shall reserve the right to change the minimum income standard periodically to reflect changes in the housing market and available additional sources of funding. At the time the family begins receiving homeownership assistance, the

head of household, spouse, and/or other adult household members who will own the home, must have a gross annual income at least equal to the minimum income standard per household size established by the HA.

(1) Exceptions to the Minimum Income Requirement

The family shall be considered to meet the minimum income requirement if:

(a) The family is able to demonstrate that it has been pre-qualified or pre-approved for financing. The pre-qualified or pre-approved financing must meet any HA established requirements for financing the purchase of a home (including qualifications of lenders and terms of financing). The pre-qualified or pre-approved financing must be sufficient to purchase housing that meets housing quality standards in the HA's jurisdiction, and

(b) At the time the family begins receiving homeownership assistance, the head of household, spouse, and/or other adult household members who will own the home, must have a gross annual income at least equal to the Federal minimum hourly wage multiplied by 2000 hours, or

(c) For disabled families (in which the head or spouse is a person with disabilities) only, at the time the family begins receiving homeownership assistance, the head of the household, spouse, and/or other adult household members who will own the home must have a gross annual income at least equal to the monthly Federal Supplementary Security Income (SSI) benefit for an individual living alone multiplied by twelve.

(2) Exclusion of Welfare Assistance Income.

With the exception of elderly and disabled families, the HA will disregard any "welfare assistance" income in determining whether the family meets the minimum income requirement. Welfare assistance includes assistance from Temporary Assistance for Needy Families ("TANF"); Supplemental Security Income ("SSI") that is subject to an income eligibility test; food stamps; general assistance; or other welfare assistance specified by HUD. The disregard of welfare assistance income under this section affects the determination of minimum monthly income in determining initial qualification for the homeownership program. It does not affect the determination of income-eligibility for admission to the Section 8 Housing Choice Voucher Program, calculation of the family's total tenant payment, or calculation of the amount of homeownership assistance payments.

C. Employment History.

With the exception of disabled and elderly households, each family must demonstrate that one or more adult members of the family who will own the home at commencement of homeownership assistance is employed full-time (an average of 30 hours per week) and has been so continuously employed for one year prior to commencement of homeownership assistance. The HA Executive Director or her/his designee may also consider whether, and to what extent, an employment interruption is considered permissible in satisfying the employment requirement. The HA Executive Director or her/his designee may also consider successive employment during the one-year period and self-employment in a business. In order to reasonably accommodate a family's participation in the program, the HA will exempt families that include a person with disabilities from this requirement.

D. Completion of Initial Lease Term.

Applicants for and new participants in the Section 8 Housing Choice Voucher Program shall be ineligible for participation in the Section 8 Homeownership Program until completion of an initial Section 8 one-year lease term and the participant's first annual recertification in the Section 8 Housing Choice Voucher Program.

E. Repayment of Any Housing Authority Debts.

Participants in the Section 8 Housing Choice Voucher Program shall be ineligible for participation in the Section 8 homeownership program in the event any debt or portion of a debt remains owed to the HA or any other Housing Authority. Nothing in this provision will preclude Section 8 participants that have fully repaid such debt(s) from participating in the Section 8 Homeownership Program.

F. Additional Eligibility Factors.

(1) Elderly and Disabled Households.

Elderly and disabled families are exempt from the employment requirements set forth in Section 2. C. In the case of an elderly or disabled family, the HA will consider income from all sources, including welfare assistance, in evaluating whether the household meets the minimum income required to purchase a home through the Section 8 Homeownership Program.

(2) Prior Mortgage Defaults.

If a head of household, spouse or other adult household member who will execute the contract of sale and mortgage and loan documents has previously defaulted on a mortgage obtained through the Section 8 Homeownership Program, the family will be ineligible to participate in the Homeownership Program.

G. Ranking Preferences

Applications will be offered to eligible candidates in the following priority order with date and time of application the deciding factor among priority groups:

(1) Family Self Sufficiency (FSS) program participants with escrow accounts or FSS graduates who have sufficient earnings (as determined by the HA) to qualify for an appropriate loan amount.

(2) Housing Choice Voucher program participants with sufficient earnings (as determined by the HA) to qualify for an appropriate loan amount.

3. FAMILY PARTICIPATION REQUIREMENTS

Once a family is determined to be eligible to participate in the program, it must comply with the following additional requirements: (A) complete a homeownership counseling program approved by the HA prior to commencement of homeownership assistance; (B) within a specified time, locate the home it proposes to purchase; (C) submit a sales agreement containing specific components to the HA for approval; (D) allow the HA to inspect the proposed dwelling to assure that the dwelling meets appropriate housing quality standards; (E) obtain an independent inspection covering major building systems; (F) enter into a written agreement with the HA to

comply with all of family obligations under the Section 8 Program. This written agreement is provided as Appendix A of the Administrative Plan.

A. Homeownership Counseling Program.

A family's participation in the Homeownership Program is conditioned on the family attending and successfully completing a homeownership and housing counseling program provided or approved by the HA prior to commencement of homeownership assistance. The homeownership and counseling program may cover home maintenance, budgeting and money management, credit counseling; negotiating purchase price, securing mortgage financing; fair housing, information about the Real Estate Settlement Procedures Act (RESPA) obligations, finding a home, and the advantages of purchasing and locating homes in areas that do not have a high concentration of low-income families. The counseling program shall be consistent with homeownership counseling provided under HUD's Housing Counseling Program.

C. Locating and Purchasing a Home.

(1) Locating A Home.

Upon approval for the Section 8 Homeownership Program, a family shall have sixty days to locate a home to purchase. For good cause, the HA may extend a Section 8 family's time to locate a home. During a Section 8 participant's search for a home to purchase, his/her Section 8 rental assistance shall continue pursuant to the Administrative Plan.

(2) Type of Home.

A family approved for Section 8 homeownership assistance may purchase the following type of homes within the jurisdiction of the City of Oceanside: a new or existing home, a single-family home, a condominium, a manufactured home, or a home in a planned use development. A family may purchase a home where the family will not own fee title to the real property on which the home is located, typically a manufactured home. However, the family must have the right to occupy the site for a period of at least forty years and the home must have a permanent foundation. The home must already exist, or is under construction at the time the HA determines the family eligible for homeownership assistance to purchase the unit. The family may purchase a home in a jurisdiction other than the City of Oceanside provided the Housing Authority in the receiving jurisdiction operates a Section 8 Homeownership Program for which the Section 8 homeownership applicant qualifies and is accepting new homeownership families. A family's participation in the Section 8 Homeownership Program will be subject to the Section 8 Homeownership Program and policies of the receiving jurisdiction.

(3) Purchasing a Home.

Once a home is located, the family shall have up to 180 days to purchase the home. For good cause, the HA may extend a Section 8 family's time to purchase the home.

(4) Failure to Complete Purchase.

If a Section 8 participant is unable to purchase the home within the maximum time permitted by the HA, the HA shall continue the family's participation in the Section 8 housing choice voucher program.

