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**HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN**  
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## **1.0 EQUAL OPPORTUNITY**

### **1.1 FAIR HOUSING**

It is the policy of the Marquette Housing Commission to comply fully with all Federal, State, and local nondiscrimination laws; the Americans With Disabilities Act; and the U. S. Department of Housing and Urban Development regulations governing Fair Housing and Equal Opportunity.

No person shall, on the grounds of race, color, sex, religion, national or ethnic origin, familial status, sexual preference, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the MHC housing programs.

To further its commitment to full compliance with applicable Civil Rights laws, the MHC will provide Federal/State/local information to applicants for and participants in the Housing Choice Voucher Program regarding discrimination and any recourse available to them if they believe they may be victims of discrimination.

The MHC will assist any family that believes they have suffered discrimination and will provide them with the address of the nearest HUD Office of Fair Housing and Equal Opportunity or State Civil Rights.

### **1.2 REASONABLE ACCOMMODATION**

Sometimes people with disabilities may need a reasonable accommodation in order to take full advantage of the MHC housing programs and related services. When such accommodations are granted they do not confer special treatment or advantage for the person with a disability; rather, they make the program fully accessible to them in a way that would otherwise not be possible due to their disability. This policy clarifies how people can request accommodations and the guidelines the MHC will follow in determining whether it is reasonable to provide a requested accommodation. Because disabilities are not always apparent, the MHC will ensure that all applicants/participants are aware of the opportunity to request reasonable accommodations.

### **1.3 COMMUNICATION**

All decisions granting or denying requests by the MHC will be in writing.

Under the Voucher Program, request for accommodation will apply only to access to our programs. Any accommodation requests regarding the dwelling unit itself must be presented to the landlord.

#### **1.4 QUESTIONS TO ASK IN GRANTING THE ACCOMMODATION**

- A. Is the requestor a person with disabilities? For this purpose the definition of disabilities is different than the definition used for admission. The Fair Housing definition used for this purpose is:

A person with a physical or mental impairment that substantially limits one or more major life activities, has a record of such impairment, or is regarded as having such an impairment. (The disability may not be apparent to others, i.e., a heart condition).

If the disability is apparent or already documented, the answer to this question is yes. It is possible that the disability for which the accommodation is being requested is a disability other than the apparent disability. If the disability is not apparent or documented, the MHC will obtain verification that the person is a person with a disability.

- B. Is the requested accommodation related to the disability? If it is apparent that the request is related to the apparent or documented disability, the answer to this question is yes. If it is not apparent, the MHC will obtain documentation that the requested accommodation is needed due to the disability. The MHC will not inquire as to the nature of the disability.

- C. Is the requested accommodation reasonable? In order to be determined reasonable, the accommodation must meet two criteria:

1. Would the accommodation constitute a fundamental alteration? The MHC's business is housing. If the request would alter the fundamental business that the MHC conducts, that would not be reasonable. For instance, the MHC would deny a request to have the MHC do grocery shopping for the person with disabilities.
2. Would the requested accommodation create an undue financial hardship or administrative burden? Frequently the requested accommodation costs little or nothing. If the cost would be an undue burden, the MHC may request a meeting with the individual to investigate and consider equally effective alternatives.

Generally the individual knows best what they need; however, the MHC retains the right to be shown how the requested accommodation enables the individual to access or use the MHC's programs or services.

If more than one accommodation is equally effective in providing access to the MHC's programs and services, the MHC retains the right to select the most efficient or economic choice.

#### PHYSICAL MODIFICATIONS TO THE DWELLING UNIT

If the participant requests, as a reasonable accommodation, that (s)he be permitted to make physical modifications to their dwelling unit, at their own expense, the request should be made to the property owner/manager. The MHC does not have responsibility for the owner's unit and does not have responsibility to make the unit accessible.

Any request for an accommodation that would enable a participant to materially violate family obligations will not be approved.

#### **1.5 SERVICES FOR NON-ENGLISH SPEAKING APPLICANTS AND PARTICIPANTS**

The MHC will endeavor to have bilingual staff or access to people who speak languages other than English to assist non-English speaking families when requested ten (10) days in advance.

#### **1.6 FAMILY/OWNER OUTREACH**

The MHC will publicize the availability and nature of the Housing Choice Program for extremely low-income, very low and low-income families in a newspaper of general circulation, minority media, and by other suitable means as needed.

To reach persons, who cannot or do not read newspapers, the MHC will distribute fact sheets to the broadcasting media and initiate personal contacts with members of the news media and community service personnel. The MHC will also try to utilize public service announcements as needed.

The MHC will communicate the status of program availability to other service providers in the community and advise them of housing eligibility factors and guidelines so that they can make proper referral of their clients to the program.

When owners call we explain who can participate in the Housing Choice Voucher Program. The explanation is intended to:

- A. Explain how the program works;
- B. Explain how the program benefits owners;
- C. Explain owners' responsibilities under the program. Emphasis is placed on quality screening and ways the MHC helps owners do better screening; and

- D. Provide an opportunity for owners and families to ask questions, obtain written materials, and meet MHC staff.

### ***1.7 RIGHT TO PRIVACY***

All adult members of both applicant and participant households are required to sign HUD Form 9886, Authorization for Release of Information and Privacy Act Notice. The Authorization for Release of Information and Privacy Act Notice states how family information will be released and includes the Federal Privacy Act Statement.

Any request for applicant or participant information will not be released unless there is a signed release of information request from the applicant or participant.

### ***1.8 REQUIRED POSTINGS***

The MHC will post in its office in a conspicuous place and at a height easily read by all persons including persons with mobility disabilities, that the following are available for review upon request:

- A. The Section 8 Administrative Plan
- B. Notice of the status of the waiting list (opened or closed)
- C. Address of all MHC offices, office hours, telephone numbers, TDD numbers, and hours of operation
- D. Income Limits for Admission
- E. Informal Review and Informal Hearing Procedures
- F. Fair Housing Poster
- G. Equal Opportunity in Employment Poster

## **2.0 MHC/OWNER RESPONSIBILITY/ OBLIGATION OF THE FAMILY**

This Section outlines the responsibilities and obligations of the MHC, the Section 8 Owners/Landlords, and the participating families.

### ***2.1 MHC HOUSING COMMISSION RESPONSIBILITIES***

- A. The MHC will comply with the consolidated ACC, the application, HUD regulations and other requirements, and the MHC Housing Choice Voucher Program Administrative Plan.

- B. In administering the program, the MHC must:
1. Publish and disseminate information about the availability and nature of housing assistance under the program as necessary;
  2. Explain the program to owners and families;
  3. Seek expanded opportunities for assisted families to locate housing outside areas of poverty or racial concentration;
  4. Encourage owners to make units available for leasing in the program, including owners of suitable units located outside areas of poverty or racial concentration;
  5. Affirmatively further fair housing goals and comply with equal opportunity requirements;
  6. Make efforts to help disabled persons find satisfactory housing via referrals;
  7. Receive applications from families, determine eligibility, maintain the waiting list, select applicants, issue a voucher to each selected family, screen for drug-related activity and if subject to registration as a sex offender, and provide housing information to families selected;
  8. Determine who can live in the assisted unit at admission and during the family's participation in the program;
  9. Obtain and verify evidence of citizenship and eligible immigration status in accordance with 24 CFR part 5;
  10. Review the family's request for approval of the tenancy and the owner/landlord lease, including the HUD prescribed tenancy addendum;
  11. Inspect the unit before the assisted occupancy begins and at least annually during the assisted tenancy;
  12. Determine the amount of the housing assistance payment for a family;
  13. Determine the maximum rent to the owner and whether the rent is reasonable;
  14. Make timely housing assistance payments to an owner in accordance with the HAP contract;

15. Examine family income, size and composition at admission and during the family's participation in the program. The examination includes verification of income and other family information;
16. Establish and adjust MHC utility allowances;
17. Administer and enforce the housing assistance payments contract with an owner, including taking appropriate action as determined by the MHC, if the owner defaults (e.g., HQS violation);
18. Determine whether to terminate assistance to a participant family for violation of family obligations;
19. Conduct informal reviews of certain MHC decisions concerning applicants for participation in the program if necessary;
20. Conduct informal hearings on certain MHC decisions concerning participant families if necessary;
21. Provide sound financial management of the program, including engaging an independent public accountant to conduct audits.

## **2.2 OWNER RESPONSIBILITY**

- A. The owner is responsible for performing all of the owner's obligations under the HAP contract and the lease.
- B. The owner is responsible for:
  1. Performing all management and rental functions for the assisted unit, including selecting a voucher holder to lease the unit, and deciding if the family is suitable for tenancy of the unit.
  2. Maintaining the unit in accordance with HQS, including performance of ordinary and extraordinary maintenance.
  3. Complying with equal opportunity requirements.
  4. Preparing and furnishing to the MHC information required under the HAP contract.
  5. Collecting from the family:
    - a. Any security deposit required under the lease.

- b. The tenant contribution (the part of rent to owner not covered by the housing assistance payment).
  - c. Any charges for unit damage by the family.
- 6. Enforcing tenant obligations under the lease.
- 7. Paying for utilities and services (unless paid by the family under the lease.)
- 8. Evictions, if necessary.
- C. For provisions on modifications to a dwelling unit occupied or to be occupied by a person with disabilities see 24 CFR 100.203.
- D. The MHC Owner Information Brochure: this brochure can be given to a prospective owner to help explain the program if owner requests additional information.

### **2.3 OBLIGATIONS OF THE PARTICIPANT**

This Section states the obligations of a participant family under the program. To be submitted at the time of application.

- A. Supplying required information.
  - 1. The family must supply any information that the MHC or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status. Information includes any requested certification, release or other documentation.
  - 2. The family must supply any information requested by the MHC or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements.
  - 3. The family must disclose and verify Social Security Numbers and must sign and submit consent forms for obtaining information. Birth certificates (or other suitable proof) for all family members are also required.
  - 4. Any information supplied by the family must be true and complete.
  - 5. Deadline for changes – In order for changes to be made for either tenants or landlords; moves, changes in address; sale of property; portability, etc. Housing Choice Voucher staff must have received the new information by the

15th of the month. If information regarding changes is not received, the Housing Assistance Payment will go to the current owner of record. If changes occur on or after the 15th, parties are to petition Section 8 staff to hold payment. In order to do this, owners, etc. must bring in documentation such as deed, court order or legal notice of change, in order to justify holding current payment. If necessary, Section 8 staff will verify ownership with City Tax Assessors Office.

B. HQS breach caused by the Family

The family is responsible for any HQS breach caused by the family or its guests.

C. Allowing MHC Inspection

The family must allow the MHC to inspect the unit at reasonable times and after at least *2 business days written* notice.

D. Violation of Lease

The family may not commit any serious or repeated violation of the lease.

E. Family Notice of Move or Lease Termination

The family must notify the MHC and the owner before the family moves out of the unit or terminates the lease by a notice to the owner. Family is required to give thirty (30) day notice to landlord with copy simultaneously given to the MHC.

F. Owner Eviction Notice

The family must promptly give the MHC a copy of any owner eviction notice it receives.

G. Use and Occupancy of the Unit

1. The family must use the assisted unit for a residence by the family. The unit must be the family's only residence.

2. The MHC must approve the composition of the assisted family residing in the unit. The family must promptly inform the MHC of the birth, adoption or court-awarded custody of a child. The family must request approval from the MHC to add any other family member or others as an occupant of the unit. No other person (i.e., no one but members of the assisted family) may reside in the unit (except for a foster child/foster adult, live-in aide, or roommates as provided below and in paragraph (4) of this Section).

Roommates are permitted with Landlord approval but will have no impact on rent subsidy or unit size. Rent, subsidy and unit size are based entirely on the applicant and his/her family members who are to reside in the unit. However, Lease-Holder must report the roommate's name, social security number and birth date within ten (10) days of moving into the unit. See Glossary for additional information.

3. The family must notify the MHC within ten (10) days if any family member no longer resides in the unit.
4. If the MHC has given approval, a foster child/foster adult or a live-in aide may reside in the unit provided the unit is suitably sized for the number of persons who would occupy the unit. If the family must move to accommodate the additional family members, the MHC may deny subsidy if they (the MHC) cannot afford the increase in rent subsidy required for the family.
5. Members of the household may engage in legal profit making activities in the unit, but only if such activities are incidental to primary use of the unit for residence by members of the family. Any business uses of the unit must comply with zoning requirements and the affected household member must obtain all appropriate licenses. This is predicated on Landlord's approval. Further, such must be reported to the MHC for proper rent calculation.
6. The family must not sublease or let the unit.
7. The family must not assign the lease nor transfer the unit.

#### H. Absence from the Unit

The family must supply any information or certification requested by the MHC to verify that the family is living in the unit, or relating to family absence from the unit, including any MHC requested information or certification on the purposes of family absences. The family must cooperate with the MHC for this purpose. The family must notify the MHC within ten (10) days of its absence from the unit.

Absence means that no member of the family is residing in the unit. The family may be absent from the unit for up to 30 days. The family must request written permission from the MHC for absences exceeding 30 days. The MHC will make a determination within 5 business days of the request. An authorized absence may not exceed 180 days. Any family absent for more than 30 days without authorization will be terminated from the program.

Authorized absences may include, but are not limited to:

1. Prolonged hospitalization
2. Absences beyond the control of the family (i.e., death in the family, other family member illness)
3. Other absences that are deemed necessary by the MHC

Any participant that will be leaving the unit for 14 days or more, must report the absence and the address and phone number where they can be reached to the Marquette Housing Commission.

I. Interest in the Unit

The family may not own or have any interest in the unit (except for owners of manufactured housing renting the manufactured home space).

J. Fraud and Other Program Violation

The members of the family must not commit fraud, bribery, or any other corrupt or criminal act in connection with subsidized housing programs. If fraud is found, the participants contribution should have been greater than was calculated, rent will be charged retroactively and the participant will be required to reimburse the MHC for their overpayment of the HAP.

K. Crime by Family Members

The members of the family may not engage in drug-related criminal activity. If it is found that members of the family have engaged in drug-related criminal activity or are subject to the registration requirements as a sex offender, they will be terminated from the program immediately, without prior notice.

L. Other Housing Assistance

An assisted family, or members of the family, may not receive Section 8 tenant-based assistance while receiving another housing subsidy, for the same unit or for a different unit, under any duplicative (as determined by HUD or in accordance with HUD requirements) Federal, State or local housing assistance program. If this is found, family will be required to pay back the MHC for any payments made on family's behalf.

## **3.0 ELIGIBILITY FOR ADMISSION**

### **3.1 INTRODUCTION**

There are six eligibility requirements for admission to Housing Choice Voucher Program -- qualifies as a family, has an income within the income limits, meets citizenship/eligible immigrant criteria, provides birth certificates (or other suitable proof), provides documentation of Social Security Numbers, and signs consent authorization documents. In addition to the eligibility criteria, families must also meet the MHC screening criteria in order to be admitted to the Section 8 Program.

### 3.2 ***ELIGIBILITY CRITERIA***

#### A. Family status.

1. A **family with or without children**. Such a family is defined as a group of people related by blood, marriage, adoption or affinity that lives together in a stable family relationship.
  - a. Children temporarily absent from the home due to placement in foster care are considered family members.
  - b. Unborn children and children in the process of being adopted are considered family members for purposes of determining bedroom size, but are not considered family members for determining income limit.
2. An **elderly family**, which is:
  - a. A family whose head, spouse, or sole member is a person who is at least 62 years of age;
  - b. Two or more persons who are at least 62 years of age living together; or
  - c. One or more persons who are at least 62 years of age living with one or more live-in aides
3. A **near-elderly family**, which is:
  - a. A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62;
  - b. Two or more persons who are at least 50 years of age but below the age of 62 living together; or
  - c. One or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.
4. A **disabled family**, which is:

- a. A family whose head, spouse, or sole member is a person with disabilities;
  - b. Two or more persons with disabilities living together; or
  - c. One or more persons with disabilities living with one or more live-in aides.
5. A **displaced family** is a family in which each member, or whose sole member, has been displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.
6. A **remaining member of a tenant family**. When the head of household of record leaves the household, all other members of that household are “a remaining member of a tenant family.”
7. A **single person** who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family. Person must be 18 years of age or older to qualify for the program.

No assistance will be provided to a student under the age of 24 that doesn't meet the following criteria: elderly, displaced person, or a person with disabilities, or the remaining member of a tenant family. However, an individual student under the age of 24 that is enrolled in higher education and is unmarried, a non-veteran, with no dependent children, and who individually or who's parents individually or jointly are not eligible for assistance is individually ineligible for HCV assistance.

