

Streamlined Annual PHA Plan <i>(High Performer PHAs)</i>	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires: 02/29/2016
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Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families

Applicability. Form HUD-50075-HP is to be completed annually by **High Performing PHAs**. PHAs that meet the definition of a Standard PHA, Troubled PHA, HCV-Only PHA, Small PHA, or Qualified PHA do not need to submit this form.

Definitions.

- (1) **High-Performer PHA** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers, and was designated as a high performer on both of the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments.
- (2) **Small PHA** - A PHA that is not designated as PHAS or SEMAP troubled, or at risk of being designated as troubled, and that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceeds 550.
- (3) **Housing Choice Voucher (HCV) Only PHA** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment, and does not own or manage public housing.
- (4) **Standard PHA** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceeds 550, and that was designated as a standard performer in the most recent PHAS or SEMAP assessments.
- (5) **Troubled PHA** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
- (6) **Qualified PHA** - A PHA with 550 or fewer public housing dwelling units and/or housing choice vouchers combined, and is not PHAS or SEMAP troubled.

A.	PHA Information.						
A.1	PHA Name: Grand Rapids Housing Commission PHA Type: <input type="checkbox"/> Small <input checked="" type="checkbox"/> High Performer PHA Plan for Fiscal Year Beginning: (MM/YYYY): July 1, 2016 PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above) Number of Public Housing (PH) Units: 324 Number of Housing Choice Vouchers (HCVs): 3290 Total Combined: 3614 PHA Plan Submission Type: <input checked="" type="checkbox"/> Annual Submission <input type="checkbox"/> Revised Annual Submission			PHA Code: mi073			
<p>Availability of Information. In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. Additionally, the PHA must provide information on how the public may reasonably obtain additional information of the PHA policies contained in the standard Annual Plan, but excluded from their streamlined submissions. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website. PHAs are also encouraged to provide each resident council a copy of their PHA Plans.</p> <p>Locations where the public may view and/or obtain copies of the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan:</p> <ol style="list-style-type: none"> 1. GRHC Administrative Office, 1420 Fuller Ave. SE, Grand Rapids, MI 2. GRHC web site: www.grhousing.org 3. GRHC asset management project offices: <ul style="list-style-type: none"> Adams Park Apartments, 1440 Fuller Ave. SE, Grand Rapids, MI Campau Commons Apartments, 821 South Division Ave., Grand Rapids, MI Creston Plaza Apartments, 1080 Creston Plaza Dr. NE, Grand Rapids, MI Hope Community, 1024 Ionia SW, Grand Rapids, MI Leonard Terrace Apartments, 1315 Leonard St. NE, Grand Rapids, MI Mount Mercy Apartments, 1425 Bridge St. NW, Grand Rapids, MI Ransom Tower Apartments, 50 Ransom Ave. NE, Grand Rapids, MI Sheldon Apartments, 1010 Sheldon SE, Grand Rapids, MI <p><input type="checkbox"/> PHA Consortia: (Check box if submitting a Joint PHA Plan and complete table below)</p>							
		Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program	
						PH	HCV
		Lead PHA:					
B.	Annual Plan Elements						

B.1 Revision of PHA Plan Elements.

(a) Have the following PHA Plan elements been revised by the PHA since its last **Annual PHA Plan** submission?

Y N

- Statement of Housing Needs and Strategy for Addressing Housing Needs.
- Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.
- Financial Resources.
- Rent Determination.
- Homeownership Programs.
- Safety and Crime Prevention.
- Pet Policy.
- Substantial Deviation.
- Significant Amendment/Modification

(b) The PHA must submit its Deconcentration Policy for Field Office Review.
The GRHC's Deconcentration Policy is incorporated within our Section 8 Administrative Plan.

In Chapter 5, "Briefings and Voucher Issuance," page 5-2, "Oral Briefing," the list of topics that must be covered as part of the Section 8 orientation process includes: "For families living in high-poverty census tracts, an explanation of the advantages of moving to areas outside of high-poverty concentrations." On pages 5-3 and 5-4, the Administrative Plan dictates that the orientation packet must include: "maps showing areas with housing opportunities outside of areas of poverty or minority concentration, both within its jurisdiction and its neighboring jurisdiction"; "information about the characteristics of these areas, including job opportunities, schools, transportation and other services"; and "an explanation of how portability works, including a list of portability contact persons for neighboring PHAs, including names, addresses and telephone numbers."