(5) Lease-Purchase

A family selected to participate in the Homeownership Program may enter into lease- purchase agreements while receiving Section 8 rental assistance. All requirements of the Housing Choice Voucher Program apply to lease-purchase agreements, except that families are permitted to pay an extra amount out-of-pocket to the owner for purchase related expenses-- a "homeownership premium." Any "homeownership premium," defined as an increment of value attributable to the value of the lease-purchase right or agreement, is excluded from the HA's rent reasonableness determination and subsidy calculation, and must be absorbed by the family. When a lease-purchase participant family is ready to exercise their option, they must notify the HA and apply for the homeownership option. If determined eligible for homeownership assistance, the family may be admitted to the homeownership program and must meet all the requirements of these policies.

C. Sales Agreement.

Prior to execution of the offer to purchase or sales agreement, the family must provide the financing terms to the HA for approval. The sales agreement must provide for HA financing approval, a HA housing quality standards inspection, the independent inspection referred to in Section 3(E) and must state that the purchaser is not obligated to purchase unless such inspections are satisfactory to the HA. The contract must provide that the purchaser is not obligated to pay for any necessary repairs, and a seller certification that the seller is not debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.

D. Independent Initial Inspection Conducted.

To assure the home complies with the housing quality standards of the Section 8 Program, homeownership assistance payments may not commence until the HA first inspects the home. A professional selected by the family must conduct an independent inspection of existing homes covering major building systems. The HA will not pay for the independent inspection. The independent inspection report must be provided to the HA. The HA may disapprove the unit for failure to meet federal housing quality standards or information in the independent inspection report.

E. Financing Requirements.

The family is responsible for securing financing. The proposed financing terms must be submitted to and approved by the HA prior to the close of escrow. The HA shall determine the affordability of the participant's proposed financing. In making such determination, the HA may take into account other participant expenses, including but not limited to child care, unreimbursed medical expenses and training expenses. The HA may disapprove the financing if it has determined the debt is unaffordable. The HA will prohibit balloon payment mortgages, variable interest rate loans, and adjustable loans. The HA will require a minimum cash down payment of one percent (1%) of the purchase price to be paid from the family's own resources. The total down payment must be at least three percent (3%) of the purchase price.

F. Compliance With Family Obligations.

A family must agree, in writing to comply with all family obligations under the Section 8 Program and the HA's homeownership policies as outlined herewith and in the Administrative Plan. These obligations include (1) complying with the mortgage terms; (2) not selling or transferring the home to anyone other than a member of the assisted family who resides in the home while receiving

homeownership assistance; (3) not refinancing or adding debt secured by the home without prior HA approval; (4) not obtaining a present ownership interest in another residence while receiving homeownership assistance; (5) supplying all required information to the HA, including but not limited to annual verification of household income, notice of change in income and assets, notice of change in homeownership expenses, notice of move-out, and notice of mortgage default; (6) never having an ownership interest in any other residential property; and, (7) never defaulting on the mortgage.

4. POST-PURCHASE HOMEOWNERSHIP COUNSELING REQUIREMENTS

In the event that a family has a loss of employment, the following Post-Purchase Homeownership Counseling Requirements are mandatory:

1. The family must report the loss of employment immediately to their FSS Coordinator in order to continue receiving homeownership assistance.
2. After the family has been without a job for a week the family must make an appointment to meet with the HA's FSS Coordinator. The family must then begin working on a new budget and savings plan and creating employment goals. Family must be actively seeking for employment and updating the FSS Coordinator every week.
3. If the family is still unemployed after one month from the day they lost employment they must make an appointment with an HA provided homeownership counseling agency. The family must begin working extensively with the homeownership counselor on money management and mortgage default information and prevention through one on one counseling. The family must also communicate their progress to their FSS Coordinator.
4. In the event that the family does not comply with the above-mentioned post purchase procedures, the family's FSS Coordinator will be informed and the homeownership assistance will be stopped until family begins to comply with the steps outlined in this section
5. If the family fails to comply even after the payments have been stopped, the process of termination from Section 8 assistance will begin.

5. AMOUNT OF ASSISTANCE

The amount of the monthly assistance payment will be based on three factors: the voucher payment standard for which the family is eligible, the monthly homeownership expense, and the family's household income. The HA will pay the lower of either the payment standard minus the total family contribution ("TFC") or the family's monthly homeownership expenses minus the TFC. The Section 8 family will pay the difference.

A. Determining the Payment Standard.

The voucher payment standard is the fixed amount the HA annually establishes as the "fair market" rent for a unit of a particular size located within the HA jurisdiction. In the Homeownership Program, the initial payment standard will be the lower of either (1) the payment standard for which the family is eligible based on family size; or (2) the payment standard which is applicable to the size of the home the family decides to purchase. The payment standard for subsequent years will be based on the higher of: (1) the payment standard in effect at commencement of the homeownership assistance; or (2) the payment standard in effect at the most recent regular reexamination of the family's income and size. The initial payment standard, for purposes of this comparison, shall not be adjusted even if there is a subsequent decrease in family size. The HA will request HUD approval of a higher

payment standard, up to 120% of the published Fair Market Rent limit, where warranted as a reasonable accommodation for a family that includes a person with disabilities.

B. Determining the Monthly Homeownership Expense.

Monthly homeownership expense includes all of the following: principal and interest on the initial mortgage and any mortgage insurance premium (MIP) incurred to finance the purchase; taxes on the property; homeowner's insurance; and, utility allowances per the HA's Housing Choice Voucher Program schedule of utility allowances. Homeownership expenses for a cooperative or condominium may include, in addition to the above, operating expenses or maintenance fees assessed by the homeowner association. Expenses for housing in which the family does not own fee title to the property, such as a manufactured home, may include land lease payments.

C. Determining the Total Family Contribution

The TFC is that portion of the homeownership expense that the family must pay. It is generally 30% percent of the family's monthly-adjusted income, plus any gap between the payment standard and the actual housing cost. All family income (including public assistance) will be counted to determine the family's monthly-adjusted income for purposes of determining the amount of assistance.

D. Payment to Family or Lender.

The HA will provide the lender with notice of the amount of the housing assistance payment prior to close of escrow and will pay the HA's contribution towards the family's homeowner expenses directly to the lender, unless otherwise required by the lender. The family will be responsible to submit its share of the mortgage payment to the lender when it is due.

6. TERMINATION OF SECTION 8 HOMEOWNERSHIP ASSISTANCE

A. Grounds for Termination of Homeownership Assistance

(1) A family's failure to comply with its obligations under the HA's Section 8 Program homeownership policies may result in the termination of homeowners' assistance. These policies are outlined below and in the HA's Administrative Plan.
A family's homeownership assistance may be terminated in the following circumstances: (1) the family fails to comply with its obligations under the Section 8 Program, the homeownership policies, or if the family defaults or fails to comply with the terms of the mortgage incurred to purchase and/or refinance the home; (2) the family is dispossessed from the home due to a judgment or order of foreclosure; (3) the family fails to attend and complete any required ongoing homeownership and housing counseling classes; (4) the family fails to provide the HA 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, the family's household income and homeownership expenses on an annual basis, any notice of mortgage default received by the family; and any other notices which may be required pursuant to the HA homeownership policies. Except as otherwise provided in this section and/or the HA Administrative Plan, the family may not convey or transfer the home to any entity or person other than a member of the assisted family while receiving homeownership assistance.