B. Income eligibility

1. To be eligible to receive assistance a family shall, at the time the family initially receives assistance under the Housing Choice Voucher Program, be a low-income family that is:
- a. A very low-income family;
  - b. A low-income family continuously assisted under the 1937 Housing Act;
  - c. A low-income family that meets additional eligibility criteria specified by the Housing Commission;

- d. A low-income family that is a nonpurchasing tenant in a HOPE 1 or HOPE 2 project or a property subject to a resident homeownership program under 24 CFR 248.173;
  - e. A low-income family or moderate-income family that is displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing.
  - f. A low-income family that qualifies for voucher assistance as a non-purchasing family residing in a HOPE 1 (HOPE for public housing homeownership) or HOPE 2 (HOPE for homeownership of multifamily units) project.
2. Income limits apply only at admission and are not applicable for continued occupancy; however, as income rises the assistance will decrease.
  3. The applicable income limit for issuance of a voucher is the highest income limit for the family size for areas within the housing authority's jurisdiction. The applicable income limit for admission to the program is the income limit for the area in which the family is initially assisted in the program. The family may only use the voucher to rent a unit in an area where the family is income eligible at admission to the program.
  4. Families who are moving into the MHC's jurisdiction under portability and are already program participants at their initial housing authority do not have to meet the income eligibility requirement for the MHC program.
  5. Income limit restrictions do not apply to families transferring units within the MHC Housing Choice Voucher Program.

C. Citizenship/Eligible Immigrant status

To be eligible each member of the family must be a citizen, national, or a noncitizen who has eligible immigration status under one of the categories set forth in Section 214 of the Housing and Community Development Act of 1980 (see 42 U.S.C. 1436a(a)).

Family eligibility for assistance.

1. A family shall not be eligible for assistance unless every member of the family residing in the unit is determined to have eligible status, with the exception noted below.

2. Despite the ineligibility of one or more family members, a mixed family may be eligible for one of three types of assistance. (See Section 11.5(K) for calculating rents under the noncitizen rule).
3. A family without any eligible members and receiving assistance on June 19, 1995 may be eligible for temporary deferral of termination of assistance.

D. Social Security Number Documentation

To be eligible, all family members must provide a Social Security Number or certify that they do not have one.

E. Birth Certificates: Family must provide birth certificates (or other suitable proof) for all family members.

F. Signing Consent Forms

1. In order to be eligible each member of the family who is at least 18 years of age, and each family head and spouse regardless of age, shall sign one or more consent forms.
2. The consent form must contain, at a minimum, the following:
  - a. A provision authorizing HUD and the MHC to obtain from State Wage Information Collection Agencies (SWICAs) any information or materials necessary to complete or verify the application for participation or for eligibility for continued occupancy. Obtain information necessary to complete or verify the application for participation for eligibility for continued occupancy; and
  - b. A provision authorizing HUD or the MHC to verify with previous or current employers income information pertinent to the family's eligibility for or level of assistance;
  - c. A provision authorizing HUD to request income information from the IRS and the SSA for the sole purpose of verifying income information pertinent to the family's eligibility or level of benefits; and
  - d. A statement that the authorization to release the information requested by the consent form expires 15 months after the date the consent form is signed.
  - e. Permission to run a confidential police check.

- G. The MHC will check with the State sex offender registration program and will ban for life any individual who is registered as a lifetime sex offender.

## **4.0 MANAGING THE WAITING LIST**

### **4.1 OPENING AND CLOSING THE WAITING LIST**

Opening of the waiting list will be announced via public notice that applications for Section 8 will again be accepted. The public notice will state where, when, and how to apply. The notice will be published in a local newspaper of general circulation, and also by any available minority media. The public notice will state any limitations to who may apply. The notice will include the Fair Housing logo and slogan and otherwise be in compliance with Fair Housing requirements.

Closing of the waiting list will be announced via public notice. The public notice will state the date the waiting list will be closed. The public notice will be published in a local newspaper of general circulation, and also by any available minority media.

### **4.2 TAKING APPLICATIONS**

Families wishing to apply for the Housing Choice Voucher Program will be required to complete an application for housing assistance. Applications will be accepted during regular business hours at:

**(316 Pine Street, Marquette MI 49855)**

Applications are taken to compile a waiting list. Due to the demand for Housing Choice Voucher assistance in the MHC jurisdiction, the MHC may take applications on an open enrollment basis, depending on the length of the waiting list.

When the waiting list is open, completed applications will be accepted from all applicants. The MHC will verify the information in the applications relevant to the applicant's eligibility, admission, and level of benefit.

Applications may be made in person at the **Pine Ridge apartment- 316 Pine Street, Marquette, MI during normal working hours**. Applications will be mailed to interested families who live outside the Marquette area or for other good cause (determined by the MHC) upon request.

The completed application will be dated and time stamped upon its return to the MHC.

Persons with disabilities who require a reasonable accommodation in completing an application may call the MHC to make special arrangements to complete their application. A Telecommunication Device for the Deaf (TDD) is available for the deaf. The TDD telephone number is **(906-226-7559)**.

The application process will involve two phases. The first phase is the initial application for housing assistance. The pre-application requires the family to provide basic information including name, address, phone number, family composition and family unit size, racial or ethnic designation of the head of household, income category, and information establishing any preferences to which they may be entitled.

Upon receipt of the families application, the MHC will make a preliminary determination of eligibility. The MHC will notify the family in writing of the date and time of placement on the waiting list and the approximate amount of time before housing assistance may be offered. If the MHC determines the family to be ineligible, the notice will state the reasons therefore and offer the family the opportunity of an informal review of this determination.

An applicant may at any time report changes in their applicant status including changes in family composition, income, or preference factors. The MHC will annotate the applicant's file and will update their place on the waiting list. Confirmation of the changes will be confirmed with the family in writing.

The second phase is the final determination of eligibility, which takes place when the family nears the top of the waiting list. The MHC will ensure that verification of all preferences, eligibility, suitability selection factors are current in order to determine the family's final eligibility for admission into the Housing Choice Voucher Program.

#### **4.3 ORGANIZATION OF THE WAITING LIST**

The waiting list will be maintained in accordance with the following guidelines:

- A. All applications will be maintained in order of preference and then in order of date and time of application;
- B. Any contact between the MHC and the applicant will be documented in the applicant file.

Note: The waiting list cannot be maintained by bedroom size under current HUD regulations.

#### **4.4 FAMILIES NEARING THE TOP OF THE WAITING LIST**

When a family comes to the top of the waiting list, MHC will notify the family in writing once by mail, sent to the most current address provided by the applicant, indicating they must contact the MHC within a specified time frame, to confirm their continued interest in the program. Such specified time will not be less than seven (7) calendar days. Upon contacting the MHC, the family will be scheduled to attend a mandatory orientation/ informational session where they will be briefed on general program policies and

issued a voucher. Failure to respond within the specified time frame will result in removal from the waiting list.

#### **4.5 MISSED APPOINTMENTS**

All applicants who fail to keep a scheduled appointment in accordance with the paragraph below will be sent a notice of denial.

The MHC will allow the family to reschedule appointments for good cause. Generally, no more than one opportunity will be given to reschedule without good cause, and no more than two opportunities for good cause. When a good cause exists, the MHC will work closely with the family to find a more suitable time. Applicants will be offered the right to an informal review before being removed from the waiting list.

#### **4.6 REMOVAL OF APPLICANTS FROM THE WAITING LIST**

The MHC will not remove an applicant's name from the waiting list unless:

- A. The applicant requests that the name be removed;
- B. The applicant fails to respond to a written request for information within a designated time or a request to declare their continued interest within a designated time in the program or misses scheduled appointments; or
- C. The applicant no longer meets either the eligibility or screening criteria for the program.
- D. Mail is returned.

#### **4.7 GROUNDS FOR DENIAL**

The MHC will deny assistance to applicants who:

- A. Do not meet any one or more of the eligibility criteria;
- B. Do not supply information or documentation required by the application process;
- C. Fail to respond to a written request for information or a request to declare their continued interest in the program;
- D. Fail to complete any aspect of the application or lease-up process;
- E. Have a history of drug-related criminal activity within the past five years (except for methamphetamines, in which case they are denied for life);

- F. Currently owes rent or other amounts to any government program. Family may be considered for re-admission after account is paid in full, proof of full payment is received and three years has passed since full payment was made. If the outstanding balance is \$50 or less, the applicant may pay the full open balance and will not be required to wait the three years.
- G. Have committed fraud, bribery, or any other corruption in connection with any Federal housing assistance program, including the intentional misrepresentation of information related to their housing application or benefits derived there from;
- H. Have a family member who was evicted from public housing or any housing assistance program within the last five years;
- I. Have an adult family household member who has been terminated under the Certificate or Voucher Program during the last three years;
- J. Have a family member who has been convicted of manufacturing or producing methamphetamine or other illegal drug (denied for life);
- K. Have a family member with a lifetime registration under a State sex offender registration program (Denied for life).
- L. If the MHC determines that a family member has knowingly permitted an ineligible noncitizen (other than any ineligible noncitizens listed on the lease) to permanently reside in their Section 8 unit, the family's assistance will be terminated. Such family will not be eligible to be readmitted to the Housing Choice Voucher Program for a period of 24 months from the date of termination.
- M. If the family misses the scheduled inspection and fails to reschedule the inspection, the MHC will only schedule one more inspection. If the family misses two inspections, the MHC will consider the family to have violated a Family Obligation and their assistance will be terminated.
- N. If applicant has applied twice within the last five (5) years, has been granted a Voucher and done nothing with it, the third application will be denied. The "five years" begins with the last voucher issue date.
- O. If applicant is a current resident in any government-housing program and is not a resident in good standing, such applicant will not be eligible for the Housing Choice Voucher Program.

#### **4.8 NOTIFICATION OF NEGATIVE ACTIONS**

Any applicant whose name is being removed from the waiting list will be notified by the MHC, in writing, that they have ten (10) business days, from the date of the written correspondence, to present mitigating circumstances or request an informal review. The

letter will also indicate that their name will be removed from the waiting list if they fail to respond within the timeframe specified. The MHC's system of removing applicants' names from the waiting list will not violate the rights of persons with disabilities. If an applicant's failure to respond to a request for information or updates was caused by the applicant's disability, the MHC will provide a reasonable accommodation. If the applicant indicates that they did not respond due to a disability, the MHC will verify that there is in fact a disability that caused the inaction and that the accommodation they are requesting is necessary based on the disability. The disability must be directly related to the cause for the inaction/action. An example of a reasonable accommodation would be to reinstate the applicant on the waiting list based on the date and time of the original application.

#### **4.9 *INFORMAL REVIEW***

If the MHC determines that an applicant does not meet the criteria for receiving Section 8 assistance, the MHC will promptly provide the applicant with written notice of the determination. The notice must contain a brief statement of the reason(s) for the decision, and state that the applicant may request an informal review of the decision within 10 business days of the denial. The MHC will describe how to obtain the informal review. The informal review process is described in Section 15 of this Plan.

### **5.0 SELECTING FAMILIES FROM THE WAITING LIST**

#### **5.1 *WAITING LIST ADMISSIONS AND SPECIAL ADMISSIONS***

The MHC may admit an applicant for participation in the program either as a special admission or as a waiting list admission.

If HUD awards funding that is targeted for families with specific characteristics or families living in specific units, the MHC will use the assistance for those families.

If a family is currently participating in the Housing Choice Voucher Program, and the head or co-head of the household split up, the next available voucher will be offered the head/co-head that is leaving the household provided they are a resident in good standing and meet eligibility criteria.

#### **5.2 *PREFERENCES***

The MHC will select families based on the following preferences.

##### **Preferences**

An Applicant will be selected from the waiting list in the following order:

When a couple who is receiving assistance under the MHC’s Housing Choice Voucher Program splits up, the departing member will be granted the next available voucher.

The Marquette Housing Commission will give the next preference based on time and date of application..

**5.3 SELECTION FROM THE WAITING LIST**

The date and time of application will be utilized to determine the sequence within the above-prescribed preferences.

Notwithstanding the above, if necessary to meet the statutory requirement that 75% of newly admitted families in any fiscal year be families who are extremely low-income, the MHC retains the right to skip higher income families on the waiting to reach extremely low-income families. This measure will only be taken if it appears the goal will not otherwise be met. To ensure this goal is met, the MHC will monitor incomes of newly admitted families and the income of the families on the waiting list.

If there are not enough extremely low-income families on the waiting list we will conduct outreach on a non-discriminatory basis to attract extremely low-income families to reach the statutory requirement.

**6.0 ASSIGNMENT OF BEDROOM SIZES (SUBSIDY STANDARDS)**

The MHC will issue a voucher for a particular bedroom size – the bedroom size is a factor in determining the family’s level of assistance. The following guidelines will determine each family’s unit size without overcrowding or over-housing:

Number of Bedrooms	Number of Persons	
	Minimum	Maximum
0	1	1
1	1	2
2	2	4
3	3	6
4	4	8

These standards are based on the assumption that each bedroom will accommodate no more than two (2) persons.

In determining bedroom size, the MHC will include the presence of children to be born to a pregnant woman, children who are in the process of being adopted, children whose custody is being obtained, children who are temporarily away at school or temporarily in foster-care.

Bedroom size will also be determined using the following guidelines:

- A. Children of the same sex may share a bedroom if within a 5 year age range or unless there is a medical condition (verified) requiring separate bedrooms.
- B. Adults and children will not be required to share a bedroom.
- C. Foster-adults and children will not be required to share a bedroom with family members.
- D. Live-in aides will get a separate bedroom

The MHC will grant exceptions to normal occupancy standards when a family requests a larger size than the guidelines allow and documents a medical reason why the larger size is necessary.

The family unit size will be determined by the MHC in accordance with the above guidelines and will determine the maximum rent subsidy for the family; however, the family may select a unit that may be larger or smaller than the family unit size. If the family selects a smaller unit, the payment standard for the smaller size will be used to calculate the subsidy. If the family selects a larger size, the payment standard for the family unit size will determine the maximum subsidy. (Ex.: Eligible for a two bedroom, finds a 3 bedroom. 2 Bedroom payment standard applies but the 3 bedroom utility allowance applies.)

## **6.1 ISSUANCE OF VOUCHER; REQUEST FOR APPROVAL OF TENANCY**

Beginning August 12, 1999, the MHC will issue only vouchers. Treatment of previously issued certificates and vouchers will be in accordance with the contracts entered into with the participant and landlord.

Once all family information has been verified, their eligibility determined, their subsidy calculated, and they have attended the family briefing, the MHC will issue the voucher. At this point the family begins their search for a unit.

When the family finds a unit that the owner is willing to lease under the program, the unit will be inspected by the MHC and if the unit passes the inspection the family and the owner will complete and sign a proposed lease, the HUD required tenancy addendum and the request for approval of the tenancy form. The family will submit the proposed lease and the request form to the MHC during the term of the voucher. The MHC will review

the request, the lease, and the HUD required tenancy addendum and make an initial determination of approval of tenancy. The MHC may assist the family in negotiating changes that may be required for the tenancy to be approvable.

During the initial stage of qualifying the unit, the MHC will provide the prospective owner with information regarding the program. Information will include MHC and owner responsibilities for screening and other essential program elements.

Additional screening is the responsibility of the owner.

## **6.2 TERM OF THE VOUCHER**

The initial term of the voucher will be 60 days and will be stated on the Housing Choice Voucher.

The MHC may grant one or more extensions of the term, but the initial term plus any extensions will never exceed 120 calendar days from the initial date of issuance except in the cases of persons with a disability in which case it can be up to 8 months. To obtain an extension, the family must make a request not less than five (5) days prior to the expiration date. A statement of the efforts the family has made to find a unit must accompany the request. If the family documents their efforts and additional time can reasonably be expected to result in success, the MHC will grant the length of request sought by the family or 60 days, whichever is less.

If the family includes a person with disabilities and the family requires an extension due to the disability, the MHC will grant an extension allowing the family up to 8 months search time.

Upon submittal of a completed request for approval of tenancy form, the MHC will suspend the term of the voucher. The term will be in suspension until the date the MHC provides notice that the request has been approved or denied. This policy allows families the full term (60 days, or more with extensions) to find a unit, not penalizing them for the period during which the MHC is taking action on their request. A family may submit a second request for approval of tenancy before the MHC finalizes action on the first request. No more than two requests will be concurrently considered.

Example: Ms. Smith comes in on 2/12 with a request for approval of tenancy for 123 Easy Street. This is 45 days into her 60-day voucher period. The days stop counting as of 2/12 while the MHC is processing the request. On 2/21 Ms. Smith asks MHC for approval of tenancy at 456 Doe Street. The days for the voucher still do not count. MHC decides on 2/22 to deny 123 Easy Street and on 3/3 denies 456 Doe Street. After the second denial, 456 Doe Street, you then start adding days to the 45 days mentioned above.

The MHC will not process two potential units at the same time. The applicant must decide which unit they prefer and, if that one is denied, the MHC will consider the second unit.

### **6.3 APPROVAL TO LEASE A UNIT**

The MHC will approve a lease if all of the following conditions are met:

- A. The unit is eligible;
- B. The unit is inspected by the MHC and passes HQS;
- C. The lease is approvable and includes the language of the tenancy addendum;
- D. The rent to owner is reasonable;
- E. The family's share of rent does not exceed 40% of their monthly adjusted income;
- F. The owner has not been found to be debarred, suspended, or subject to a limited denial of participation by HUD or the MHC; and
- G. The family continues to meet all eligibility and screening criteria.