(2) Occupancy of Home.

Homeownership assistance will be provided as long as the family resides in the home. If the family moves out of the home, the HA will not continue homeownership assistance commencing with the month after the family moves out.

(3) Changes in Income Eligibility.

A family's homeownership assistance may be changed or discontinued in the month Following annual recertification of the household income, but participation in the Section 8 Program shall continue until such time as there is not assistance payment for a period of six consecutive months.

(4) Maximum Term of Homeownership Assistance.

Except for the regulations regarding disabled and elderly families, a family may receive Section 8 Homeownership assistance for not longer than ten (10) years from the date of close of escrow unless the initial mortgage incurred to finance purchase of the home has a term that is 20 years or longer, in which case the maximum term is 15 years. Families that qualify as elderly at the commencement of homeownership assistance are not subject to a maximum term limitation. Families that qualify as disabled families at the commencement of homeownership assistance or at any time during the provision of homeownership assistance are not subject to a maximum term limitation. If a disabled family or elderly family ceases to qualify as disabled or elderly, the appropriate maximum term becomes applicable from the date homeownership assistance commenced; provided, however, that such family shall be eligible for at least six additional months of homeownership assistance after the maximum term becomes applicable. The time limit applies to any member of the household who has an ownership interest in the unit during any time that homeownership payments are made, or is a spouse of any member of the household who has an ownership interest.

B. Procedure for Termination of Homeownership Assistance.

A participant in the Section 8 Homeownership Program shall be entitled to the same termination notices and informal hearing procedures as set forth in the Administrative Plan of the HA for the Section 8 Housing Choice Voucher Program.

7. CONTINUED PARTICIPATION IN THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

A. Default on FHA-Insured Mortgage.

If the family defaults on an FHA-insured mortgage, the HA may, at its discretion, and subject to the availability of funding, permit the family to move with continued Section 8 Housing Choice Voucher rental assistance if the family demonstrates that it has (a) conveyed title to the home to HUD or its designee, as required by HUD; (b) moved from the home within the period established or approved by HUD; and, (c) left the home in good condition.

B. Default on non-FHA-Insured Mortgage.

If the family defaults on a mortgage that is not FHA-insured, the HA may, at its discretion, and Subject to the availability of funding, permit the family to move with continued Section 8 Housing Choice Voucher rental assistance if the family demonstrates that it has (a) conveyed title to the home to the lender, to the HA or to its designee, as may be permitted or required by the lender; (b) moved from the home within the period established or approved by the lender and/or the HA; and, (c) left the home in good condition.

8. THE HA ADMINISTRATIVE FEE

For each month that homeownership assistance is paid by the HA on behalf of the family, the HA shall be paid the ongoing administrative fee described in 24 C.F.R. §982.152(b).

9. WAIVER OR MODIFICATION OF HOMEOWNERSHIP POLICIES

The Director of the HA shall have the discretion to waive or modify any provision of the Section 8 Homeownership Program or policies not governed by statute or regulation for good cause or to comply with changes in HUD regulations or directives.

C. OTHER SPECIAL HOUSING TYPES

The HA does not allow any other special housing types, but will permit a family to use any of the following special housing types if it is needed as a reasonable accommodation to make the program readily accessible to and usable by persons with disabilities:

- ☐ Single Room Occupancy Housing
- ☐ Congregate Housing
- ☐ Group Home
- ☐ Shared Housing
- ☐ Cooperative Housing

IX. DEBTS OWED TO THE HOUSING AUTHORITY

A. Owner

If an Owner is indebted to the HA as a result of an overpayment, the owner will be requested to pay the amount due in full or the housing assistance payment (HAP) will be offset to collect the money owed.

B. Applicant

An applicant must pay **in full** all debts, if any, owed to the HA or any other Housing Authority before being admitted to the rental assistance program.

C. Participant

A participant, including a participant under portability, with repayment agreements, in good standing, will be allowed to continue making payments under such agreements until the debt is paid in full. Failure to make timely payments will be grounds for termination of benefits. However, if a participant wishes to move or port to another jurisdiction, the balance must be paid in full prior to execution of a new contract.

D. Repayment Agreements

The HA may offer a participant an opportunity to enter into a repayment agreement to pay rental assistance payments overpaid on the participant's behalf while occupying an assisted unit. The participant will remain in good standing with the HA as long as the payments are made in a timely manner. Failure to abide by the Repayment Agreement shall be grounds for termination of Section 8 benefits. Participants will not be able to port to another jurisdiction until payment is received in full. ***If*** the HA offers a repayment agreement, it will determine the terms. The period for repayment shall not exceed twelve (12) months unless approved by the Supervising Housing Specialist.

A family who fails to report an income increase within the 30-day reporting period is subject to a retroactive interim effective the first of the month following the income increase and collection of overpaid housing assistance. A family may be allowed to remain on the program and enter into a repayment agreement if there are no other issues, the unreported income was less than $15,000, and providing the family did not deliberately provide false, misleading, incomplete, or incorrect information to the HA.

A family not current on repayment will be issued a 30-day notice of intended action to terminate assistance. If the family becomes delinquent more than three times, the repayment agreement will be considered breached and the HA will take action to terminate assistance.

X. ANNUAL AND INTERIM REEXAMINATIONS

A. Recertification

It is a HUD requirement to annually re-examine family eligibility, including elderly, handicapped and disabled. Inspections will be performed and rents reviewed annually, and/or at such other times as circumstances may require.

B. Interim Re-examinations

Interim re-examinations (certifications conducted before the anniversary date) are based on a change in family composition or financial status. All program participants must report changes in income and other changes that would affect the amount of tenant rent, such as an increase in allowances or deductions within thirty (30) days of the change.

Interim re-examination will not alter the date of the family's annual recertification. Any increase in the family's share of the rent, prompted by the reexamination, shall be preceded by at least 30 days notice, in writing, of such increase. Any decrease in the family's share of the rent will be effective on the first day of the month after the family reported the change in writing. Although a reduction in the family share will be effective on the first of the month after the change is reported, the HA will not notify the family and landlord of the new rent amount until all applicable documents and verifications are received by the HA. This may result in a retroactive reduction in family share. Interim re-examinations shall only be completed under the following circumstances:

1. The household reports a decrease in income of duration in excess of thirty days. The HA will then calculate the total household income and will only reduce the family share of rent if it would decrease the tenant's portion of rent by a minimum of $15 per month.
2. If any new adult family member is added.
3. A household that previously had no income or less than the welfare amount for the family size and reports that income is now being received by any family member.

4. The household misrepresented the facts upon which the rent is based.
5. An administrative error on the part of the HA.

C. Family Moves

Families will be provided information regarding their responsibility to give the owner and the HA advance notice of any moves. This information is provided to the participant at briefings, in the lease agreement/addendum and upon inquiry to the HA.

The HA will deny a family permission to move on grounds that the HA does not have sufficient funding for continued assistance if (a) the move is initiated by the family, not the owner, or the HA; (b) the HA can demonstrate that the move will, in fact, result in higher subsidy costs; and (c) the HA can demonstrate in accordance with the policies in Chapter XIII that it does not have sufficient funding in its annual budget to accommodate the higher subsidy costs. The policy applies to moves within the HA's jurisdiction as well as outside under portability.

D. Portability

The family may lease a unit outside the HA jurisdiction. The HA will generally accept the income eligibility determination of the initial Housing Authority, if completed within 60 days of transfer and if there are not any family composition or income changes that have occurred. New family composition or income change information may warrant a redetermination by the HA.

XI. VERIFICATION POLICY

A. Up-Front Income Verification/Enterprise Income Verification

HUD regulations state that Up-Front Income Verification (UIV) is the preferred method of verification whenever possible. UIV is the verification of income, before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals. Up-Front Verification sources include the HUD Tenant Assessment Subsystem (TASS) for Social Security and Supplemental Security Income (SSI) and the Work Number for wage information. HUD has made available the Enterprise Verification (EIV) System and strongly encourages HA's to utilize the system to validate tenant reported income and inform tenants of the HA's capability and intent to compare tenant-reported information with UIV data. EIV shall only be utilized by users authorized by the Executive Director, who have completed the necessary HUD paperwork for EIV access. If UIV data is greater than tenant-reported income by $2,400 or greater annually, HA's expected to resolve these discrepancies.

If the UIV income information is less than the family's reported income, the HA will use the family's reported income, as verified by third-party verification (or other forms if third-party cannot be obtained).

If the UIV income information is more than the family's income figure, the HA will use the UIV, unless the family provides documentation of a change in circumstances to explain the discrepancy (e.g. a reduction in work hours). Upon receipt of acceptable family-provided documentation of a change in circumstances, the HA will use the family-provided information.

Since EIV provides wage information that may be up to six months old, it may only be used for verification in combination with at least two months of current paystubs provided that the participant is

still working for the same employer. Other UIV sources, including the Work Number, will be the preferred method of verification for employment income as EIV wage data is often not current.

EIV will be reviewed for all family members at least annually at recertification and when the family is transferring its assistance to another unit in the HA's jurisdiction.

If EIV/UIV data is substantially different from tenant-reported and/or third-party documentation, the following procedures shall take place. Substantially different is defined as when income verified by third-party verification (or lesser forms of verification if third-party cannot be obtained) exceeds tenant reported income by $2,400 or more annually.

1. In any case where staff has relied solely on EIV/UIV data to document the discrepant income, staff shall submit a third-party verification form to the income source.
2. Staff shall review historical data for prior patterns of employment, benefit payments, and/or other income source histories.
3. Staff shall discuss the discrepancy with the tenant and the tenant shall be given the opportunity to resolve the discrepancy. Such discussion shall either be verbally or in writing.

    a. Although the tenant shall be given the opportunity to resolve the discrepancy, the final arbiter shall be either third-party verification or UIV/EIV data, whichever is accurate, unless the tenant can provide documentation that one or both parties' data is incorrect.
    b. If the tenant is able to produce sufficient documentation of incorrect third-party and/or UIV/EIV data, staff stall contact the proper personnel in charge of this data for resolution.

Staff shall determine the cause of the income discrepancy. If it is determined to be a tenant-caused discrepancy, staff will determine if the family committed willful and intentional fraud in failing to report the income. The HA may require the family to repay the entire amount in full or have its assistance terminated for committing fraud, a violation of family obligations under the program. If the family's assistance is terminated and repayment has not been made, the money owed is considered an overpayment of assistance and the HA may take action to collect the overpayment.

In determining whether the family violated the family obligation, the HA will determine whether the family supplied the information willingly at the last annual or interim recertification, or move appointment.

If It is determined that the family failed to report income due an unintentional error or omission by the family, staff will calculate the amount of the overpayment and offer the family a repayment agreement. The overpayment shall be calculated back to the effective date of the increase in income. If the family declines to sign a repayment agreement, the assistance of the family will be terminated for violation of their family obligations.

B. Self Employment Income

Net income from a business or profession must be included in annual income. In order to verify the net income from self-employment/business ownership, the HA will view the IRS federal tax return, and financial documents from prior years, and use this information to anticipate income for the next 12 months.

The family **must** provide a copy of its prior year's federal income tax return if it was filed. Acceptable methods of verification include:
-IRS Form 1040, including:
-Schedule C (Small Business)
-Schedule E (Rental Property Income)
-Schedule F (Farm Income)
-Financial statement(s), either audited or not audited, of the business
-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.
-Credit report or loan application
-Business Ledgers
-Family's self-certification as to net income realized from the business during previous years. For some self-employment types, where there is a potential for substantial income, self-certification is unacceptable.
-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.
-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.
-If a family member has been self-employed for less than three months, the HA will accept the family member's certified estimate of income and perform an interim reexamination in three months. If the family member has been self-employed for three to twelve months, the HA will require the family to provide documentation of income and expenses for this period and use that information to project expenses.

Expenses of rent and utilities will not be allowed for businesses based in the subsidized unit. In addition, the following are nondeductible business expenses:
-Principal payments on loans
-Interest on loans for business expansion or capital improvements. Business expansion is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations.
-Other expenses for business expansion
-Outlays for capital improvements

If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income. If the business is co-owned with someone outside the family, the family must provide documentation demonstrating its share of the business as a percentage of the business partnership agreement.

It is the family's responsibility to provide documentation of income and expenses in good order with everything organized, recorded and totaled. The HA will reject documentation that has not been organized and totaled, e.g., an unorganized bundle of receipts.

C. Child Care Business

If an applicant/participant is operating a licensed day care business, income will be verified as for any other type of business. If the applicant is operating a "cash and carry" operation, which may or may not

be licensed, the HA may require that the applicant/participant complete a form for each customer. The form must indicate the name of the person(s) whose child(ren) is/are being cared for, phone number, number of hours the child is being cared for, method of payment (cash/check), amount paid, and signature of the person who receives the services.

The family **must** provide a copy of its federal tax return, if it was filed.

The family must indicate if it is receiving a food allowance or other compensation to offset business expenses. Third-party verification will be requested if another public entity, such as the San Diego County Health and Human Services Agency, is providing compensation to the child care provider.

If none of the above documents is available, the family may provide a notarized self-certification signed under penalty of perjury, as to gross income received the previous year, as well as anticipated gross income for the next year.