If tenancy approval is denied, the MHC will advise the owner and the family in writing within ten (10) days and advise them also of any actions they could take that would enable the MHC to approve the tenancy.

The lease term may begin only after all of the following conditions are met:

- A. The unit passes the MHC HQS inspection;
- B. The family's share of rent does not exceed 40% of their monthly adjusted income, according to HUD guidelines.
- C. The landlord and tenant sign the lease to include the HUD required addendum; and
- D. The MHC approves the leasing of the unit.

The MHC will prepare the contract when the unit is approved for tenancy. Generally, the landlord, simultaneously with the signing of the lease and the HUD required tenancy addendum, will execute the contract. Upon receipt of the executed lease and the signed contract by the landlord, the MHC will execute the contract. The MHC will not pay any housing assistance to the owner until the contract is executed.

In no case will the contract be executed later than 60 days after the beginning of the lease term.

Any contract executed after the 60-day period will be void and the MHC will not pay housing assistance to the owner.

#### **6.4 MHC DISAPPROVAL OF OWNER**

The MHC will deny participation by an owner at the direction of HUD. The MHC will also deny the owner's participation for any of the following reasons:

- A. The owner has violated any obligations under any Housing Choice Voucher Assistance Payments Contract;
- B. The owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any assisted housing program;
- C. The owner has not paid State or local real estate taxes, fines, or assessments.
- D. The Owner has a history of noncompliance with HQS.
- E. Other conflicts of interest under Federal, State, or local law.

#### **6.5 INELIGIBLE/ELIGIBLE HOUSING**

The following types of housing cannot be assisted under the Housing Choice Voucher Tenant-Based Program:

- A. A public housing or Indian housing unit;
- B. A unit receiving project-based assistance under a Section 8 Program;
- C. Nursing homes, board and care homes, or facilities providing continual psychiatric, medical or nursing services;
- D. College or other school dormitories;
- E. Units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions;
- F. A unit occupied by its owner. This restriction does not apply to cooperatives, duplexes or to assistance on behalf of a manufactured home owner leasing a manufactured home space. If a disabled adult son or daughter lives with their parents and the parents serve as primary caregiver, whether owning or renting, the MHC may provide a rent subsidy to the disabled adult. This action would prevent premature institutionalization of the disabled individual.

- G. A unit receiving any duplicative Federal, State, or local housing subsidy. This does not prohibit renting a unit that has a reduced rent because of a tax credit.

The MHC will not approve a lease for any of the following special housing types, except as a reasonable accommodation for a family with disabilities:

- A. Congregate housing
- B. Group homes
- C. Shared housing
- D. Cooperative housing
- E. Single room occupancy housing (SROs)

The MHC will approve leases for the following housing types:

- A. Single family dwellings
- B. Apartments
- C. Manufactured housing if owner will install tie downs
- D. Manufactured home space rentals where family owns the manufactured housing.
- E. House boats
- F. Trailer homes

## **6.6 SECURITY DEPOSIT**

The owner may collect a security deposit from the tenant in an amount not in excess of amounts charged in private market practice, not in excess of amounts charged by the owner to unassisted tenants nor in excess of that allowed under State Law.

When the tenant moves out of the dwelling unit, the owner, subject to State or local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid rent payable by the tenant, damages to the unit or for other amounts the tenant owes under the lease.

The owner must give the tenant and the MHC simultaneously a written list of all items charged against the security deposit and the amount of each item within 30 days of move out. After deducting the amount, if any, used to reimburse the owner, the owner must refund within 30 days of move out the full amount of the unused balance to the tenant.

If the security deposit is not sufficient to cover amounts the tenant owes under the lease, the owner may seek to collect the balance from the tenant.

## **7.0 MOVES WITH CONTINUED ASSISTANCE**

Participating families are allowed to move to another unit after the initial 12 months has expired. The MHC will issue the family a new voucher if the family does not owe the MHC or any other assisted housing program money, has not violated a Family Obligation, has not moved or been issued a certificate or voucher within the last 12 months, and if the MHC has sufficient funding for continued assistance. If the move is necessitated for a reason other than family choice, the 12-month requirement will be waived at the MHC's discretion. If the landlord and tenant agree, the MHC will allow one move within the MHC jurisdiction within the first 12 months of the agreement.

### **7.1 WHEN A FAMILY MAY MOVE**

For families already participating in the Certificate and Voucher Program, the MHC will allow the family to move to a new unit if:

- A. The assisted lease for the old unit has terminated;
- B. The owner has given the tenant a notice to vacate, has commenced an action to evict the tenant, or has obtained a court judgment or other process allowing the owner to evict the tenant; or
- C. The tenant has given proper notice of lease termination (if the tenant has a right to terminate the lease on notice to the owner) as required under the lease.

### **7.2 PROCEDURES REGARDING FAMILY MOVES**

Families considering transferring to a new unit will be briefed about the procedures for moving.

This briefing is intended to provide the following:

- A. A refresher on program requirements and the family's responsibilities. Emphasis will be on giving proper notice and meeting all lease requirements such as leaving the unit in good condition;
- B. Information about finding suitable housing and the advantages of moving to an area that does not have a high concentration of poor families;
- C. Payment standards, exception payment standard rent areas, and the utility allowance schedule;

- D. An explanation that the family share of rent may not exceed 40% of the family's monthly adjusted income;
- E. Portability requirements and opportunities;
- F. The need to have a reexamination conducted within 120 days prior to the move;
- G. An explanation and copies of the forms required to initiate and complete the move; and
- H. All forms and brochures provided to applicants at the initial briefing.

Families are required to give proper written notice of their intent to terminate the lease. In accordance with HUD regulations, no notice requirement may exceed 60 days. During the initial term, families may not end the lease unless they and the owner mutually agree to end the lease. If the family moves from the unit before the initial term of the lease ends without the owner's and the MHC's approval, it will be considered a serious lease violation and subject the family to termination from the program except as allowed above.

The family is required to give the MHC a copy of the notice to terminate the lease at the same time as it gives the notice to the landlord. A family's failure to provide a copy of the lease termination notice to the MHC will be considered a violation of Family Obligations and will result in the immediate termination of assistance.

Failure to follow the above procedures may subject the family to termination from the program.

## **8.0 PORTABILITY**

### **8.1 GENERAL POLICIES OF THE MHC.**

Applicants for participation may lease a unit anywhere in the jurisdiction of the MHC.

The family will not have an option to lease a unit outside the MHC jurisdiction for the first year under the program.

Families participating in the Voucher Program will not be allowed to move in the first 12-month period .

Families may only move to a jurisdiction where a Section 8 Program is being administered.

If a family has moved out of their assisted unit in violation of the lease, the MHC will not issue a voucher, and will terminate assistance in compliance with Section 14.0 and 16.0, Grounds for Termination of the Lease and Contract. Then the family cannot be assisted by the MHC for at least three (3) years.

Families porting to a higher cost area (in or outside Marquette) may be denied continued assistance by the MHC due to increase in costs to the MHC's program.

## **8.2 INCOME ELIGIBILITY**

### **A. Admission**

A family must be income-eligible in the area where the family first leases a unit with assistance in the Voucher Program.

B. If a portable family is already a participant in the Initial Housing Authority's Voucher Program, income eligibility is not re-determined.

## **8.3 PORTABILITY: ADMINISTRATION BY RECEIVING HOUSING AUTHORITY**

A. When a family utilizes portability to move to an area outside the Initial Housing Authority jurisdiction, another Housing Authority (the Receiving Housing Authority) must administer assistance for the family if that Housing Authority has a tenant-based program covering the area where the unit is located.

B. A Housing Authority with jurisdiction in the area where the family wants to lease a unit must issue the family a voucher when one becomes available.. If there is more than one such housing authority, the Initial Housing Authority may choose which housing authority shall become the Receiving Housing Authority.

## **8.4 PORTABILITY PROCEDURES**

A. When the MHC is the Initial Housing Authority:

1. The MHC will brief the family on the process that must take place to exercise portability.
2. The MHC will advise the family how to contact and request assistance from the Receiving Housing Authority.
3. The MHC will, within ten (10) calendar days, notify the Receiving Housing Authority to expect the family.
4. The MHC will immediately mail to the Receiving Housing Authority the most recent HUD Form 50058 (Family Report) for the family, and related verification information.

B. When the MHC is the Receiving Housing Authority:

1. When the portable family requests assistance from the MHC, the MHC will within ten (10) calendar days inform the Initial Housing Authority whether it will bill the Initial Housing Authority for assistance on behalf of the portable family, or absorb the family into its own program. When the MHC receives a portable family, the family will be absorbed if funds are available and a voucher will be issued.
2. The MHC will issue a voucher to the family when one is available. The term of the MHC's Voucher will not expire before the expiration date of any Initial Housing Authority's voucher. The MHC will determine whether to extend the voucher term.
3. The MHC will determine the family unit size for the portable family. The family unit size is determined in accordance with the MHC's subsidy standards.
4. The MHC will within ten (10) calendar days notify the Initial Housing Authority if the family has leased an eligible unit under the program, or if the family fails to submit a request for tenancy approval for an eligible unit within the term of the voucher.
5. If the MHC opts to conduct a new reexamination, the MHC will not delay issuing the family a voucher or otherwise delay approval of a unit unless the re-certification is necessary to determine income eligibility.
6. In order to provide tenant-based assistance for portable families, the MHC will perform all Housing Authority program functions, such as reexaminations of family income and composition. At any time, either the Initial Housing Authority or the MHC may make a determination to deny or terminate assistance to the family in accordance with 24 CFR 982.552.

C. Absorption by the MHC.

1. If funding is available under the consolidated ACC for the MHC's Voucher Program when the portable family is received, the MHC will absorb the family into its Voucher Program. After absorption, the family is assisted with funds available under the consolidated ACC for the MHC's Tenant-Based Program.

D. Portability Billing

1. To cover assistance for a portable family, the Receiving Housing Authority may bill the Initial Housing Authority for housing assistance payments and administrative fees. The billing procedure will be as follows:
  - a. As the Initial Housing Authority, the MHC will promptly reimburse the Receiving Housing Authority for the full amount of the housing assistance payments made by the Receiving Housing Authority for the portable family. The amount of the housing assistance payment for a portable family in the Receiving Housing Authority's program is determined in the same manner as for other families in the Receiving Housing Authority's program.
  - b. The Initial Housing Authority will promptly reimburse the Receiving Housing Authority for 80% of the Initial Housing Authority's on-going administrative fee for each unit month that the family receives assistance under the tenant-based programs and is assisted by the Receiving Housing Authority. If both Housing Authorities agree, MHC may negotiate a different amount of reimbursement.
  - c. The initial billing must be received within ten days from the date the HAP contract is executed..

E. When a Portable Family Moves

When a portable family moves out of the tenant-based program of a Receiving Housing Authority that has not absorbed the family, the Housing Authority in the new jurisdiction to which the family moves becomes the Receiving Housing Authority, and the first Receiving Housing Authority is no longer required to provide assistance for the family.

## **9.0 DETERMINATION OF FAMILY INCOME**

### **9.1 *INCOME, EXCLUSIONS FROM INCOME, DEDUCTIONS FROM INCOME***

To determine annual income, the MHC counts the income of all family members, excluding the types and sources of income that are specifically excluded. Once the annual income is determined, the MHC subtracts out all allowable deductions (allowances) as the next step in determining the Total Tenant Payment. The income of roommates who are not part of the participating family for rent subsidy, is excluded.

### **9.2 *INCOME***

- A. Annual income means all amounts, monetary or not, that:

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

B. Annual income includes, but is not limited to:

1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services. Raises granted during the year need to be reported within ten days of the change.
2. The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness are not used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness are not used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from an investment is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income includes the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD?. All income earned on assets of less than \$5,000 is included in income.
4. The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of

a periodic amount. (However, deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts are excluded.)

5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay. (However, lump sum additions such as insurance payments from worker's compensation are excluded.)
6. Welfare assistance.
  - a. If the amount of welfare is reduced due to an act of fraud by a family member or because of any family member's failure to comply with requirements to participate in an economic self-sufficiency program or work activity, the amount of rent required to be paid by the family will not be decreased. In such cases, the amount of income attributable to the family will include what the family would have received had they complied with the welfare requirements and/or had not committed an act of fraud.
  - c. If the amount of welfare assistance is reduced as a result of a lifetime time limit, the reduced amount is the amount that shall be counted.
7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
8. All regular pay, special pay, and allowances of a member of the Armed Forces. (Special pay to a member exposed to hostile fire is excluded.)
9. Regular contribution or gifts received from organizations or from persons not residing in the dwelling for such things as utility payments or grocery purchases. The full amount of child support or alimony to which the family is entitled unless it is verified that the family is not getting the payment and is taking legal action to secure the back amount.
10. After retirement, the amount which the resident is eligible to draw down from his/her pension or retirement plan shall be counted as income, whether or not the resident elects to draw the entire amount.
11. The income of all members of the family over the age of 18 who are counted for bedroom size determination, shall be included in the annual income determination unless in school full time. The first \$480 of income of a full time student over age 18 is included.

12. Non-cash contributions given in exchange for services rendered may be counted as income.
13. Income from assets shall be considered to be:
  - a. Actual income received, or
  - b. If total assets equal \$5,000 or more, income from these assets shall be the actual income received or a percentage of the total value of the assets, based on the current passbook savings rate (*as determined by HUD*).
14. Per capita payments from Indian tribes/casinos.
15. Students enrolled in higher education, in excess of amounts received for tuition, that an individual receives under the higher Education Act of 1965, from private sources, or from an institution, shall be considered income to the individual, except that financial assistance described in this income inclusion is not considered income for persons over the age of 23 with dependent children. Financial assistance does not include loan proceeds for determining income.

### 9.3 ASSETS

Assets shall not preclude admission to the Voucher Program. Assets shall be used to determine income earned as follows:

- A. The actual income earned from the ownership of bank accounts, investments, such as certificates of deposit, annuities, stocks, bonds, etc.
- B. The income from real property such as land contract interest, rental income, etc.
- C. Where the family has Net Family Assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate (as determined by HUD). All income earned on assets of less
- D. In determining Net Family Assets, the MHC shall include the value of any assets disposed of by an applicant or resident for less than fair market value during the two (2) years preceding the date of application for the program or re-examination, as applicable, in excess of the consideration received therefore.
- E. The value to be assigned to the assets shall be the value of the assets after deducting costs that would be incurred in disposing of the asset, such as real estate or stock brokers commissions or penalty for early withdrawal of a time deposit.
- F. Retirement or pension plans will be counted as an asset before resident has

retired only if the resident may draw down a portion before (s)he actually retires.

- G. Pre-Planned Funerals, Funeral Trusts, Insurance Funded Funeral Plans, Escrow Funded Funeral Plans: Any pre-planned funeral agreement will be considered an asset unless it is specifically certified as irrevocable by the Department of Human Services (formerly FIA), State of Michigan. It is not considered irrevocable unless granted this special certification.
- H. The portion of a trust fund which is accessible to the family shall be considered an asset.
- I. The average six (6) month balance in a checking account shall be considered an asset.

#### 9.4 EXCLUSIONS FROM INCOME

Annual income does not include the following:

- A. Income from employment of children (including foster children) under the age of 18 years;
- B. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- C. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
- D. Amounts received by the family that is specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- E. Income of a live-in aide;
- F. The full amount of student financial assistance paid directly to the student or to the educational institution, except the portion designated for housing cost by an "athletic scholarship", which is considered income.
- G. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- H. The amounts received from the following programs:
  - 1. Amounts received under training programs funded by HUD (such as the Green Thumb Program/Experience Works);

2. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
3. Amounts received by a participant in other publicly assisted programs that are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and that are made solely to allow participation in a specific program;
4. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the Housing Commission or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiative coordination. No resident may receive more than one such stipend during the same period of time;
5. Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program;
6. Temporary, nonrecurring, or sporadic income (including gifts);
7. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
8. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
9. Adoption assistance payments in excess of \$480 per adopted child;
10. Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts;
11. Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

12. Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
13. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits.