D. Minimal or Zero Income

There is no minimum income requirement. However, families who report zero or minimal income are required to complete a written certification every 30 days, and provide copies of expense receipts for the 30-day period. The HA will conduct an interim to increase the family's rent share upon reinstatement of income.

The family may be required to provide documentation to prove that income, such as unemployment benefits TANF, SSI, etc. are not being received.

The HA may request information from the State Employment Development Department. The HA may run a credit report on the family.
The HA may require a family's notarized self-certification, signed under penalty of perjury, stating that it has no income, and explaining how it expects to meet its needs.

E. Medical Expenses

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.

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

XII. OBLIGATIONS OF THE FAMILY AND DENIAL OR TERMINATION OF ASSISTANCE

A. Family Obligations

The HA shall terminate assistance to a family for willful and negligent failure to perform family obligations, except for reasons which the family had no control, were unintentional, or minor, such as mail delivery delays or failure of mail delivery. Because there may be many circumstances concerning compliance with family obligations, each failure will be considered by the Housing Specialist and Supervising Housing Specialist on the case merits; however, repeated, serious, deceptive and manipulative failure to comply with family obligations will be automatic grounds for termination.

Family obligations include but are not limited to the following; the family **must**:

1. Supply any information that the HA or HUD determines to be necessary in the administration of the program, including evidence of citizenship or eligible immigration status. The family must supply any information requested by the PHA or HUD for use in a regularly scheduled reexamination of family income and composition.
2. Disclose and verify social security numbers and sign and submit consent forms for obtaining information.
3. Supply any information requested by the HA to verify that the family is living in the unit or information related to family absence from the unit.
4. Promptly notify the HA in writing when the family is away from the unit for an extended period of time in accordance with HA policies.
5. Allow the PHA to inspect the unit at reasonable times and after reasonable notice.
6. Notify the HA and owner in writing before moving out of the unit or terminating the lease.
7. Use the assisted unit for residence by the family. The unit must be the family's only residence.
8. Promptly notify the PHA in writing of the birth, adoption, or court-awarded custody of a child.
9. Request HA written approval to add any other family member as an occupant of the unit.
10. Promptly notify the HA in writing if any family member no longer lives in the unit.
11. Give the HA a copy of any owner eviction notice.
12. Pay utility bills and supply appliances that the owner is not required to supply under the lease.

Any information the family provides must be true and complete.
The family (including each family member) must not:

1. Own or have any interest in the unit (other than in a cooperative, or the owner of a manufactured home leasing a manufactured home space).
2. Commit any serious or repeated violation of the lease.
3. Commit fraud, bribery, or any other corrupt or criminal act in connection with the program.
4. Participate in illegal drug or violent criminal activity.
5. Sublease or let the unit or assign the lease or transfer the unit.
6. Receive Section 8 tenant-based program assistance while receiving another housing subsidy, for the same unit or different unit under any other Federal, State, or local housing assistance program.
7. Damage the unit or premises (other than from ordinary wear and tear) or permit any guest to damage the unit or premises.
8. Receive Section 8 tenant-based program housing assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the HA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities.
9. Engage in illegal use of a controlled substance, or abuse of alcohol that threatens the health and safety or right to peaceful enjoyment of the premises by other residents.

B. Termination Information for Participant

If the HA intends to proceed with termination of rental assistance benefits, the participant will be mailed a Notice of Intended Action which will state the reason(s) for the proposed termination. The Notice of Intended Action will outline the procedures for a participant to request an Informal Hearing as well as their rights during the Hearing process.

C. Illegal Drug Use (Rehabilitation)

The HA shall require a family member who has engaged in the illegal use and possession of drugs to submit evidence of participation in, or successful completion of a treatment program, as a condition to being allowed to reside in the unit.

D. Drug-related Criminal Activity

The HA shall terminate families who engage in drug-related criminal activity, regardless of where the criminal activity takes place.

E. Violent Criminal Activity

The HA shall terminate families who engage in violent criminal activity, including spousal abuse, child abuse, threats to landlords, neighbors, and violence against property.

F. Crime by Family Member

The HA shall terminate assistance to a family if the preponderance of evidence indicates that a family member, foster child or live-in aide has committed the crime, or friends/guests committed the crime, regardless of whether the person has been arrested or convicted, or without regard to whether a crime is technically classified as a felony.

G. Serious and Repeated Violation of the Lease

The HA shall terminate assistance to a family and deny permission to move with continued assistance for serious and/or repeated violation of the lease.

H. Fraud or Other Program Violation

The HA shall deny or terminate assistance if any member of the family commits fraud, bribery or any other corrupt act. Such criminal act is a breach of family obligations. Denial or termination may be based upon criminal occurrences that took place at times other than times of being a participant.

I. Violence Against HA Personnel

The HA shall deny or terminate assistance if the family has engaged in or uses abusive or violent language or behavior toward HA personnel.

J. Violence Against Women Act (VAWA)

Denial of assistance to an applicant or termination of assistance of a participant for criminal activity is subject to the provisions of the Violence Against Women Act of 2005 as described below:

1. Being a victim of domestic violence, dating violence, or stalking is not a basis for denial of assistance or admission to assisted housing if the applicant otherwise qualifies for assistance or admission.
2. Incidents or threats of abuse will not be construed as serious or repeated violations of the abuse or other "good cause" for termination of the assistance, tenancy, or occupancy rights of a victim or abuse.
3. The HA has authority to terminate voucher assistance for certain family members while permitting other members of a participant family to continue receiving assistance (providing the culpable family member will no longer reside in the unit). The HA's right to exercise this

administrative discretion is not dependent on a bifurcated lease or other eviction action by the owner against an individual family member.

4. Certification of Abuse: The HA will request that the victim of abuse complete the HUD form 50066 – Certification of Domestic Violence, Dating Violence or Stalking. This form must be provided within fourteen (14) business days from the date the HA requests it. Without the certification, the HA may terminate assistance.

XIII. TERMINATION OF HAP CONTRACT AND HOUSING CHOICE VOUCHERS: INSUFFICIENT FUNDING

A. Determination of Insufficient Funding

The HA will determine whether there is adequate funding to issue vouchers, approve moves to higher cost units and areas, and continue subsidizing all current participants by comparing the HA's annual budget authority to the annual total HAP needs on a monthly basis. The total HAP needs for the calendar year will be projected by establishing the actual HAP costs year to date. To that figure, the HA will add anticipated HAP expenditures for the remainder of the calendar year. Projected HAP expenditures will be calculated by multiplying the projected number of units leased per remaining months by the most current month's average HAP. The projected number of units leased per month will take into account the average monthly turnover of participant families. If the total annual HAP needs equal or exceed the annual budget authority, or if the HA cannot support the cost of the proposed subsidy commitment (voucher issuance or move) based on the funding analysis, the HA will be considered to have insufficient funding.

The HA will determine whether there is sufficient funding to pay for currently assisted families. If the HA determines that there is a shortage of funding, prior to terminating HAP contracts, the HA will determine if any other actions can be taken to reduce program costs. Cost cutting measures may include reducing payment and subsidy standards. If after implementing all reasonable cost cutting measures, there is not enough funding available to provide continued assistance for current participants, the HA will terminate HAP contracts as a last resort.