These exclusions include:

- a. The amount received for food stamps
- b. Payments to volunteers under the Domestic Volunteer Services Act of 1973
- c. Payments received under the Alaska Native Claims Settlement Act
- d. Income from submarginal land of the U.S. that is held in trust for certain Indian tribes
- e. Payments made under HHS's Low-Income Energy Assistance Program
- f. Payments received under the Job Training Partnership Act
- g. Income from the disposition of funds of the Grand River Band of Ottawa Indians
- h. The first \$2000 per capita received from judgment funds awarded for certain Indian claims
- i. Amount of scholarships awarded under Title IV including Work-Study
- j. Payments received under the Older Americans Act of 1965
- k. Payments from Agent Orange Settlement
- l. Payments received under the Maine Indian Claims Act
- m. The value of child care under the Child Care and Development Block Grant Act of 1990
- n. Earned income tax credit refund payments
- o. Payments for living expenses under the AmeriCorps Program

- p. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937.
  - q. Also excluded from income are payments made for individuals under the Community Services Employment Program administered by the Department of Labor, Title V of the Older Americans Act of 1965 (42 USC 3056(f))
  - r. Payments derived from Title VI of the Older American Comprehensive Services Amendments of 1973 (PL-93-29) such as Foster Grandparents and Older Americans Community Services programs are not included in family income. Also excluded are ACTION Volunteers, administered under the Domestic Volunteers Act of 1973, Title IX (PL 93-113).
  - s. Income of a roommate if not under the program.
14. For family members who enrolled in certain training programs prior to 10/1/99, the earnings and benefits resulting from the participation if the program provides employment training and supportive services in accordance with the Family Support Act of 1988, Section 22 of the 1937 Act (42 U.S.C. 2437t), or any comparable Federal, State or local law during the exclusion period. For purposes of this exclusion the following definitions apply:
- a. Comparable Federal, State or local law means a program providing employment training and supportive services that:
    - i. Is authorized by a Federal, State or local law;
    - ii. Is funded by the Federal, State or local government;
    - iii. Is operated or administered by a public agency; and
    - iv. Has as its objective to assist participants in acquiring employment skills.
  - b. Exclusion period means the period during which the family member participates in a program described in this section, plus 18 months from the date the family member begins the first job acquired by the family member after completion of such program that is not funded by public housing assistance under the 1937 Act. If the family member is terminated from employment with good cause, the exclusion period shall end.
  - c. Earnings and benefits means the incremental earnings and benefits resulting from a qualifying employment training program or subsequent job.

15. The incremental earning due to employment during the 12 month period following date of hire shall be excluded. This exclusion will not apply for any family who concurrently is eligible for exclusion # 14. Additionally, this exclusion is only available to the following families:
  - a. Families whose income increases as a result of employment of a family member who was previously unemployed for one or more years.
  - b. Families whose income increases during the participation of a family member in any family self-sufficiency program.
  - c. Families who are or were, within 6 months, assisted under a State TANF Program.

### **9.5 DEDUCTIONS FROM ANNUAL INCOME**

The following deductions will be made from annual income:

- A. \$480 for each dependent
- B. \$400 for any elderly family or disabled family
- C. For any family that is not an elderly or disabled family but has a member (other than the head or spouse) who is a person with a disability, disability assistance expenses in excess of 3% of annual income. This allowance may not exceed the employment income received by family members who are 18 years of age or older as a result of the assistance to the person with disabilities.
- D. For any elderly or disabled family: (Calculate disability expense before taking into account the medical expenses.)
  1. That has no disability assistance expenses, an allowance for medical expenses equal to the amount by which the medical expenses exceed 3% of annual income;
  2. That has disability expenses greater than or equal to 3% of annual income, an allowance for disability assistance expenses computed in accordance with paragraph C, plus an allowance for medical expenses that equal the family's medical expenses;
  3. That has disability assistance expenses that are less than 3% of annual income, an allowance for combined disability assistance expenses and medical expenses that is equal to the total of these expenses less 3% of annual income.
- E. Child care expenses. (for children under age 13), only if unreimbursed, in an

amount reasonable for the area, shall be allowed where necessary to allow a family member to be gainfully employed, to further his/her education or is actively seeking employment (which must be verified). The amount deducted shall not exceed the amount of gross income received for such employment. Such expense shall be allowed only if no adult member of the family is available to provide such care.

- F. An elderly family shall be allowed an amount for Medical Expenses equal to the amount by which the medial expenses exceed 3% of annual income if there is no disabled assistance expenses allowance. Medical expense shall include only actual expense, including medical insurance premiums, that are not covered by insurance.
- G. If an elderly family has disabled assistance expenses less than 3% of annual income, an allowance for combined handicapped assistance expenses that is equal to the amount by which the sum of those expenses exceeds 3% of annual income.
- H. In no case will allowances be given which exceed the family's annual income.

## **10.0 VERIFICATION**

The MHC will third-party verify information related to waiting list preferences, eligibility, admission and level of benefits prior to admission. Periodically during occupancy, items related to eligibility and rent determination shall also be reviewed and verified. Income, assets, and expenses will be verified, as well as disability status, need for a live-in aide and other reasonable accommodations, full time student status of family members 18 years of age and older, Social Security Numbers, birth certificates (or other suitable proof), citizenship/eligible noncitizen status. Age and relationship will only be verified in those instances where needed to make a determination of level of assistance.

### **10.1 ACCEPTABLE METHODS OF VERIFICATION**

Age, relationship, U.S. citizenship, and Social Security Numbers will generally be verified with documentation provided by the family. For citizenship, the family's certification will be accepted. (Or for citizenship documentation such as listed below will be required.) Verification of these items will include photocopies of the Social Security cards and other documents presented by the family, the INS SAVE approval code, and forms signed by the family.

Other information will be verified by EIV or written third party verification. This type of verification includes written documentation (with forms sent directly to and received directly from a source, not passed through the hands of the family). This verification may also be direct contact with the source, in person or by telephone. It may also be a report generated by a request from the MHC or automatically by another government agency,

i.e. the Social Security Administration(SWICA, UIV). Verification forms and reports received will be contained in the applicant/tenant file. Oral third party documentation will include the same information as if the documentation had been written, i.e. name, date of contact, amount received, etc. but will be used only when two other efforts to seek written verification is documented and failed. Two attempts at third party verification is required is required before accepting any other method of verification.

When third party verification cannot be obtained, the MHC will accept documentation received from the applicant/participant. Hand-carried documentation will be accepted if the MHC has been unable to obtain third party verification. Photocopies of the documents provided by the family will be maintained in the file.

When neither third party verification nor hand-carried verification can be obtained, the MHC will accept a notarized statement signed by the head, spouse or co-head. Such documents will be maintained in the file.

**10.2 TYPES OF VERIFICATION**

The chart below outlines the factors that may be verified and gives common examples of the verification that will be sought. To obtain written third party verification, the MHC will send a request form to the source along with a release form signed by the applicant/participant via first class mail or by fax .

Verification Requirements for Individual Items		
Item to Be Verified	3 <sup>rd</sup> party verification	Hand-carried verification
<b>General Eligibility Items</b>		
Social Security Number	Letter from Social Security, electronic reports	Social Security card
Citizenship	N/A	Signed certification, voter's registration card, birth certificate, etc.
Eligible immigration status	INS SAVE confirmation #	INS card
Disability	Letter from medical professional, SSI, etc	Proof of SSI or Social Security disability payments
Full time student status (if >18)	Letter from school	For high school students, any document evidencing enrollment
Need for a live-in aide	Letter from doctor or other	N/A

Verification Requirements for Individual Items		
Item to Be Verified	3 <sup>rd</sup> party verification	Hand-carried verification
	professional knowledgeable of condition	
Child care costs	Letter from care provider	Bills and receipts
Disability assistance expenses	Letters from suppliers, care givers, etc.	Bills and records of payment
Medical expenses	Letters from providers, prescription record from pharmacy, medical professional's letter stating assistance or a companion animal is needed	Bills, receipts, records of payment, dates of trips, mileage log, receipts for fares and tolls
Value of and Income from Assets		
Savings, checking accounts	Letter from institution	Passbook, most current statement <i>balance</i> ; <i>most recent bank statement</i>
CDs, bonds, etc	Letter from institution	Tax return, information brochure from institution, the CD, the bond
Stocks	Letter from broker or holding company	Stock or most current statement, price in newspaper or through Internet
Real property *	Letter from tax office, assessment, etc.	Property tax statement (for current value), assessment, records or income and expenses, tax return
Personal property	Assessment, bluebook, etc	Receipt for purchase, other evidence of worth
Cash value of life insurance policies	Letter from insurance company	Current statement
Assets disposed of for less than fair market value	N/A	Original receipt and receipt at disposition, other evidence of worth

Verification Requirements for Individual Items		
Item to Be Verified	3 <sup>rd</sup> party verification	Hand-carried verification
<b>Income</b>		
Earned income	Letter from employer	Multiple pay stubs
Self-employed	N/A	Tax return from prior year, books of accounts
Regular gifts and contributions	Letter from source, letter from organization receiving gift (i.e., if grandmother pays day care provider, the day care provider could so state)	Bank deposits, other similar evidence
Alimony/child support	Court order, letter from source, letter from Human Services	Record of deposits, divorce decree
Periodic payments (i.e., social security, welfare, pensions, workers' comp, unemployment)	Letter or electronic reports from the source	Award letter, letter announcing change in amount of future payments
Training program participation	Letter from program provider indicating <ul style="list-style-type: none"> <li>- whether enrolled</li> <li>- whether training is HUD-funded</li> <li>- whether State or local program</li> <li>- whether it is employment training</li> <li>- whether payments are for out-of-pocket expenses incurred in order to participate in a program</li> </ul>	N/A
Actively seeking employment	Compilation of employers with whom applicant applied showing date and signature of company rep.	Brought in by applicant. Staff to call employers listed to verify.

\* Real Property: the MHC will use **twice** the most recent taxable value or SEV (State Equalized Value) indicated on the participant's most recent Michigan tax statement to determine the value of this asset.

### **10.3 VERIFICATION OF CITIZENSHIP OR ELIGIBLE NONCITIZEN STATUS**

The citizenship/eligible noncitizen status of each family member regardless of age must be determined.

Prior to being admitted, or at the first reexamination, all citizens and nationals will be required to sign a declaration under penalty of perjury. (They will be required to show proof of their status by such means as Social Security card, birth certificate, military ID or military DD 214 Form.)

Prior to being admitted or at the first reexamination, all eligible noncitizens who are 62 years of age or older will be required to sign a declaration under penalty of perjury. They will also be required to show proof of age.

Prior to being admitted or at the first reexamination, all eligible noncitizens must sign a declaration of their status and a verification consent form and provide their original INS documentation. The MHC will make a copy of the individual's INS documentation and place the copy in the file. The MHC also will verify their status through the INS SAVE system. If the INS SAVE system cannot confirm eligibility, the MHC will mail information to the INS so a manual check can be made of INS records.

Family members who do not claim to be citizens, nationals or eligible noncitizens, or whose status cannot be confirmed, must be listed on a statement of non-eligible members and the list must be signed by the head of the household.

Noncitizen students on student visas, though in the country legally, are not eligible to be admitted to the Housing Choice Voucher Program.

Any family member who does not choose to declare their status must be listed on the statement of non-eligible members.

If no family member is determined to be eligible under this Section, the family's admission will be denied.

The family's assistance will not be denied, delayed, reduced or terminated because of a delay in the process of determining eligible status under this Section, except to the extent that the delay is caused by the family.

If the MHC determines that a family member has knowingly permitted an ineligible noncitizen (other than any ineligible noncitizens listed on the lease) to permanently reside in their Housing Choice Voucher unit, the family's assistance will be terminated. Such family will not be eligible to be readmitted to Housing Choice Voucher for a period of 24 months from the date of termination.

### **10.4 VERIFICATION OF SOCIAL SECURITY NUMBERS**

Prior to admission, each family member who has a Social Security Number must provide verification of his or her Social Security Number. In the case of a new birth, a copy of the Social Security card must be provided within ten (10) days of receipt of the card.

The best verification of the Social Security Number is the original Social Security card. If the card is not available, the MHC will accept letters from Social Security that establish and state the number. Documentation from other governmental agencies will also be accepted that establish and state the number. Driver's license, military ID, passports, or other official documents that establish and state the number are also acceptable.

If an individual states that they do not have a Social Security Number they will be required to sign a statement to this effect. The MHC will not require any individual who does not have a Social Security Number to obtain a Social Security Number.

If a member of an applicant family indicates they have a Social Security Number, but cannot readily verify it, the family cannot be assisted until verification is provided.

### ***10.5 TIMING OF VERIFICATION***

Verification must be dated within 60 days of certification or reexamination. If the verification is older than this, the source will be contacted and asked to provide information regarding any changes.

When an interim reexamination is conducted, the MHC will verify and update only those elements reported to have changed.

### ***10.6 FREQUENCY OF OBTAINING VERIFICATION***

For each family member, citizenship/eligible noncitizen status will be verified only once. This verification will be obtained prior to admission. If the status of any family member was not determined prior to admission, verification of their status will be obtained at the next regular reexamination. Prior to a new member joining the family, their status will be verified.

For each family member, verification of Social Security Number or birth certificates (or other acceptable proof) will be obtained only once. This verification will be accomplished prior to admission. When a family member who did not have a Social Security Number at admission receives a Social Security Number, that number will be verified at the next regular reexamination.

## **11.0 RENT AND HOUSING ASSISTANCE PAYMENT**

### **11.1 RENT REASONABLENESS**

The MHC will not approve an initial rent or a rent increase in any of the tenant-based programs without determining that the rent amount is reasonable. Reasonableness is determined prior to the initial lease and at the following times:

- A. Before any increase in rent to owner is approved;
- B. If 60 days before the contract anniversary date there is a 5% decrease in the published FMR as compared to the previous FMR; and
- C. If the MHC or HUD directs that reasonableness be re-determined.

## ***11.2 COMPARABILITY***

In making a rent reasonableness determination, the MHC will compare the rent for the unit to the rent of comparable units in the same or comparable neighborhoods. The MHC will consider the location, quality, size, number of bedrooms, age, amenities, housing services, maintenance and utilities of the unit and the comparable units.

The MHC will maintain current survey information on rental units in the jurisdiction.

The MHC will establish minimum base rent amounts for special amenities such as but not limited to, cable TV, garbage disposals, air conditioning, lawn mowing, snow plowing, overly large rooms, a garage, being provided by the landlord..

Owners are invited to submit information to the survey at any time. Owners may review the determination made on their unit and may submit additional information or make improvements to the unit that will enable the MHC to establish a higher value.

The owner must certify in writing the rents charged for other units. By accepting the housing assistance payment each month the owner is certifying that the rent to owner is not more than the rent charged by the owner for comparable unassisted units in the premises.

The owner of a manufactured home space must certify that the rent to owner for the space is not more than rent charged by the owner for unassisted rental of comparable spaces in the same manufactured home park or elsewhere. If requested by the MHC, the owner must provide the MHC information on rents for other manufactured home spaces.

## ***11.3 MAXIMUM SUBSIDY***

The Fair Market Rent (FMR) published by HUD or the exception payment standard rent (requested by the MHC and approved by HUD) determines the maximum subsidy for a family.

For the Voucher Program, the maximum payment standard will be 110% of the FMR without prior approval from HUD, or the exception payment standard approved by HUD.

For a voucher tenancy in an insured or noninsured 236 project, a 515 project of the Rural Development Administration, or a Section 221(d)(3) below market interest rate project the payment standard may not exceed the basic rent charged including the cost of tenant-paid utilities.

For manufactured home space rental, the maximum subsidy under any form of assistance is 40% of the published Fair Market Rent for a 2 bedroom unit for the space as outlined in 24 CFR 982.888.

### **11.3.1 Setting the Payment Standard**

HUD requires that the payment standard be set by the MHC at between 90 and 110% of the FMR. The MHC will review its determination of the payment standard annually after publication of the FMRs. The MHC will consider vacancy rates and rents in the market area, size and quality of units leased under the program, rents for units leased under the program, success rates of voucher holders in finding units, and the percentage of annual income families are paying for rent under the Voucher Program. If it is determined that success rates will suffer or that families are having to rent low quality units or pay over 40% of income for rent, the payment standard may be raised to the level judged necessary to alleviate these hardships.

Payment standards will not be raised solely to allow the renting of luxury quality units.

If success levels are projected to be extremely high and rents are projected to be at or below 30% of income, the MHC will reduce the payment standard. Payment standards for each bedroom size are evaluated separately so that the payment standard for one bedroom size may increase or decrease while another remains unchanged. The MHC may consider adjusting payment standards at times other than the annual review when circumstances warrant.

Before increasing any payment standard, the MHC will conduct a financial feasibility test to ensure that in using the higher standard, adequate funds will continue to be available to assist families in the program.

### **11.3.2 Selecting the Correct Payment Standard for a Family**

- A. For the voucher tenancy, the payment standard for a family is the lower of:
  - 1. The payment standard for the family unit size; or
  - 2. The payment standard for the unit size rented by the family.
- B. If the unit rented by a family is located in an exception rent area, the MHC will use the appropriate payment standard for the exception rent area.

- C. During the HAP contract term for a unit, the amount of the payment standard for a family is the higher of:
  - 1. The initial payment standard (at the beginning of the lease term) minus any amount by which the initial rent to owner exceeds the current rent to owner; or
  - 2. The payment standard as determined at the most recent regular reexamination of family income and composition effective after the beginning of the HAP contract term.
- D. At the next annual reexamination following a change in family size or composition during the HAP contract term and for any reexamination thereafter, paragraph C above does not apply.
- E. If there is a change in family unit size, the new family unit size will be considered when determining the payment standard at the time the change takes place (Ex.: child is born; children temporarily in foster home are returned to family).

### **11.3.3 Area Exception Rents**

In order to help families find housing outside areas of high poverty or when voucher holders are having trouble finding housing for lease under the program, the MHC may request that HUD approve an exception payment standard rent for certain areas within its jurisdiction. The areas may be of any size, though generally not smaller than a census tract. The MHC may request one such exception payment standard area or many. Exception payment standard rent authority may be requested for all or some unit sizes, or for all or some unit types.