The HA will terminate the minimum number needed in order to reduce HAP costs to a level within the HA's annual budget authority.

B. Termination of HAP contracts and cancellation of Housing Choice Vouchers

If the HA must terminate HAP contracts due to insufficient funding, the HA will terminate HAP contracts and/or cancel Housing Choice Vouchers (HCV) in the following order:

1. Cancel all outstanding HCV for applicants who have been issued a voucher from the waiting list, including applicants who have submitted a Request for Tenancy Approval.
2. Participants that are not in a contracted unit and do not hold an active HCV will not be issued a HCV to move with continued assistance.
3. Participants (including out-going portables) who currently hold an active HCV and are no longer in a contracted unit.

4. Participants with household members with excluded income (except SNAP (food stamp benefits)) in excess of $12,000 annually.
5. Participants who are renting property owned by a relative (first in, first out).
6. Participants that are single, non-elderly and non-disabled households (first in, first out)
7. Participants that are non-elderly and non-disabled households with more than one member. (Head and co-head/spouse are not elderly or disabled per HUD definitions). (first in, first out)

In the event that the above selection criteria fails to yield a sufficient number of contract terminations necessary to meet funding levels, additional contracts will be selected through a lottery conducted by the HA. A number will be assigned to all remaining existing contracts. These numbers will be selected at random until a sufficient number of contracts have been identified to achieve the required cost reductions.

Participants whose HCV was cancelled or HAP contract terminated due to insufficient funding will be placed on the HA reissued waiting list and assigned a priority number based on the order of their cancellation. The last participant with a terminated contract or cancelled HCV would be number one on the reissued waiting list. The number identifies the order they may be reissued a HCV once funding is available. However, participants that have committed fraud and/or repeatedly violated the family obligations will be proposed for termination of rental assistance.

Applicants whose vouchers were cancelled due to insufficient funding will be returned to the HA waiting list. These applicants will be issued a HCV upon redetermination of eligibility when funding is available.

Prior to terminating any HAP contracts, the HA will inform the local HUD field office.

XIV. PROCEDURES FOR INFORMAL REVIEW OR HEARING

A. Informal Review: Applicant

The HA will advise an applicant of his/her right to an informal review if denied assistance. The HA shall grant an informal review, upon request, to any applicant who is denied assistance for any reason. Such review shall be conducted by any person designated by the HA; however, it may not be a person who made or approved the decision under review or a subordinate of that person. Such informal review procedure shall permit or require:

1. The applicant to present written or oral objections.
2. The HA to notify the applicant, in a timely manner, of the HA final decision after the informal review. The notice must include a brief statement of the reasons for the decision.

B. Informal Hearing: Participant

The HA shall offer a hearing for certain HA determinations relating to the individual circumstances of a participant family. The hearing is held to consider whether HA decisions related to the family circumstances are in accordance with the law, HUD rules and regulations and the HA policies and procedures. A hearing shall be offered on:
1. An HA determination of the family's income.
2. An HA determination of the family unit size for the family under the HA subsidy standards.
3. An HA determination of the appropriate utility allowance for the family from the HA utility allowance schedule.
4. An HA determination to deny or terminate assistance because of family actions or inactions.

5. An HA determination to terminate assistance because the family has been absent from the unit for longer than the maximum period permitted under HA policy and HUD Rules.

A request for a hearing must be received by the HA and be postmarked within 17 working days from the date of the "Notice of Intended Action". The HA is not required to grant a hearing for HA discretionary administrative determinations or for general policy issues or class grievances.

C. Hearing Notice to Participant

The HA shall notify the family of its right to request a hearing on a decision to deny or terminate assistance. The notice shall include a brief statement of reasons for the HA decision. Such notice may be given in the notice by the HA for reexamination or recertification, and in the notice of determination after reexamination.

D. Pre-Hearing Discovery

The family has a right to pre-hearing discovery of HA documents, including records and regulations, that are directly relevant to the hearing. The family shall be allowed to make a copy of any such documents. The family is required to produce the documents at the HA offices. The HA has a parallel right to pre-hearing examination of relevant family documents. The hearing packet shall be sent to the participant no less than ten business days before the Informal Hearing. The family must provide any documents that will be presented at the Informal Hearing to the HA, upon request of the HA, at least two business days before the Informal Hearing. The HA may not rely on a document withheld from disclosure. Similarly, the family may not rely upon a document not produced at request by the HA. The hearing officer has the discretion to allow untimely submissions of relevant documents required, based on the relative sophistication of the family, the complexity of the documents required, and the time the family had access to the documents before the hearing. The HA shall allow applicants and participants the right to inspect and copy documents under supervision of a HA staff person.

XV. POLICIES CONCERNING DISAPPROVAL OF OWNERS

A. Review of the Lease

The HA will review a lease utilized by an owner to assure that the lease is in compliance with federal, State and local law. The owner will be required to attach the HUD lease addendum to their lease.

B. Owner Violations of the HAP Contract

The HA may terminate an owner from the program for serious and repeated violations of the HAP Contract and/or lease agreement.

C. Disapproval of Owner for "Drug Trafficking"

The HA shall disapprove of an owner if the HA is in possession of credible information that the owner has engaged in drug-dealing or trafficking. Drug trafficking refers to commercial drug-dealing (manufacture, sale, or distribution of narcotics), but does not cover illegal drug use.

D. Disapproval of Owner for HQS Violation

The HA shall disapprove of an owner with a continued "history or practice" of violating HQS, City codes or applicable housing standards under other federal housing programs.

XVI. PROJECT-BASED HOUSING CHOICE VOUCHERS

A. General Provisions

The project-based component of the Housing Choice Voucher Program allows rental assistance to be attached to a specific unit and/or project instead of an individual eligible assisted family. The project may be owned by any individual, corporation, trust, partnership, non-profit entity, as well as by the City of Oceanside Community Development Commission (HA), excluding those sanctioned from participation. The use of Project-Based Vouchers is governed by the HUD regulations at 24 CFR Part 983. If there are any conflicts between the Administrative Plan and the HUD regulations pertaining to the HA's project-based voucher program, the HUD regulations shall prevail.

B. Background

City of Oceanside HCV holders have encountered obstacles in their search for appropriate rental housing. In recent years, vacancy rates have remained low and rents have escalated. These factors have contributed to rental owners being hesitant to participate in a program that assists low-income households, particularly when some program applicants have a history of delinquent bills and evictions. Voucher holders who are persons with disabilities or special needs, including victims of domestic violence, often have an even more difficult time locating appropriate housing that qualifies for the HCV Program. Persons with disabilities and/or special needs often require supportive services to assist them in meeting their daily needs and living independently. In order to improve the success rate of those least likely to be successful in a tenant-based rental assistance program, the HA has determined that it may be necessary to allocate its vouchers to project-based assistance.

C. Eligible Housing

Project-Based Voucher assistance may be used for existing housing, or for newly constructed or rehabilitated housing developed under and in accordance with a development agreement; the housing must be located within the jurisdiction of the City of Oceanside. Housing projects may consist of the following types of unit: apartments, condominiums, group homes or houses.

Project-based vouchers may not provide assistance for:

1. Shared Housing
2. Units on the grounds of a penal, reformatory, medical, mental, or similar public or private institution.
3. Nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care.
4. Units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students of the institution.
5. Manufactured homes.
6. Cooperative housing.
7. Transitional Housing.
8. High-rise elevator project for families with children.
9. An Owner-occupied unit
10. A unit occupied by an ineligible family.

In addition, PBV assistance may not be attached to a unit subsidized by another government program as defined in 24 CFR 983.54.

D. Selection of PBV Owner Proposals

The HA may select PBV proposals by either of the following two methods.

1. HA Request for PBV Proposals.
2. Selection of a proposal for housing assisted under a federal, state or local government housing assistance, community development or supportive services program that requires competitive selection of proposals, where the proposal has been selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date, and the earlier competitive selection proposal did not involve any consideration that the project would receive PBV assistance.

Under the first selection method, HA Request for PBV Proposals, priority will be given to proposals:

1. In which the project was funded through the HOME and/or Low Income Housing Tax Credit (LIHTC) Program.
2. In which the PBV units will be designated for "qualifying families", specifically elderly or disabled families, or families receiving supportive services. Supportive services are defined as medical or disability-related services; help with daily living activities, and assistance with domestic violence.

Additionally, proposals will be evaluated based on the criteria specified in 24 CFR 983.57 for existing, rehabilitated and new housing.

The HA shall provide public notice of the opportunity to offer PBV proposals for consideration of the HA. The HA shall publish the public notice in a local newspaper of general circulation. The public notice will include a specific submission deadline. Detailed applications and selection information will be provided at the request of interested parties.

The HA will give prompt written notice to the party that submitted a selected proposal. The HA will also give a prompt public notice of the proposal selection, including publication in a local newspaper of general circulation. The HA will make documentation available for public inspection regarding the basis for the HA selection of a specific proposal.

E. Subsidy Layering Requirements

The HA will provide PBV assistance only in accordance with HUD subsidy layering regulations (24 CFR 4.13). The HA will not enter an Agreement or HAP contract until HUD or an independent entity approved by HUD has conducted the required subsidy layering review and determined that PBV assistance is in accordance with HUD subsidy layering requirements.

F. Maximum number of PBV units per building

The maximum number of units that can be assigned PBV assistance in a multi-family building is 25%, except for units specifically made available for "Qualifying families". "Qualifying families" means elderly of disabled families, or families receiving supportive services. Supportive services are defined as medical or disability-related services; help with daily living activities, and assistance with domestic violence.

G. Site selection standards

Site selection standards are identified in 24 CFR 983.57 and have different provisions for newly constructed, rehabilitated and existing housing. Prior to selection of a proposal for PBV housing, the HA must determine that project-based assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities.

H. Environmental Review

The HA may not enter into an agreement or HAP contract with an owner, and the HA, the owner, and its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities until the responsible entity has completed the environmental review and HUD has approved the environmental certification, the responsible entity has determined the project to be assisted is exempt, or HUD has performed an environmental review and provided written notification of approval.

I. Inspection of the project and units

The Housing Quality Standards (HQS) cited under 24 CFR 982.401 are used for the PBV Program. The HA must examine the proposed site before the proposal selection date. All existing units must be inspected before the proposal selection date and the HA must determine if the units substantially comply with the HQS. To qualify as existing housing, the units must substantially comply with the HQS on the proposed selection date. The PHA may not execute the HAP Contract until the units fully comply with the HQS.

When a new family moves into a PBV unit, the unit must pass a HQS inspection before assistance can begin.

The HA will conduct a random inspection of at least 20 percent of the PBV units in each project annually to determine if the contract units and premises are maintained in accordance with the HQS. If more than 20 percent of the annual sample fail, the HA will reinspect 100 percent of the PBV units.

The project and/or individual units are subject to special inspections for quality control purposes, or in response to a complaint.

J. Agreement to enter into a Housing Assistance Payments (HAP) Contract

The Agreement must be in the form required by HUD headquarters. If not available, the contract will be based on contracts currently in use by other public housing agencies. For rehabilitated and newly constructed units, the contract must comply with 24 CFR 983.151 through 983.204. Existing Housing must comply with 24 CFR 983.201-983.204.

K. Term of the HAP Contract

The HA may enter into a HAP contract with an owner for an initial term of up to ten years for each contract unit. Within one year before expiration, the HA may agree to extend the term of the HAP contract for an additional term of five years if the HA determines an extension is appropriate to continue providing affordable housing for low-income families.

The HAP Contract must provide that the term of the HA's contract is subject to the availability of sufficient appropriated funding.

The owner may terminate the HAP Contract; upon notice to the Haifa the amount of the rent to owner is reduced below the amount of the initial rent to owner.

L. Owner Maintenance and Operation

The owner must maintain the project in conformance with Housing Quality Standards. The HA must not make any HAP payment to the owner for contract unit during any period in which the unit does not comply with HQS.

Occupants of assisted units may be required to make repairs to correct violations in HQS that were caused by tenant abuse or neglect.

The project must be in compliance with all relevant federal, State and local laws, as well as all zoning and other regulatory requirements. Taxes, fees, assessments, insurance, mortgages or other debts related to the projects must be kept current.

Project owners must take prompt action against residents engaging in illegal activities on the premises.

M. Participant Selection for PBV assistance

The HA will maintain separate waiting lists for each PBV Project. The HA will notify applicants on the tenant-based waiting list of the opportunity to place their names on the PBV waiting list.

The HA will select families who are participants in the HA's tenant-based voucher program and on the PBV waiting list or are applicants on the PBV waiting list in accordance with following preferences:

1. In-place family. An in-place family is defined as an eligible family residing in a proposed contract unit on the proposal selection date.
2. Families (including individuals) with disabilities that significantly interfere with their ability to obtain or maintain themselves in housing, who without appropriate supportive services, will not be able to obtain or maintain themselves in housing; and, for whom such services cannot be provided in a nonsegregated setting.

    a. Participants in the HA's tenant-based voucher program
    b. Families (including individuals) currently residing or working in Oceanside who have applied for admission to the PBV Program.
    c. Families (including individuals) not currently residing or working in Oceanside who have applied for admission to the PBV Program.

In no case will an ineligible family be displaced. The unit may be designated for PBV assistance after the ineligible family moves from the unit.

N. Owner Selection of Tenants

During the term of the contract, the owner must lease contract units only to eligible families selected and referred by the HA from the HA waiting list.

The owner is responsible for adopting written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to perform the lease obligations.

Screening of applicants is the sole responsibility of the owner, except the HA must give the owner the family's current and prior address and the name and address (if known) of the landlord at the family's current and previous address.