When an exception payment standard rent has been approved and the FMR increases, the exception rent remains unchanged until such time as the Housing Authority requests and HUD approves a higher exception payment standard rent. If the FMR decreases, the exception payment standard rent authority automatically expires.

## ***11.4 ASSISTANCE AND RENT FORMULAS***

### **A. Total Tenant Payment**

The total tenant payment is equal to the highest of:

- 1. 10% of monthly income
- 2. 30% of adjusted monthly income
- 3. Minimum rent

4. The welfare rent

Plus any rent above the payment standard.

If a family's income is reduced for noncompliance with TANF requirements, rent will not be reduced.

B. Minimum Rent.

The MHC has set the minimum rent as \$50.00. However, if the family requests a hardship exemption, the MHC will suspend the minimum rent for the family beginning the month following the family's hardship request. The suspension will continue until the MHC can determine whether hardship exists and whether the hardship is of a temporary or long-term nature. During suspension, the family will not be required to pay a minimum rent and the Housing Assistance Payment will be increased accordingly.

1. A hardship exists in the following circumstances:

- a. When the family has lost eligibility for or is awaiting an eligibility determination for a Federal, State or local assistance program;
- b. When the family would be evicted as a result of the imposition of the minimum rent requirement;
- c. When the income of the family has decreased because of changed circumstances, including loss of employment;
- d. When the family has an increase in expenses because of changed circumstances, for medical costs, childcare, transportation, education, or similar items;
- e. When a death has occurred in the immediate family.

2. No hardship. If the MHC determines there is no qualifying hardship, the minimum rent will be reinstated, including requiring back payment of minimum rent to the MHC for the time of suspension.

3. Temporary hardship. If the MHC determines that there is a qualifying hardship but that it is of a temporary nature, the minimum rent will not be imposed for a period of 90 days from the date of the family's request. At the end of the 90-day period, the minimum rent will be imposed retroactively to the time of suspension. The MHC will offer a reasonable repayment agreement for any minimum rent back payment paid by the MHC on the family's behalf during the period of suspension.

4. Long-term hardship. If the MHC determines there is a long-term hardship, the family will be exempt from the minimum rent requirement until the hardship no longer exists.
5. Appeals. The family may use the informal hearing procedure to appeal the MHC's determination regarding the hardship. No escrow deposit will be required in order to access the informal hearing procedures.

C. Manufactured Home Space Rental: Section 8 Vouchers

1. The payment standard for a participant renting a manufactured home space is that which is in accordance with the MHC's adopted payment Standard..
- 2.
3. The space rent is the sum of the following as determined by the MHC:
  - a. Rent to the owner for the manufactured home space;
  - b. Owner maintenance and management charges for the space; and
  - c. Utility allowance for tenant paid utilities.
3. The participant pays the rent to owner less the HAP.
4. HAP equals the lesser of:
  - a. The payment standard minus the total tenant payment; or
  - b. The rent paid for rental of the real property on which the manufactured home owned by the family is located.

F. Rent for Families under the Noncitizen Rule

A mixed family will receive full continuation of assistance if all of the following conditions are met:

1. The family was receiving assistance on June 19, 1995;
2. The family was granted continuation of assistance before November 29, 1996;
3. The family's head or spouse has eligible immigration status; and
4. The family does not include any person who does not have eligible status other than the head of household, the spouse of the head of household, any

parent of the head or spouse, or any child (under the age of 18) of the head or spouse.

If a mixed family qualifies for prorated assistance but decides not to accept it, or if the family has no eligible members, the family may be eligible for temporary deferral of termination of assistance to permit the family additional time for the orderly transition of some or all of its members to locate other affordable housing. Under this provision the family receives full assistance. If assistance is granted under this provision prior to November 29, 1996, it may last no longer than three years. If granted after that date, the maximum period of time for assistance under the provision is 18 months. The MHC will grant each family a period of 6 months to find suitable affordable housing. If the family cannot find suitable affordable housing, the MHC will provide additional search periods up to the maximum time allowable.

Suitable housing means housing that is not substandard and is of appropriate size for the family. Affordable housing means that it can be rented for an amount not exceeding the amount the family pays for rent, plus utilities, plus 25%.

The family's assistance is prorated in the following manner:

1. Find the prorated housing assistance payment (HAP) by dividing the HAP by the total number of family members, and then multiplying the result by the number of eligible family members.
2. Obtain the prorated family share by subtracting the prorated HAP from the gross rent (contract rent plus utility allowance).
3. The prorated tenant rent equals the prorated family share minus the full utility allowance.

### ***11.5 UTILITY ALLOWANCE***

The MHC maintains a utility allowance schedule for all tenant-paid utilities (except telephone), for cost of tenant-supplied refrigerators and ranges, and for other tenant-paid housing services (e.g., trash collection (disposal of waste and refuse)).

The utility allowance schedule is determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, the MHC uses normal patterns of consumption by the participants of the program..

The MHC reviews the utility allowance schedule annually and revises any allowance for a utility category if there has been a change of 10% or more in the utility rate since the last time the utility allowance schedule was revised. The MHC maintains information

supporting the annual review of utility allowances and any revisions made in its utility allowance schedule.

The MHC uses the appropriate utility allowance for the size of dwelling unit actually leased by the family (rather than the family unit size as determined under the MHC subsidy standards).

At each reexamination, the MHC applies the utility allowance from the most current utility allowance schedule.

The MHC will approve a request for a utility allowance that is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family member with a disability.

The utility allowance will be subtracted from the family's share to determine the amount of the Tenant Rent. The Tenant Rent is the amount the family owes each month to the owner. The amount of the utility allowance is then still available to the family to pay the cost of their utilities. Any utility cost above the allowance is the responsibility of the tenant. Any savings resulting from utility costs below the amount of the allowance belong to the tenant.

The MHC utility allowance for manufactured home space rentals is not limited to the tenant paid utilities directly related to the space rental, such as water and sewer expenses. The utility allowance covers all tenant-paid utilities including electricity and gas for the manufactured home.

#### ***11.7 DISTRIBUTION OF HOUSING ASSISTANCE PAYMENT***

The MHC pays the owner the lesser of the housing assistance payment or the rent to owner. If payments are not made when due, the owner may charge the MHC a late payment, agreed to in the Contract and in accordance with generally accepted practices in the MHC jurisdiction.

#### ***11.8 CHANGE OF OWNERSHIP***

The MHC requires a written request by the owner who executed the HAP contract in order to make changes regarding who is to receive the MHC's rent payment or the address as to where the rent payment should be sent.

In addition, the MHC requires a written request from the new owner to process a change of ownership. The following documents must accompany the written request:

- A. Deed of Trust showing the transfer of title; or letter from former owner concerning sale of property.

- B. Tax Identification Number or Social Security Number.

The MHC may withhold the rent payment until the taxpayer identification number is received.

## 11.9 FAIR MARKET RENTS

The U. S. Department of Housing & Urban Development publishes FMRs annually by bedroom size and area.

In the case of manufactured home space rental, the FMR is 40% of the published FMR for a two-bedroom unit (see MHC's adopted Payment Standards which include the payment standard for a manufactured home space).

## 12.0 INSPECTION POLICIES, HOUSING QUALITY STANDARDS, AND DAMAGE CLAIMS

The MHC will inspect all units to ensure that they meet Housing Quality Standards (HQS). No unit will be initially placed on the Housing Choice Voucher Program unless the HQS is met. Units will be inspected at least annually, and at other times as needed, to determine if the units meet HQS.

The MHC must be allowed to inspect the dwelling unit at reasonable times with reasonable notice (*5 days is considered reasonable notice*). The family and owner will be notified of the inspection appointment by phone or first class mail. If the family can not be at home for the scheduled inspection appointment, the family must call and reschedule the inspection or make arrangements to enable the MHC to enter the unit and complete the inspection.

If the family misses the scheduled inspection and fails to reschedule the inspection, the MHC will only schedule one more inspection. If the family misses two inspections, the MHC will consider the family to have violated a Family Obligation and their assistance will be terminated.

### 12.1 TYPES OF INSPECTIONS

There are seven types of inspections the MHC will perform:

- A. Initial Inspection - An inspection that must take place to insure that the unit passes HQS before assistance can begin.
- B. Annual Inspection - An inspection to determine that the unit continues to meet HQS.
- C. Complaint Inspection - An inspection caused by the Commission receiving a complaint on the unit by anyone.

- D. Special Inspection - An inspection caused by a third party, i.e. HUD, needing to view the unit.
- E. Emergency - An inspection that takes place in the event of a perceived emergency. These will take precedence over all other inspections.
- F. Move Out Inspection (if applicable) - An inspection required for units in service before October 2, 1995, and optional after that date. These inspections document the condition of the unit at the time of the move-out.
- F. Quality Control Inspection - Supervisory inspections on at least 5% of the total number of units that were under lease during the MHC's previous fiscal year (by Executive Director).

## ***12.2 OWNER AND FAMILY RESPONSIBILITY***

### **A. Owner Responsibility for HQS**

1. The owner must maintain the unit in accordance with HQS.
2. If the owner fails to maintain the dwelling unit in accordance with HQS, the MHC will take prompt and vigorous action to enforce the owner obligations. The MHC's remedies for such breach of the HQS include termination, suspension or reduction of housing assistance payments and termination of the HAP contract.
3. The MHC will not make any housing assistance payments for a dwelling unit that fails to meet the HQS, unless the owner corrects the defect within the period specified by the MHC and the MHC verifies the correction. If a defect is life threatening, the owner must correct the defect within no more than 24 hours. For other defects the owner must correct the defect within no more than 30 calendar days (or any MHC approved extension).
4. The owner is not responsible for a breach of the HQS that is not caused by the owner, and for which the family is responsible. Furthermore, the MHC may terminate assistance to a family because of the HQS breach caused by the family.

### **B. Family Responsibility for HQS**

1. The family is responsible for a breach of the HQS that is caused by any of the following:
  - a. The family fails to pay for any utilities that the owner is not required to pay for, but which are to be paid by the tenant;

- b. The family fails to provide and maintain any appliances that the owner is not required to provide, but which are to be provided by the tenant; or
  - c. Any member of the household or a guest damages the dwelling unit or premises (damage beyond ordinary wear and tear).
2. If an HQS breach caused by the family is life threatening, the family must correct the defect within no more than 24 hours. For other family-caused defects, the family must correct the defect within no more than 30 calendar days (or any MHC approved extension).
  3. If the family has caused a breach of the HQS, the MHC will take prompt and vigorous action to enforce the family obligations. The MHC may terminate assistance for the family in accordance with 24 CFR 982.552.

### ***12.3 HOUSING QUALITY STANDARDS (HQS) 24 CFR 982.401***

This Section states performance and acceptability criteria for these key aspects of the following housing quality standards:

#### **A. Sanitary Facilities**

##### **1. Performance Requirements**

The dwelling unit must include sanitary facilities located in the unit. The sanitary facilities must be in proper operating condition and adequate for personal cleanliness and the disposal of human waste. The sanitary facilities must be usable in privacy.

##### **2. Acceptability Criteria**

- a. The bathroom must be located in a separate private room and have a flush toilet in proper operating condition.
- b. The dwelling unit must have a fixed basin in proper operating condition, with a sink trap and hot and cold running water.
- c. The dwelling unit must have a shower or a tub in proper operating condition with hot and cold running water.
- d. The facilities must utilize an approvable public or private disposal system (including a locally approvable septic system).

#### **B. Food Preparation and Refuse Disposal**

1. Performance Requirements

- a. The dwelling unit must have suitable space and equipment to store, prepare, and serve foods in a sanitary manner.
- b. There must be adequate facilities and services for the sanitary disposal of food wastes and refuse, including facilities for temporary storage where necessary (e.g., garbage cans).

2. Acceptability Criteria

- a. The dwelling unit must have an oven, a stove or range, and a refrigerator of appropriate size for the family. All of the equipment must be in proper operating condition. Either the owner or the family may supply the equipment. A microwave oven may be substituted for a tenant-supplied oven and stove or range. A microwave oven may be substituted for an owner-supplied oven and stove or range if the tenant agrees and microwave ovens are furnished instead of an oven and stove or range to both subsidized and unsubsidized tenants in the building or premises.
- b. The dwelling unit must have a kitchen sink in proper operating condition, with a sink trap and hot and cold running water. The sink must drain into an approvable public or private system.
- c. The dwelling unit must have space for the storage, preparation, and serving of food.
- d. There must be facilities and services for the sanitary disposal of food waste and refuse, including temporary storage facilities where necessary (e.g., garbage cans).

C. Space and security

1. Performance Requirement

The dwelling unit must provide adequate space and security for the family.

2. Acceptability Criteria

- a. At a minimum, the dwelling unit must have a living room, a kitchen area, and a bathroom.
- b. The dwelling unit must have at least one bedroom or living/sleeping room for each two persons. Children of opposite sex,

other than very young children, may not be required to occupy the same bedroom or living/sleeping room.

- c. Dwelling unit windows that are accessible from the outside, such as basement, first floor, and fire escape windows, must be lockable (such as window units with sash pins or sash locks, and combination windows with latches). Windows that are nailed shut are acceptable only if these windows are not needed for ventilation or as an alternate exit in case of fire.
- d. The exterior doors of the dwelling unit must be lockable. Exterior doors are doors by which someone can enter or exit the dwelling unit.

#### D. Thermal Environment

##### 1. Performance Requirement

The dwelling unit must have and be capable of maintaining a thermal environment healthy for the human body.

##### 2. Acceptability Criteria

- a. There must be a safe system for heating the dwelling unit (and a safe cooling system, where present). The system must be in proper operating condition. The system must be able to provide adequate heat (and cooling, if applicable), either directly or indirectly, to each room, in order to assure a healthy living environment appropriate to the climate. Unit's heating unit must be able to maintain a temperature of 68 degrees Fahrenheit unless the outside temperature drops below -3 degrees Fahrenheit, in which case the unit must remain at 65 degrees Fahrenheit or above.
- b. The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Electric heaters are acceptable.

#### E. Illumination and Electricity

##### 1. Performance Requirement

Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. The electrical fixtures and wiring must ensure safety from fire.

2. Acceptability Criteria

- a. There must be at least one window in the living room and in each sleeping room.
- b. The kitchen area and the bathroom must have a permanent ceiling or wall light fixture in proper operating condition. The kitchen area must also have at least one electrical outlet in proper operating condition.
- c. The living room and each bedroom must have at least two electrical outlets in proper operating condition. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets.

F. Structure and Materials

1. Performance Requirement

The dwelling unit must be structurally sound. The structure must not present any threat to the health and safety of the occupants and must protect the occupants from the environment.

2. Acceptability Criteria

- a. Ceilings, walls, and floors must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing parts, or other serious damage.
- b. The roof must be structurally sound and weather tight.
- c. The exterior wall structure and surface must not have any serious defects such as serious leaning, buckling, sagging, large holes, or defects that may result in air infiltration or vermin infestation.
- d. The condition and equipment of interior and exterior stairs, halls, porches, walkways, etc., must not present a danger of tripping and falling. For example, broken or missing steps or loose boards are unacceptable.
- e. Elevators must be working and safe.

G. Interior Air Quality

1. Performance Requirement

The dwelling unit must be free of pollutants in the air at levels that threaten the health of the occupants.

2. Acceptability Criteria

- a. The dwelling unit must be free from dangerous levels of air pollution from carbon monoxide, sewer gas, fuel gas, dust, and other harmful pollutants.
- b. There must be adequate air circulation in the dwelling unit.
- c. Bathroom areas must have one window that can be opened or other adequate exhaust ventilation.
- d. Any room used for sleeping must have at least one window. If the window is designed to be opened, the window must work.

H. Water Supply

1. Performance Requirements

The water supply must be free from contamination.

2. Acceptability Criteria

The dwelling unit must be served by an approvable public or private water supply that is sanitary and free from contamination.

I. Lead-based Paint

1. Definitions

- a. Chewable surface: Protruding painted surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age; for example, protruding corners, window sills and frames, doors and frames, and other protruding woodwork.
- b. Component: An element of a residential structure identified by type and location, such as a bedroom wall, an exterior window sill, a baseboard in a living room, a kitchen floor, an interior window sill in a bathroom, a porch floor, stair treads in a common stairwell, or an exterior wall.
- c. Defective paint surface: A surface on which the paint is cracking, scaling, chipping, peeling, or loose.

- d. Elevated blood level (EBL): Excessive absorption of lead. Excessive absorption is a confirmed concentration of lead in whole blood of 20 ug/dl (micrograms of lead per deciliter) for a single test or of 15-19 ug/dl in two consecutive tests 3-4 months apart.
- e. HEPA: A high efficiency particle accumulator as used in lead abatement vacuum cleaners.
- f. Lead-based paint: A paint surface, whether or not defective, identified as having a lead content greater than or equal to 1 milligram per centimeter squared (mg/cm<sup>2</sup>), or 0.5 % by weight or 5000 parts per million (PPM).