An owner must promptly in writing any rejected applicant of the grounds for any rejection.

O. Vacancies

The owner must promptly notify the HA of any vacancy or expected vacancy in a contract unit. The Project may be eligible for up to two months vacancy loss, upon written request in the manner prescribed by the HA, provided that all appropriate measures are taken to fill the vacancies and the vacancy is not the fault of the owner.

The HA may reduce the number of units under contract if the units remain vacant for 120 days.

P. Overcrowded, under-occupied, and accessible units

If the HA determines that a family is occupying a wrong-size unit, or a unit with accessibility features that the family does not require, and the unit is needed by a family that requires the accessibility features, the HA will promptly notify the family and the owner of this determination, and of the HA's offer of continued assistance in another unit.

The HA will offer the family project-based voucher assistance in an appropriate size unit (in the same building or another building) or tenant-based assistance under the voucher program. If the family does not accept the offer to move with the PBV or tenant-based voucher assistance, the HA will terminate the housing assistance payments for the wrong-sized or accessible unit, at the expiration of a period not to exceed 90 days.

Q. Family right to move

The family may terminate the assisted lease after the first year of occupancy by providing written advance notice of intent to vacate (with a copy to the HA) in accordance with the lease.

If the family elects to terminate their tenancy after one year, the PHA will offer the family the opportunity for continued tenant-based assistance under the voucher program.

Before giving notice to terminate tenancy, the family must contact the HA to request comparable tenant-based rental assistance if the family wishes to move with continued assistance. If voucher rental assistance is not available, the family will be given priority for the next available opportunity for continued tenant-based assistance.

If the family terminates the assisted lease of a PBV unit before the end of one year, the family relinquishes the opportunity for continued tenant-based assistance.

R. Rent to Owner

Rent to owner is covered by Subpart G (983.301 through 983.305).

Rent adjustments may be processed once a year effective on the annual anniversary date of the HAP Contract provided the new rent amount is reasonable and the owners gives a minimum of a 60-day advance written notice to the tenant(s) and the HA. The adjusted rent to owner amount applies for the period of 12 calendar months from the annual anniversary of the HAP Contract.

Per CFR 983.304, for units assisted under the HOME program, rents may not exceed rent limits required by the HOME program.

At its discretion, the HA may reduce the initial rent to owner because of other governmental subsidies, including tax credit, or tax exemption, grants, or other subsidized financing.

S. HA and Tenant payment to owner for occupied unit

The HA shall make payments to the owner in accordance with terms of the HAP Contract. The family is only responsible for paying the portion of the rent determined by the HA. Except for assisted living developments, the owner may not charge tenants, family members, or both for meals or supportive services. The owner may not charge the tenant or family members extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the complex.

APPENDIX A: SECTION 8 HOMEOWNERSHIP OBLIGATIONS

This form is to be signed by the homebuyer(s) in the presence of an Oceanside Housing Authority housing representative. The housing representative will explain any and all clauses that the home buyer(s) may not understand.

The following paragraphs describe your responsibilities under the Section 8 Homeownership Program. If you or members of your household do not meet these responsibilities, through your actions or your failure to act, you may be terminated from the Section 8 Homeownership Program.

1. Family Obligations: You must comply with all Family Obligations of the Section 8 Housing Choice Voucher Program, excepting only the prohibition against owning or having an interest in the unit. Family Obligations §§ 982.551(c), (d), (e), (f), (g) and (j) do not apply to the Section 8 Homeownership Program.

2. Housing Counseling: All participating family members (i.e. those signing the purchase offer and loan documents) must satisfactorily complete an OHA provided or approved counseling program prior to commencement of homeownership assistance. The OHA may require any or all participating family members to attend additional housing counseling classes as a condition of continued assistance.

3. Purchase Contract: You must include contract conditions in any offer to purchase that give the OHA a reasonable time (a) to inspect the home for compliance with HUD's Housing Quality Standards; (b) to review and approve a professional home inspection report obtained by you from a OHA approved inspector; and (c) approve the terms of your proposed financing.

4. Mortgage Obligations: You must comply with the terms of any mortgage incurred in the purchase of the property and must notify the OHA within five (5) days of receipt of any late payment or default notice.

5. Occupancy: You must occupy the unit as your principal residence. You may not transfer, sell, or assign any interest in the property without the OHA's prior written consent. You may not rent or lease any part of the premises without the OHA's prior written consent. You must notify the OHA in writing prior to any sale, transfer, assignment, lease or other form of alienation of the assisted property.

6. Maintenance: You must maintain the property in a decent, safe and sanitary manner.

7. Annual Re-examination: You must annually provide the OHA with current information regarding family income and composition in a format required by the OHA.

8.Refinancing: You must notify the OHA in writing of any proposal to refinance the original purchase mortgage or of any proposal to encumber the property with secondary financing and obtain the OHA's written approval of such financing prior to executing any loan documents.

9. Default: In the event of a default on your mortgage obligation, you must cooperate with the OHA and the lender to minimize any loss to the lender in order to maintain your eligibility to continue as a participant in the Section 8 Housing Choice Voucher Program.

APPENDIX B: TEMPORARY COMPLIANCE ASSISTANCE

On January 22, 2013, HUD issued PIH Notice 2013-03 establishing temporary guidelines for public housing agencies (PHAs) in fulfilling certain HCV program requirements during this period of decreased resources available to PHAs. The temporary provisions established by this Notice were extended until March 31, 2015. The HA initially elected to adopt three of the provisions, but the self-certification of assets was confusing to participants and did not result in a significant reduction in administrative burden; therefore, the HA has elected to discontinue this provision. If HUD does not extend the provisions or make the provisions permanent, the HA will discontinue the following procedures on March 31, 2015. If HUD extends or makes the provisions permanent, the HA will continue to utilize the procedures below.

Streamlined annual reexaminations for elderly families and disabled families on fixed incomes.

The HA will conduct a streamlined reexamination of income for elderly families and disabled families when 100 percent of the family's income consists of fixed income. In a streamlined reexamination, the HA will recalculate family incomes by applying any published cost of living adjustments to the previously verified income amount.

'Fixed income' includes income from

1. Social Security payments to include Supplemental Security Income (SSI) and Supplemental Security Disability Income (SSDI);
2. Federal, State, local, and private pension plans; and
3. Other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic receipts that are of substantially the same amounts from year to year.

Payment Standards of not more than 120 percent of the fair market rent (FMR) without HUD approval as a reasonable accommodation.

The HA may approve a payment standard of not more than 120 percent of the FMR without HUD approval if required as a reasonable accommodation for a family that includes a person with disabilities. The HA will perform a rent reasonableness determination in accordance with the section 8(o) (10) of the U.S. Housing Act of 1937 and the HCV program regulations. The HA will maintain

documentation that the HA performed the required rent reasonableness analysis, as well as documentation that the unit has the feature(s) required to meet the needs of the person with disabilities.