## 2. Performance Requirements

- a. The purpose of this paragraph of this Section is to implement Section 302 of the Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. 4822, by establishing procedures to eliminate as far as practicable the hazards of lead-based paint poisoning for units assisted under this part. This paragraph is issued under 24 CFR 35.24(b)(4) and supersedes, for all housing to which it applies, the requirements of subpart C of 24 CFR part 35.
- b. The requirements of this paragraph of this Section do not apply to 0-bedroom units, units that are certified by a qualified inspector to be free of lead-based paint, or units designated exclusively for the elderly. The requirements of subpart A of 24 CFR part 35 apply to all units constructed prior to 1978 covered by a HAP contract under part 982.
- c. If a dwelling unit constructed before 1978 is occupied by a family that includes a child under the age of six years, the initial and each periodic inspection (as required under this part), must include a visual inspection for defective paint surfaces. If defective paint surfaces are found, such surfaces must be treated in accordance with paragraph k of this Section.
- d. The MHC may exempt from such treatment defective paint surfaces that are found in a report by a qualified lead-based paint inspector not to be lead-based paint, as defined in paragraph 1(f) of this Section. For purposes of this Section, a qualified lead-based paint inspector is a State or local health or housing agency, a lead-based paint inspector certified or regulated by a State or local health or housing agency, or an organization recognized by HUD.

- e. Treatment of defective paint surfaces required under this Section must be completed within 30 calendar days of MHC notification to the owner. When weather conditions prevent treatment of the defective paint conditions on exterior surfaces within the 30-day period, treatment as required by paragraph k of this Section may be delayed for a reasonable time.
- f. The requirements in this paragraph apply to:
  - i. All painted interior surfaces within the unit (including ceilings but excluding furniture);
  - ii. The entrance and hallway providing access to a unit in a multi-unit building; and
  - iii. Exterior surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age (including walls, stairs, decks, porches, railings, windows and doors, but excluding outbuildings such as garages and sheds). However, paint chips on the ground must be cleaned up.
- g. In addition to the requirements of paragraph c of this Section, for a dwelling unit constructed before 1978 that is occupied by a family with a child under the age of six years with an identified EBL condition, the initial and each periodic inspection (as required under this part) must include a test for lead-based paint on chewable surfaces. Testing is not required if previous testing of chewable surfaces is negative for lead-based paint or if the chewable surfaces have already been treated.
- h. Testing must be conducted by a State or local health or housing agency, an inspector certified or regulated by a State or local health or housing agency, or an organization recognized by HUD. Lead content must be tested by using an X-ray fluorescence analyzer (XRF) or by laboratory analysis of paint samples. Where lead-based paint on chewable surfaces is identified, treatment of the paint surface in accordance with paragraph k of this Section is required, and treatment shall be completed within the time limits in paragraph c of this Section.
- i. The requirements in paragraph g of this Section apply to all protruding painted surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age:
  - i. Within the unit;

- ii. The entrance and hallway providing access to a unit in a multi-unit building; and
  - iii. Exterior surfaces (including walls, stairs, decks, porches, railings, windows and doors, but excluding outbuildings such as garages and sheds).
- j. In lieu of the procedures set forth in paragraph g of this Section, the MHC may, at its discretion, waive the testing requirement and require the owner to treat all interior and exterior chewable surfaces in accordance with the methods set out in paragraph k of this Section.
- k. Treatment of defective paint surfaces and chewable surfaces must consist of covering or removal of the paint in accordance with the following requirements:
- i. A defective paint surface shall be treated if the total area of defective paint on a component is:
    - (1) More than 10 square feet on an exterior wall;
    - (2) More than 2 square feet on an interior or exterior component with a large surface area, excluding exterior walls and including, but not limited to, ceilings, floors, doors, and interior walls;
    - (3) More than 10% of the total surface area on an interior or exterior component with a small surface area, including, but not limited to, windowsills, baseboards and trim.
  - ii. Acceptable methods of treatment are the following: removal by wet scraping, wet sanding, chemical stripping on or off site, replacing painted components, scraping with infra-red or coil type heat gun with temperatures below 1100 degrees, HEPA vacuum sanding, HEPA vacuum needle gun, contained hydroblasting or high pressure wash with HEPA vacuum, and abrasive sandblasting with HEPA vacuum. Surfaces must be covered with durable materials with joint edges sealed and caulked as needed to prevent the escape of lead contaminated dust. Clean up chips that have fallen to ground or other areas within 5' of the ground or reachable by a 6 year old.

- iii. Prohibited methods of removal are the following: open flame burning or torching, machine sanding or grinding without a HEPA exhaust, uncontained hydroblasting or high pressure wash, and dry scraping except around electrical outlets or except when treating defective paint spots no more than two square feet in any one interior room or space (hallway, pantry, etc.) or totaling no more than twenty square feet on exterior surfaces.
  - iv. During exterior treatment soil and playground equipment must be protected from contamination.
  - v. All treatment procedures must be concluded with a thorough cleaning of all surfaces in the room or area of treatment to remove fine dust particles. Cleanup must be accomplished by wet washing surfaces with a lead solubilizing detergent such as trisodium phosphate or an equivalent solution.
  - vi. Waste and debris must be disposed of in accordance with all applicable Federal, State, and local laws.
- l. The owner must take appropriate action to protect residents and their belongings from hazards associated with treatment procedures. Residents must not enter spaces undergoing treatment until cleanup is completed. Personal belongings that are in work areas must be relocated or otherwise protected from contamination.
  - m. Prior to execution of the HAP contract, the owner must inform the MHC and the family of any knowledge of the presence of lead-based paint on the surfaces of the residential unit.
  - n. If the unit has lead-based paint, the MHC must require the owner to treat the lead-based paint. If the owner does not complete the corrective actions required by this Section, the family must be issued a certificate or voucher to move.
  - o. The MHC must keep a copy of each inspection report for at least three years. If a dwelling unit requires testing, or if the dwelling unit requires treatment of chewable surfaces based on the testing, the MHC must keep the test results indefinitely and, if applicable, the owner certification and treatment. The records must indicate which chewable surfaces in the dwelling units have been tested and which chewable surfaces were tested or tested and treated in accordance with the standards prescribed in this Section, such

chewable surfaces do not have to be tested or treated at any subsequent time.

- p. The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows).

J. Access

1. Performance Requirements

The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows).

K. Site and Neighborhood

1. Performance Requirements

The site and neighborhood must be reasonably free from disturbing noises and reverberations and other dangers to the health, safety, and general welfare of the occupants.

2. Acceptability Criteria

The site and neighborhood may not be subject to serious adverse environmental conditions, natural or manmade, such as dangerous walks or steps; instability; flooding, poor drainage, septic tank back-ups or sewage hazards; mudslides; abnormal air pollution, smoke or dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.

L. Sanitary Condition

1. Performance Requirements

The dwelling unit and its equipment must be in sanitary condition.

2. Acceptability Criteria

The dwelling unit and its equipment must be free of vermin and rodent infestation.

M. Smoke Detectors

1. Performance Requirements

- a. Except as provided in paragraph b below of this Section, each dwelling unit must have at least one battery-operated or hard-wired smoke detector, in proper operating condition, on each level of the dwelling unit, including basements but excepting crawl spaces and unfinished attics. Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standard (NFPA) 74 (or its successor standards). If the dwelling unit is occupied by any hearing-impaired person, smoke detectors must have an alarm system, designed for hearing-impaired persons as specified in NFPA 74 (or successor standards).
- b. For units assisted prior to April 24, 1993, owners who installed battery-operated or hard-wired smoke detectors prior to April 24, 1993, in compliance with HUD's smoke detector requirements, including the regulations published on July 30, 1992, (57 FR 33846), will not be required subsequently to comply with any additional requirements mandated by NFPA 74 (i.e., the owner would not be required to install a smoke detector in a basement not used for living purposes, nor would the owner be required to change the location of the smoke detectors that have already been installed on the other floors of the unit).

P. Mold-like substances

In the event the HQS Inspection discovers mold-like substances during initial or subsequent inspections of the unit, the MHC will decide if the Owner can resolve it by following the below criteria, or if qualified mold remediators are necessary at the Owner's expense, to sample, test and correct the problem. After the problem has been resolved, certification must be obtained to confirm that the mold-like substance has been removed and the unit is safe and habitable, before the MHC will begin, or continue, subsidy payments.

If the MHC does not require licensed mold professionals to address and correct the mold issue, the Owner must:

1. Identify the unit's moisture problem and repair it at its source.
2. If the affected material is significantly contaminated and porous (difficult to remove the mold-like substance completely) it must be discarded wearing proper equipment (respirators, protective clothing, eye protection, mask, rubber gloves) and with proper ventilation. If the affected material is not significantly contaminated and is non-porous, the entire area must be cleaned with soap or a non-ammonia cleaning detergent and rinsed with hot water using the safe work practices described above.
3. After the area has been thoroughly cleaned it must be disinfected with a

10% bleach solution using the safe work practices described above. The solution should be left on the affected areas for 10 minutes before rinsing or drying.

4. Any other areas damaged due to the source of the moisture problem, must also be corrected.

An analysis by the MHC as to the cause of the mold will be done. If the cause is the result of negligence or due to family's life style, the family shall correct the problem. If the cause is because the property owner fails to correct a problem (leaky roof, pipes, lack of caulk/sealants at tub, etc.) after having been notified by the MHC, the property owner shall be liable for the correction. In the event it is the cause of the property owners negligence, the subsidized family may temporarily move to another suitable unit, at Owners expense, during remediation of the mold-like substance. Such temporary unit must meet HQS and all other program requirements to receive subsidy. The Owner may request an extension on the 30 day deadline for remediating the problem, but such extension may not exceed an additional 30 days; however, the MHC must verify that a good-faith effort is being made to resolve the problem before granting the request. During the time the unit does not meet HQS, the unit does not qualify for subsidy..

The MHC reserves the authority to require any mold-like substance to be sampled, tested, and corrected through a construction process and/or qualified mold remediator.

#### M. Manufactured Home

A manufactured home must be placed on the site in a stable manner, and must be free from hazards such as sliding or wind damage. A manufactured home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist wind overturning and sliding.

### ***12.4 EXCEPTIONS TO THE HQS ACCEPTABILITY CRITERIA***

The MHC will utilize the acceptability criteria as outlined above with applicable State and local codes. Additionally, the MHC has received HUD approval to require the following additional criteria:

- A. In each room, there will be at least one exterior window that can be opened and that contains a screen.
- B. Owners will be required to scrape peeling paint and repaint all surfaces cited for peeling paint with 2 coats of non-lead paint. An extension may be granted as a severe weather related item as defined below.
- C. Adequate heat shall be considered to be 68 degrees.

- D. In units where the tenant must pay for utilities, each unit must have separate metering device(s) for measuring utility consumption.
- E. A ¾" overflow pipe must be present on the hot water heater safety valves and installed down to within 6 inches of the floor.

## **12.5 TIME FRAMES AND CORRECTIONS OF HQS FAIL ITEMS**

### **A. Correcting Initial HQS Fail Items**

The MHC will schedule a timely inspection of the unit on the date the owner indicates that the unit will be ready for inspection, or as soon as possible thereafter (within 5 working days) upon receipt of a Request for Tenancy Approval. The owner and participant will be notified in writing of the results of the inspection. If the unit fails HQS again, the owner and the participant will be advised to notify the MHC to reschedule a re-inspection when the repairs have been properly completed.

On an initial inspection, the owner will be given up to 30 days to correct the items noted as failed, depending on the extent of the repairs that are required to be made. No unit will be placed in the program until the unit meets the HQS requirements.

### **B. HQS Fail Items for Units under Contract**

The owner or participant will be given time to correct the failed items cited on the inspection report for a unit already under contract. If the failed items endanger the family's health or safety (using the emergency item list below), the owner or participant will be given 24 hours to correct the violations. For less serious failures, the owner or participant will be given up to 30 days to correct the failed item(s).

If the owner fails to correct the HQS failed items after proper notification has been given, the MHC will abate payment and terminate the contract in accordance with Sections 12.7 and 17.0(B)(3).

If the participant fails to correct the HQS failed items that are family-caused after proper notification has been given, the MHC will terminate assistance for the family in accordance with Sections 12.2(B) and 17.0(B)(3).

### **C. Time Frames for Corrections**

1. Emergency repair items must be abated within 24 hours.

2. Repair of refrigerators, range and oven, or a major plumbing fixture supplied by the owner must be abated within 72 hours.
3. Non-emergency items must be completed within 10 days of the initial inspection.
4. For major repairs, the owner will have up to 30 days to complete.

D. Extensions

At the sole discretion of the MHC, extensions of up to 30 days may be granted to permit an owner to complete repairs if the owner has made a good faith effort to initiate repairs. If repairs are not completed within 60 days after the initial inspection date, the MHC will abate the rent and cancel the HAP contract for owner noncompliance. Appropriate extensions will be granted if a severe weather condition exists for such items as exterior painting and outside concrete work for porches, steps, and sidewalks.

**12.6 EMERGENCY FAIL ITEMS**

The following items are to be considered examples of emergency items that need to be abated within 24 hours:

- A. No hot or cold water
- B. No electricity
- C. Inability to maintain adequate heat
- D. Major plumbing leak
- E. Natural gas leak
- F. Broken lock(s) on first floor doors or windows
- G. Broken windows that unduly allow weather elements into the unit
- H. Electrical outlet smoking or sparking
- I. Exposed electrical wires which could result in shock or fire
- J. Unusable toilet when only one toilet is present in the unit
- K. Security risks such as broken doors or windows that would allow intrusion
- L. Other conditions which pose an immediate threat to health or safety

## **12.7 ABATEMENT**

When a unit fails to meet HQS and the owner has been given an opportunity to correct the deficiencies, but has failed to do so within in the required timeframe, the rent for the dwelling unit will be abated. There will be no partial month abatement. Rent will be abated for a full month.

For tenant caused HQS deficiencies, the owner will not be held accountable and the rent will not be abated. The tenant is held to the same standard and timeframes for correction of deficiencies as owners. If repairs are not completed by the deadline, the MHC will send a notice of termination to both the tenant and the owner. The tenant will be given the opportunity to request an informal hearing.

## **13.0 RECERTIFICATION**

The following interim reports of increases will not be performed. Instead, they will be calculated and included in the participants next Annual Recertification:

- a. Annual cost of living increases for SS/SSI, welfare and veteran's pension benefits;
- b. Monthly income increases that total \$480 or less (unless the participant's income is 0)
- c. Changes in food stamp amounts or other excluded income such as student financial aid (unless the participant's income is 0)

For temporary interim decreases in family income, the loss of income must exceed 30 days before the MHC will and process the change.

For decreases in child support, the participant must provide proof that they have not received payment in at least 30 days AND proof of current legal action taken to recover such payments before the MHC will process the change.

Interims which result in tenant rent portion decreases will increase the amount of the participant's respective HAP to the landlord, according to the effective date. In cases where the affected HAP has already been processed (printed and mailed), the adjustment will be added to the following month's HAP payment. The Owner may choose to re-pay the tenant or apply the credit to the tenants next-months rent. The MHC will not make such overpayment/adjustment checks payable to the tenant.

## **13.1 ANNUAL REEXAMINATION**

At least annually the MHC will conduct a reexamination of family income and circumstances. The results of the reexamination determine (1) the rent the family will pay, and (2) whether the family subsidy is correct based on the family unit size.

The MHC will send a notification letter to the family letting them know that it is time for their annual reexamination and scheduling an appointment. The letter includes forms for

the family to complete in preparation for the review. The letter includes instructions for the review. The letter tells families who may need to make alternate arrangements due to a disability that they may contact staff to request an accommodation of their needs.

During the review, the family will provide all information regarding income, assets, expenses, and other information necessary to determine the family's share of rent. The family will sign the HUD consent form and other consent forms that later will be mailed to the sources that will verify the family circumstances. If family intentionally misrepresents their income, assets, or family composition and it would have affected the amount of the family's contribution toward rent resulting in an overpayment by the MHC, such family shall retroactively to the date they should have paid the higher sum, reimburse the MHC for overpayments and the family will be subject to termination.

Upon receipt of verification, the MHC will determine the family's annual income and will calculate their family share.

### **13.1.1 Effective Date of Rent Changes for Annual Reexaminations**

The new family share will generally be effective upon the anniversary date with 30 days notice of any rent increase to the family.

If the rent determination is delayed due to a reason beyond the control of the family, then any rent increase will be effective the first of the month after the month in which the family receives a 30 day notice of the amount. If the new rent is a reduction and the delay is beyond the control of the family, the reduction will be effective as scheduled on the anniversary date.

If the family caused the delay, then any increase will be effective on the anniversary date. Any reduction will be effective the first of the month after the rent amount is determined.

### **13.1.2 Missed Appointments**

If the family fails to respond to the letter, a second letter will be mailed. The second letter will advise of a new date for the information to be submitted allowing for the same considerations for rescheduling and accommodation as above. The letter will also advise that failure by the family to supply information for the date in the second letter will result in the MHC taking action to terminate the family's assistance.

## **13.2 INTERIM REEXAMINATIONS**

During an interim reexamination only the information affected by the changes being reported will be reviewed and verified.

*Families will be required to report any change in income, assets, expenses, family composition, or any circumstances that may affect rent, it must be in writing using the*

*MHC's Tenant Report of Change Form (unless prior written approval from staff is given (to grant an accommodation for a person with a disability) within ten (10) days of the change. Verbal reports will not be accepted.*

Families are required to report the following changes to the MHC between regular reexaminations. These changes will trigger an interim reexamination.

- A. A member has been added to the family through birth, adoption, court-awarded custody, spouse, boyfriend, or girlfriend.
- B. A household member is leaving or has left the family unit.
- C.. Family break-up
- D, Any change in income, assets, or expenses.

In circumstances of a family break-up, the MHC will allow both familial parents to hold a voucher. However, only one can receive deductions for the minor child(ren). Bedroom distribution for each will be determined by who ever has the child(ren) in the household 180 days or more per year (which could be both). The person claiming the child(ren) on their income tax shall be entitled to the per-child deduction.

In order to add an adult family household member other than through birth or adoption (including a live-in aide) the family must request that the new member be added to the lease. Before adding the new member to the lease, the individual must complete an application form stating their income, assets, and all other information required of an applicant. The individual must provide their Social Security Number if they have one, birth certificate (or other suitable proof) and must verify their citizenship/eligible immigrant status (Their housing will not be delayed due to delays in verifying eligible immigrant status other than delays caused by the family). The new family member will go through the screening process similar to the process for applicants. The MHC will determine the eligibility of the individual before allowing them to be added to the lease. If the individual is found to be ineligible or does not pass the screening criteria, they will be advised in writing and given the opportunity for an informal review. If they are found to be eligible and do pass the screening criteria, the MHC will grant approval to add their name to the lease. At the same time, the family's annual income will be recalculated taking into account the income and circumstances of the new family member. The effective date of the new rent will be in accordance with paragraph below 13.2.2.

Families are not required to, but may at any time up to the 15<sup>th</sup> day of the month request an interim reexamination based on a decrease in income, an increase in allowable expenses, or other changes in family circumstances. Upon such request, the MHC will take timely action to process the interim reexamination and recalculate the family share. The decrease in rent by resident may be made retroactive provided they were not the cause of the delay in obtaining information for verification purposes.

### **13.2.1 Special Reexaminations**

If a family's income is too unstable to project for 12 months, including families that temporarily have no income or have a temporary decrease in income, the MHC may schedule special reexaminations every 60 days until the income stabilizes and an annual income can be determined. In the case of zero income, family will be re-examined every sixty (60) days.

### **13.2.2 Effective Date of Rent Changes Due to Interim or Special Reexaminations**

Unless there is a delay in reexamination processing caused by the family, any rent increase will be effective the first of the second month after the month in which the family receives notice of the new rent amount. If the family causes a delay, then the rent increase will be effective on the date it would have been effective had the process not been delayed (even if this means a retroactive increase).

If the new rent is a reduction and any delay is beyond the control of the family, the reduction will be effective the first of the month after the interim reexamination should have been completed.

If the new rent is a reduction and the family caused the delay or did not report the change in a timely manner, the change will be effective the first of the month after the rent amount is determined.

## **14.0 TERMINATION OF ASSISTANCE TO THE FAMILY BY THE MHC**

The Housing Commission may at any time terminate program assistance for a participant, because of any of the actions or inaction by the household:

- A. If the family violates any family obligations under the program.
- B. If a family member fails to sign and submit consent forms.
- C. If a family fails to establish citizenship or eligible immigrant status and is not eligible for or does not elect continuation of assistance, pro-ration of assistance, or temporary deferral of assistance. If the MHC determines that a family member has knowingly permitted an ineligible noncitizen (other than any ineligible noncitizens listed on the lease) to permanently reside in their Housing Choice Voucher unit, the family's assistance will be terminated. Such family will not be eligible to be readmitted to Housing Choice Voucher for a period of 24 months from the date of termination.
- D. If any member of the family has ever been evicted from public housing.

- E. If the Housing Commission has ever terminated assistance under the Certificate or Voucher Program for any member of the family.
- F. If any member of the family commits drug-related criminal activity.
- G. If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any assisted housing program.

*Staff will investigate any and all suspected fraud cases in a timely manner. Thirty days from knowledge of such fraud shall be considered a reasonable time in which to conduct the necessary investigation. Any resulting retroactive rent shall be charged to the resident within sixty days of the initial knowledge of fraud.*

*In fraud cases, penalties shall be as follows:*

- 1. If the retroactive rent calculation results in a total tenant repayment of \$100 or less, the MHC will send a letter warning the offender of the penalties associated with fraud (repayment, possible referral to OIG and/or local prosecuting attorney, credit bureau, possible program termination, etc.). The resident will be given thirty days to pay the full amount owing; no repayment agreement will be offered. Failure to pay will result in termination of assistance.*
  - 2. If the retroactive rent calculation results in a total between \$101 and \$2,000.00, the MHC will send a letter warning the offender of the penalties associated with fraud (repayment, possible referral to OIG and/or prosecuting attorney, credit bureau, possible program termination, etc.). The Resident in this case can enter into a 6 month repayment agreement and be placed on a 12-month probation with the MHC.*
  - 3. If the retroactive rent calculation results in a total over and above \$2,000.00, the resident will be terminated from the program, the amount owed will be Due in full within 30 days and the case may be turned over to the OIG and/or local prosecuting attorney. After 30 days, if full payment is not made, the MHC will notify the Credit Bureau of such balance.*
- H. If the family currently owes rent or other amounts to the MHC or to another Housing Authority/Commission in connection with Section 8 or public housing assistance under the 1937 Act.
  - I. If the family has not reimbursed any Housing Commission for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease. There is a waiting period of three years between paying off the debt and being permitted to be assisted again.
  - J. If family breaches an agreement with the MHC to pay amounts owed to the MHC.

- K. Family whose total tenant payment is sufficient to pay the full gross rent of the unit.
- L. If the family has engaged in or threatened abusive or violent behavior toward MHC personnel or others.
- M. If any household member is subject to a lifetime registration requirement under a State sex offender registration program.
- N. If a household member's illegal use, manufacture or production of methamphetamine or other illegal drug.
- O. A family may be absent from the unit no more than one hundred twenty (120) days in any 12 month period without prior written approval by the Marquette Housing Commission. Such extension will be granted only under unusual circumstances.
- P. Is evicted for serious or repeated violations of the terms and conditions of the lease. A serious or repeated violation includes failure to pay rent or other amounts due under the lease.
- Q. Fleeing by any household member to avoid prosecution, or custody or confinement after conviction for a felony or attempt to commit a felony.
- R. Violation by any household member of a condition of probation or parole under Federal or state law.
- S. Abuse of alcohol that threatens the health, safety or right to peaceful enjoyment.

## **15.0 COMPLAINTS, INFORMAL REVIEWS FOR APPLICANTS, INFORMAL HEARINGS FOR PARTICIPANTS**

### ***15.1 COMPLAINTS***

The MHC will investigate and respond to complaints by participant families, owners, and the general public. The MHC requires that complaints other than HQS violations be put in writing. Anonymous complaints are investigated whenever possible.

### ***15.2 INFORMAL REVIEW FOR THE APPLICANT***

- A. Informal Review for the Applicant

The MHC will give an applicant for participation in the Section 8 Voucher Program prompt notice of a decision denying assistance to the applicant. The notice will contain a brief statement of the reasons for the MHC decision. The

notice will state that the applicant may request an informal review within 10 business days of the denial and will describe how to obtain the informal review.

B. When an Informal Review is not Required

The MHC will not provide the applicant an opportunity for an informal review for any of the following reasons:

1. A determination of the family unit size under the MHC subsidy standards.
2. A MHC determination not to approve an extension or suspension of a certificate or voucher term.
3. A MHC determination not to grant approval to lease a unit under the program or to approve a proposed lease.
4. A MHC determination that a unit selected by the applicant is not in compliance with HQS.
5. A MHC determination that the unit is not in accordance with HQS because of family size or composition.
6. General policy issues or class grievances.
7. Discretionary administrative determinations by the MHC.

C. Informal Review Process

The MHC will give an applicant an opportunity for an informal review of the MHC decision denying assistance to the applicant. The procedure is as follows:

1. The review will be conducted by the Executive Director or his/her designee or Grievance Officer, not by the person (or their subordinate) who made or approved the decision under review.
2. The applicant will be given an opportunity to present written or oral objections to the MHC decision.
3. The MHC will notify the applicant of the MHC decision after the informal review within ten (10) business days. The notification will include a brief statement of the reasons for the final decision.

D. Considering Circumstances

In deciding whether to terminate assistance because of action or inaction by members of the family, the MHC may consider all of the circumstances in each

case, including the seriousness of the case, the extent of participation or culpability of individual family members, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure.

The MHC may impose, as a condition of continued assistance for other family members, a requirement that family members who participated in or were culpable for the action or failure will not reside in the unit. The MHC may permit the other members of a participant family to continue receiving assistance.

If the MHC seeks to terminate assistance because of illegal drugs, the incident causing such termination must have occurred within the immediate past 12 months.

E. Informal Review Procedures for Denial of Assistance on the Basis of Ineligible Immigration Status

The applicant family may request that the MHC provide for an informal review after the family has notification of the INS decision on appeal, or in lieu of request of appeal to the INS. This request must be made by the applicant family within 30 days of receipt of the Notice of Denial or Termination of Assistance, or within 30 days of receipt of the INS appeal decision.

For applicant families, the Informal Review Process above will be utilized with the exception that the applicant family will have up to ten (10) business days of receipt of the Notice of Denial or Termination of Assistance, or of the INS appeal decision to request the review.

### **15.3 INFORMAL HEARINGS FOR PARTICIPANTS**

A. When a Hearing is Required

1. The MHC will give a participant family an opportunity for an informal hearing to consider whether the following MHC decisions relating to the individual circumstances of a participant family are in accordance with the law, HUD regulations, and MHC policies:
  - a. A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment.
  - b. A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the MHC utility allowance schedule.
  - c. A determination of the family unit size under the MHC subsidy standards.

- d. A determination that a Voucher Program family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the MHC subsidy standards, or the MHC determination to deny the family's request for an exception from the standards.
  - e. A determination to terminate assistance for a participant family because of the family's action or failure to act.
  - f. A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under the MHC policy and HUD rules.
- 2. In cases described in paragraphs 16.3(A)(1)(d), (e), and (f), of this Section, the MHC will give the opportunity for an informal hearing before the MHC terminates housing assistance payments for the family under an outstanding HAP contract.

B. When a Hearing is not Required

The MHC will not provide a participant family an opportunity for an informal hearing for any of the following reasons:

- 1. Discretionary administrative determinations by the MHC.
- 2. General policy issues or class grievances.
- 3. Establishment of the MHC schedule of utility allowances for families in the program.
- 4. A MHC determination not to approve an extension or suspension of a voucher term.
- 5. A MHC determination not to approve a unit or lease.
- 6. A MHC determination that an assisted unit is not in compliance with HQS.
- 7. A MHC determination that the unit is not in accordance with HQS because of the family size.
- 8. A determination by the MHC to exercise or not exercise any right or remedy against the owner under a HAP contract.

T. Hearing Procedures

The Marquette Housing Commission will follow its established Grievance Procedure as it relates to Informal Hearings.

## **16.0 TERMINATION OF THE LEASE AND CONTRACT**

The term of the lease and the term of the HAP contract are the same. They begin on the same date and they end on the same date. The lease may be terminated by the owner, by the tenant, or by the mutual agreement of both. The owner may only terminate the contract by terminating the lease. The HAP contract may be terminated by the MHC. Under some circumstances the contract automatically terminates.

### **A. Termination of the lease**

#### **1. By the family**

The family may terminate the lease without cause upon proper notice to the owner and to the MHC after the first year of the lease. The length of the notice that is required is stated in the lease (generally 30 days). Family must give MHC a copy of the notice simultaneously.

#### **2. By the owner.**

a. The owner may terminate the lease during its term on the following grounds:

i. Serious or repeated violations of the terms or conditions of the lease by the tenant, tenant family or guests;

ii. Violation of Federal, State, or local law that impose obligations on the tenant in connection with the occupancy or use of the unit and its premises;

iii. Criminal activity by the household, a guest, or another person under the control of the household that threatens the health, safety, or right to peaceful enjoyment of the premises by other persons residing in the immediate vicinity of the premises;

iv. Any drug-related criminal activity on or near the premises;

v. Other good cause. Other good cause may include, but is not limited to:

(1) Failure by the family to accept the offer of a new lease (Such lease may not be presented to family



- c. The contract terminates automatically 180 calendar days after the last housing assistance payment to the owner.

2. Termination of the contract by the owner

The owner may only terminate tenancy in accordance with lease and State and local law.

3. Termination of the HAP contract by the MHC

The Housing Commission may terminate the HAP contract because:

- a. The Housing Commission has terminated assistance to the family.
- b. The unit does not meet HQS space standards because of an increase in family size or change in family composition.
- c. The MHC determines that there is insufficient funding in their contract with HUD to support continued assistance for families in the program.
- d. The owner has breached the contract in any of the following ways:
  - i. If the owner has violated any obligation under the HAP contract for the dwelling unit, including the owner's obligation to maintain the unit in accordance with the HQS.
  - ii. If the owner has violated any obligation under any other housing assistance payments contract under Section 8 of the 1937 Housing Act.
  - iii. If the owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal, State or local housing program.
  - iv. For projects with mortgages insured by HUD or loans made by HUD, if the owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement;
  - v. If the owner fails to bring eviction action for nonpayment of rent. However, MHC can continue with the rent subsidy and reduce HAP payment by the amount of tenant rent to owner.

4. Final HAP payment to owner

The HAP payment stops when the lease terminates. The owner may keep the payment for the month in which the family moves out. If the owner has begun eviction proceedings and the family continues to occupy the unit, the MHC will continue to make payments until the owner obtains a judgment or the family moves out.

## **17.0 CHARGES AGAINST THE SECTION 8 ADMINISTRATIVE FEE RESERVE**

Occasionally, it is necessary for the MHC to spend money of its Section 8 Administrative Fee Reserve to meet unseen or extraordinary expenditures or for its other housing related purposes consistent with State law.

The MHC Board of Commissioners authorizes the Executive Director to expend without prior Board approval up to \$2,500 or 5% of the reserve for authorized expenditures.

Any item(s) exceeding \$2,500 or 5% of reserve will require prior Board of Commissioner approval before any charge is made against the Section 8 Administrative Fee Reserve.

## **18.0 INTELLECTUAL PROPERTY RIGHTS**

No program receipts may be used to indemnify contractors or subcontractors of the MHC against costs associated with any judgment of infringement of intellectual property rights.

## GLOSSARY

**1937 Housing Act:** The United States Housing Act of 1937 [42 U.S.C. 1437 et seq.)

**Affinity:** Being involved in a marriage-type relationship for a significant period of time.

**Absorption:** In portability, the point at which a receiving housing authority stops billing the initial housing authority for assistance on behalf of a portable family. [24 CFR 982.4]

**Adjusted Annual Income:** The amount of household income, after deductions for specified allowances, on which tenant rent is based.

**Administrative fee:** Fee paid by HUD to the housing authority for the administration of the program.

**Administrative Plan:** The plan that describes housing authority policies for the administration of the tenant-based programs.

**Admission:** The point when the family becomes a participant in the program. In a tenant-based program, the date used for this purpose is the effective date of the first HAP Contract for a family (first day of initial lease term).

**Adult:** A household member who is 18 years or older or who is the head of the household, or spouse, or co-head.

**Allowances:** Amounts deducted from the household's annual income in determining adjusted annual income (the income amount used in the rent calculation). Allowances are given for elderly families, dependents, medical expenses for elderly families, disability expenses, and child care expenses for children under 13 years of age. Other allowance can be given at the discretion of the housing authority.

**Amortization Payment:** In a manufactured home space rental: The monthly debt service payment by the family to amortize the purchase price of the manufactured home.

**Annual Contributions Contract (ACC):** The written contract between HUD and a housing authority under which HUD agrees to provide funding for a program under the 1937 Act, and the housing authority agrees to comply with HUD requirements for the program.

**Annual Income:** All amounts, monetary or not, that:

- a. Go to (or on behalf of) the family head or spouse (even if temporarily absent) or to any other family member, or
- b. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and

- c. Are not specifically excluded from Annual Income.
- d. Annual Income also includes amounts derived (during the 12-month period) from assets to which any member of the family has access.

**Applicant (applicant family):** A family that has applied for admission to a program but is not yet a participant in the program.

**Assets:** see net family assets.

**Asset Income:** Income received from assets held by household members. If assets total more than \$5,000, income from the assets is "imputed" and the greater of actual asset income and imputed asset income is counted in annual income.

**Assisted lease (lease):** A written agreement between an owner and a family for the leasing of a dwelling unit to the family. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the housing authority.

**Certificate:** A document issued by a housing authority to a family selected for admission to the Certificate Program. The certificate describes the program and the procedures for housing authority approval of a unit selected by the family. The certificate also states the obligations of the family under the program.

**Certification:** The examination of a household's income, expenses, and family composition to determine the household's eligibility for program participation and to calculate the household's rent for the following 12 months.

**Child:** For purposes of citizenship regulations, a member of the family other than the family head or spouse who is under 18 years of age.

**Child care expenses:** Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

**Citizen:** A citizen or national of the United States.

**Common space:** In shared housing: Space available for use by the assisted family and other occupants of the unit.

**Congregate housing:** Housing for elderly or persons with disabilities that meets the HQS for congregate housing.

**Consent form:** Any consent form approved by HUD to be signed by assistance applicants and participants for the purpose of obtaining income information from employers and SWICAs, return information from the Social Security Administration, and return information for unearned income from the Internal Revenue Service. The consent forms may authorize the collection of other information from assistance applicants or participant to determine eligibility or level of benefits.

**Contiguous MSA:** In portability, an MSA that shares a common boundary with the MSA in which the jurisdiction of the initial housing authority is located.

**Continuously assisted:** An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the Voucher Program.

**Cooperative:** Housing owned by a non-profit corporation or association, and where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing.

**Domicile:** The legal residence of the household head or spouse as determined in accordance with State and local law.

**Decent, safe, and sanitary:** Housing is decent, safe, and sanitary if it satisfies the applicable housing quality standards.

**Department:** The Department of Housing and Urban Development.

**Dependent:** A member of the family (except foster children and foster adults) other than the family head or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student.

**Disability assistance expenses:** Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

**Disabled family:** A family whose head, spouse, or sole member is a person with disabilities; or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

**Disabled person:** See "person with disabilities."

**Displaced family:** A family in which each member, or whose sole member, is a person displaced by governmental action (such as urban renewal), or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.

**Displaced person:** A person displaced by governmental action (such as urban renewal), or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.

**Drug related criminal activity:** Illegal use or personal use of a controlled substance, and the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use, of a controlled substance.

**Drug trafficking:** The illegal manufacture, sale, or distribution, or the possession with intent to manufacture, sell, or distribute, of a controlled substance.

**Elderly family:** A family whose head, spouse, or sole member is a person who is at least 62 years of age; or two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

**Elderly person:** A person who is at least 62 years of age.

**Evidence of citizenship or eligible status:** The documents that must be submitted to evidence citizenship or eligible immigration status.

**Exception rent:** An amount that exceeds the published fair market rent.

**Extremely low-income families:** Those families whose incomes do not exceed 30% of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families.

**Fair Housing Act:** Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (42 U.S.C. 3601 et seq.).

**Fair market rent (FMR):** The rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. FMRs are published periodically in the Federal Register.

**Family** includes but is not limited to:

- a. A family with or without children (the temporary absence of a child from the home due to placement in foster care shall not be considered in determining family composition and family size);
- b. An elderly family;
- c. A near-elderly family;

- d. A disabled family;
- e. A displaced family;
- f. The remaining member of a tenant family; and
- g. A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

**Family members:** include all household members except live-in aides, foster children and foster adults. All family members permanently reside in the unit, though they may be temporarily absent. All family members are listed on the HUD-50058.

**Family self-sufficiency program (FSS program):** The program established by a housing authority to promote self-sufficiency of assisted families, including the coordination of supportive services (42 U.S.C. 1437u).

**Family share:** The portion of rent and utilities paid by the family.

**Family unit size:** The appropriate number of bedrooms for a family as determined by the housing authority under the housing authority's subsidy standards.

**50058 Form:** The HUD form that Housing Authority's are required to complete for each assisted household in public housing to record information used in the certification and re-certification process, and, at the option of the housing authority, for interim reexaminations.

**FMR/exception rent limit:** The Section 8 existing housing fair market rent published by HUD headquarters, or any exception rent. For a tenancy in the Voucher Program, the housing authority may adopt a payment standard up to the FMR/exception rent limit.

**Full-time student:** A person who is carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or Certificate Program, as well as an institution offering a college degree.

**Gross rent:** The sum of the rent to the owner plus any utilities.

**Group Home:** A dwelling unit that is licensed by a State as a group home for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities (including any live-in aide).

**Head of household:** The adult member of the family who is the head of the household for purposes of determining income eligibility and rent.

**Household members:** include all individuals who reside or will reside in the unit and who are listed on the lease, including live-in aides, foster children and foster adults.

**Housing Assistance Payment (HAP):** The monthly assistance by a housing authority, which includes (1) a payment to the owner for rent to the owner under the family's lease, and (2) an additional payment to the family if the total assistance payment exceeds the rent to owner.

**Housing quality standards (HQS):** The HUD minimum quality standards for housing assisted under the Section 8 program.

**Housing choice voucher:** A document issued by a housing authority to a family selected for admission to the Voucher Program. This document describes the program and the procedures for housing authority approval of a unit selected by the family. The voucher also states the obligations of the family under the program.

**Housing voucher holder:** A family that has an unexpired housing voucher.

**Imputed income:** For households with net family assets of more than \$5,000, the amount calculated by multiplying net family assets by a HUD-specified percentage. If imputed income is more than actual income from assets, the imputed amount is used in determining annual income.

**Income category:** Designates a family's income range. There are three categories: low income, very low income and extremely low-income.

**Incremental income:** The increased portion of income between the total amount of welfare and earnings of a family member prior to enrollment in a training program and welfare and earnings of the family member after enrollment in the training program. All other amounts, increases and decreases, are treated in the usual manner in determining annual income.

**Initial Housing Authority:** In portability, both: (1) a housing authority that originally selected a family that later decides to move out of the jurisdiction of the selecting housing authority; and (2) a housing authority that absorbed a family that later decides to move out of the jurisdiction of the absorbing housing authority.

**Initial payment standard:** The payment standard at the beginning of the HAP contract term.

**Initial rent to owner:** The rent to owner at the beginning of the initial lease term.

**Interim (examination):** A reexamination of a household's income, expenses, and household status conducted between the annual recertifications when a change in a household's circumstances warrant such a reexamination.

**Jurisdiction:** The area in which the housing authority has authority under State and local law to administer the program.

**Lease:** A written agreement between an owner and tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP Contract between the owner and the housing authority.

**Live-in aide:** A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

- a. Is determined to be essential to the care and well-being of the persons;
- b. Is not obligated for the support of the persons; and
- c. Would not be living in the unit except to provide the necessary supportive services.

**Low-income families:** Those families whose incomes do not exceed 80% of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families. [1937Act)

**Manufactured home:** A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the HQS.

**Manufacture home space:** In manufactured home space rental: A space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space.

**Medical expenses:** Medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance.

**Mixed family:** A family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.

**Moderate rehabilitation:** Rehabilitation involving a minimum expenditure of \$1000 for a unit, including its prorated share of work to be accomplished on common areas or systems, to:

- a. upgrade to decent, safe and sanitary condition to comply with the Housing Quality Standards or other standards approved by HUD, from a condition below these standards (improvements being of a modest nature and other than routine maintenance; or
- b. repair or replace major building systems or components in danger of failure.

**Monthly adjusted income:** One twelfth of adjusted income.

**Monthly income:** One twelfth of annual income.

**Mutual housing** is included in the definition of "cooperative".

**National:** A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

**Near-elderly family:** A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.

**Net family assets:**

- a. Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.
- b. In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income.
- c. In determining net family assets, housing authorities or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

**Noncitizen:** A person who is neither a citizen nor national of the United States.

**Notice Of Funding Availability (NOFA):** For budget authority that HUD distributes by competitive process, the Federal Register document that invites applications for funding. This document explains how to apply for assistance, and the criteria for awarding the funding.

**Occupancy standards:** The standards that the housing authority establishes for determining the appropriate number of bedrooms needed to house families of different sizes or composition.

**Owner:** Any person or entity, including a cooperative, having the legal right to lease or sublease existing housing.

**Participant (participant family):** A family that has been admitted to the housing authority's program and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by the housing authority for the family (first day of initial lease).

**Payment standard:** In a voucher tenancy, the maximum monthly assistance payment for a family (before deducting the total tenant payment by family contribution). For a voucher tenancy, the housing authority sets a payment standard in the range from 90% to 110% of the current FMR.

**Person with disabilities:** A person who:

- a. Has a disability as defined in Section 223 of the Social Security Act,

"Inability to engage in any substantial, gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months, or

In the case of an individual who attained the age of 55 and is blind and unable by reason of such blindness to engage in substantial, gainful activity requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time."

- b. Is determined, pursuant to regulations issued by the Secretary, to have a physical, mental, or emotional impairment that:
  - (1) is expected to be of long-continued and indefinite duration,
  - (2) substantially impedes his or her ability to live independently, and
  - (3) is of such a nature that such ability could be improved by more suitable housing conditions, or
- c. Has a developmental disability as defined in Section 102(7) of the of the Developmental Disabilities Assistance and Bill of Rights Act.

"Severe chronic disability that:

- (1) is attributable to a mental or physical impairment or combination of mental and physical impairments;
- (2) is manifested before the person attains age 22;
- (3) is likely to continue indefinitely;
- (4) results in substantial functional limitation in three or more of the following areas of major life activity: (1) self care, (2) receptive and responsive language, (3) learning, (4) mobility, (e) self-direction, (6) capacity for independent living, and (7) economic self-sufficiency; and
- (5) reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated."

This definition does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome.

No individual shall be considered to be a person with disabilities for purposes of eligibility solely based on any drug or alcohol dependence.

**Portability:** Renting a dwelling unit with Section 8 tenant-based assistance outside the jurisdiction of the initial housing authority.

**Premises:** The building or complex in which the dwelling unit is located, including common areas and grounds.

**Private space:** In shared housing: The portion of a contract unit that is for the exclusive use of an assisted family.

**Preservation:** This program encourages owners of eligible multifamily housing projects to preserve low-income housing affordability and availability while reducing the long-term cost of providing rental assistance. The program offers several approaches to restructuring the debt of properties developed with project-based Section 8 assistance whose HAP contracts are about to expire.

**Proration of assistance:** The reduction in a family's housing assistance payment to reflect the proportion of family members in a mixed family who are eligible for assistance.

**Public Housing Agency:** A State, county, municipality or other governmental entity or public body (or agency or instrumentality thereof) authorized to engage in or assist in the development or operation of low-income housing.

**Reasonable rent:** A rent to owner that is not more than charged: (a) for comparable units in the private unassisted market; and (b) for a comparable unassisted unit in the premises.

**Receiving Housing Authority:** In portability, a housing authority that receives a family selected for participation in the tenant-based program of another housing authority. The receiving housing authority issues a certificate or voucher, and provides program assistance to the family.

**Re-certification:** A reexamination of a household's income, expenses, and family composition to determine the household's rent for the following 12 months.

**Remaining member of a tenant family:** A member of the family listed on the lease who continues to live in an assisted household after all other family members have left.

**Rent to owner:** The monthly rent payable to the owner under the lease. Rent to owner covers payment for any housing services, maintenance, and utilities that the owner is required to provide and pay for.

**Roommate:** *One or more unrelated adults living together in a single unit. The MHC may choose to provide a rent subsidy to one or more unrelated adults living in a single unit. To determine rent for this configuration, one would take the gross rent and divide it by the number of persons living in the household and multiply that number by the number of persons*

*in the 'family unit' (Ex. Boyfriend/girlfriend with one child and two unrelated roommates. \$500/month rent divided by 5 = \$200/person x 3 for this 'family unit'). This amount would then be compared to the established Payment Standard to determine if it meets the MHC's requirements.*

**Set-up charges:** In a manufactured home space rental, charges payable by the family for assembly, skirting and anchoring the manufactured home.

**Shared housing:** A unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted family.

**Shelter Allowance:** That portion of a welfare benefit (e.g., TANF) that the welfare agency designates to be used for rent and utilities.

**Single person:** Someone living alone or intending to live alone who does not qualify as an elderly person, a person with disabilities, a displaced person, or the remaining member of a tenant family.

**Single room occupancy housing (SRO):** A unit for occupancy by a single eligible individual capable of independent living that contains no sanitary facilities or food preparation facilities, or contains either, but not both, types of facilities.

**Special admission:** Admission of an applicant that is not on the housing authority waiting list, or without considering the applicant's waiting list position.

**Special housing types:** Special housing types include: SRO housing, congregate housing, group homes, shared housing, cooperatives (including mutual housing), and manufactured homes (including manufactured home space rental).

**State Wage Information Collection Agency (SWICA):** The State agency receiving quarterly wage reports from employers in the State, or an alternative system that has been determined by the Secretary of Labor to be as effective and timely in providing employment-related income and eligibility information.

**Statement of family responsibility:** An agreement in the form prescribed by HUD, between the housing authority and a Family to be assisted under the Moderate Rehabilitation Program, stating the obligations and responsibilities of the family.

**Subsidy standards:** Standards established by a housing authority to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

**Suspension:** Stopping the clock on the term of a family's certificate or voucher, for such period as determined by the housing authority, from the time when the family submits a request for housing authority approval to lease a unit, until the time when the housing authority approves or denies the request. Also referred to as tolling.

**Tenant:** The person or persons (other than a live-in aide) who executes the lease as lessee of the dwelling unit.

**Tenant rent:** The amount payable monthly by the family as rent to the owner minus any utility allowance.

**Third-party (verification):** Oral or written confirmation of a household's income, expenses, or household composition provided by a source outside the household, such as an employer, doctor, school official, etc.

**Tolling:** see suspension.

**Total tenant payment (TTP):**

(1) Total tenant payment is the amount calculated under Section 3(a)(1) of the 1937 Act. which is the higher of :

30% of the family's monthly adjusted income;

10% of the family's monthly income;

Minimum rent; or

if the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of such payments which is so designated.

If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under Section 3(a)(1) shall be the amount resulting from one application of the percentage.

**Utility allowance:** If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a housing authority or HUD of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment.

**Utility hook-up charge:** In a manufactured home space rental, costs payable by a family for connecting the manufactured home to utilities such as water, gas, electrical and sewer lines.

**Utility reimbursement:** The amount, if any, by which the utility allowance for the unit, if applicable, exceeds the total tenant payment for the family occupying the unit.

**Verification:**

- a. The process of obtaining statements from individuals who can attest to the accuracy of the amounts of income, expenses, or household member status (e.g., employers, public assistance agency staff, doctors).
- b. The three types of verification are:
  - (1) Third-party verification, either written or oral, obtained from employers, public assistance agencies, schools, etc.)
  - (2) Documentation, such as a copy of a birth certificate or bank statement
  - (3) Family certification or declaration (only used when third-party or documentation verification is not available)

**Very low-income families:** Low-income families whose incomes do not exceed 50% of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families. *[1937 Act]*

**Violent criminal activity:** Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

**Voucher (rental voucher):** A document issued by a housing authority to a family selected for admission to the Housing Choice Voucher Program. This document describes the program and the procedures for housing authority approval of a unit selected by the family and states the obligations of the family under the program.

**Voucher holder:** A family holding a voucher with unexpired search time.

**Waiting list admission:** An admission from the housing authority waiting list. *[24 CFR 982.4]*

**Welfare assistance.** Welfare or other payments to families or individuals, based on need, that are made under programs funded by Federal, State or local governments. *[24 CFR 5.603(d)]*

**Welfare rent:** In "as-paid" welfare programs, the amount of the welfare benefit designated for shelter and utilities.

## ACRONYMS

ACC	Annual Contributions Contract
CACC	Consolidated Annual Contributions Contract
CFR	Code of Federal Regulations
FMR	Fair Market Rent
FSS	Family Self Sufficiency (program)
HA	Housing Authority
HAP	Housing Assistance Payment
HCDA	Housing and Community Development Act
HQS	Housing Quality Standards
HUD	Department of Housing and Urban Development
INS	(U.S.) Immigration and Naturalization Service
MHC	Marquette Housing Commission
NAHA	(Cranston-Gonzalez) National Affordable Housing Act
NOFA	Notice of Funding Availability
OMB	(U.S.) Office of Management and Budget
PBC	Project-Based Certificate (program)
QHWRA	Quality Housing and Work Responsibility Act of 1998
PHA	Public Housing Agency
TTP	Total Tenant Payment

## ORGANIZATIONAL STRUCTURE AND PROGRAM OPERATIONS

The Section 8 Program as administered by MHC has one Occupancy Specialist to administer the program part time. The person assigned to oversee all contracts and operations will be the Executive Director. The Occupancy Specialist has the authority to sign required contracts.

The existing Public housing staff will be utilized for the Section 8 Program. The following is a summary of the staff responsibilities. All positions are currently filled.

- a. Occupancy Specialist- This individual is generally responsible for the day to day administration of the Section 8 Housing Assistance Program. This individual reports directly to the Executive Director.
- b. Additional staffing support is provided by the administrative staff of the Housing Commission. Allocation of administrative staff time by positions are listed in the operating budget. Actual proration's may vary from year to year as submitted in the Marquette Housing Commission's Section 8 Operating Budget.

MHC has a total Annual Contributions Contract (ACC) for fifty (50) units in its existing program. This is overseen by the Department of Housing and Urban Development's Detroit Field Office which holds scheduled audits on fiscal matters, program performance and compliance.