In Chapter 13, "Owners," Part 1, Section 13.I.A, "Owner Recruitment and Retention," pages 13-1 and 13-2, the GRHC states its policy to "...conduct owner outreach to ensure that owners are familiar with the [Section 8] program and its advantages. The GRHC will actively recruit property owners with property located outside areas of poverty and minority concentration. These outreach strategies will include:

- Distributing printed material about the program to property owners and managers.
- Holding owner recruitment/information meetings as needed and as resources permit.
- Participating in community-based organizations comprised of private property and apartment owners and managers.
- Developing working relationships with owners and real estate brokers associations."

In Chapter 17, "Project-Based Vouchers, Section 17-II.B, "Solicitation and Selection of PBV Proposals," pages 17-4 and 17-5, the GRHC states that when requesting proposals for rehabilitated and newly constructed units, for existing housing units, and proposals subject to a previous competition under a federal, state or local housing assistance program, our agency will rate and rank proposals using several criteria, including "extent to which the project furthers the GRHC goal of deconcentrating poverty and expanding housing and economic opportunities."

Chapters 5, 13 and 17 of the Section 8 Administrative Plan are submitted as Attachments A-1, A-2, and A-3; sections relevant to Deconcentration Policy are highlighted.

(c) If the PHA answered yes for any element, describe the revisions for each element below:

Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.

The GRHC has amended Chapter 17 of its Section 8 Administrative Plan to meet RAD Program requirements for Project-Based Programs. Please reference Attachment A-3.

Financial Resources.

As a result of the conversion of Creston Plaza Apartments (MI073000002) under the RAD Program, the GRHC's annual Capital Fund grant was reduced by \$44,800 beginning in FY 2015. The GRHC plans RAD Program conversions at Adams Park Apartments (MI073000001), Campau Commons Apartments (MI073000005) and Scattered Sites (MI073000004) in the year ahead. As a result of the conversion of the developments listed above, Capital Fund Program grants to the GRHC will be eliminated for the affected developments. The remaining Capital Fund allocation for each affected development is approximated in the Capital Fund Program Five-Year Action Plan included as Attachment B.

We anticipate any reduction in Capital Fund grants will be offset by funds received through the Section 8 Project-Based Program and gained through private investment in the affected developments. By providing the opportunity to attract private funding that would enhance GRHC maintenance efforts, these conversions support a specific maintenance goal in our 2015-2019 Five-Year PHA Plan to "maintain the Housing Commission real estate in good condition" as well as the following specific objective: "Pursue RAD Program grants to convert our remaining Public Housing Program units to the Section 8 Project-Based Program, with the goal of attracting new funding sources that would support optimal maintenance at these developments."

For more complete information about the GRHC's financial resources, please reference the excerpt from the GRHC's Fiscal Year 2016 Operating Budget included as Attachment C.

Rent Determination.

The conversion of Creston Plaza Apartments to Section 8 Project-Based Program housing through the RAD Program necessitated a new RAD-compliant lease and Admissions & Continued Occupancy Policy (ACOP). Please reference Attachments D (lease) and E (ACOP).

The conversion of Hope Community Transitional Housing Program to the HUD Rapid Re-Housing Program necessitated a program-compliant lease and Admissions & Continued Occupancy Policy (ACOP). Please reference matrices that describe the changes at Attachments F (lease) and G (ACOP).

B.2 New Activities.

(a) Does the PHA intend to undertake any new activities related to the following in the PHA's current Fiscal Year?

- | | |
|-------------------------------------|-------------------------------------|
| Y | N |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> |

(b) If any of these activities are planned for the current Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process. If using Project-Based Vouchers (PBVs), provide the projected number of project based units and general locations, and describe how project basing would be consistent with the PHA Plan.

Mixed-Finance Modernization or Development:
Conversion of Public Housing to Project-Based Assistance under RAD:
Project-Based Vouchers:

In March 2015, the GRHC received HUD RAD Program approval to convert 300 LIPH units to the Section 8 Project-Based Program. Conversion will utilize both HUD grants and funds leveraged through federal Low-Income Housing Tax Credits. The housing developments and units approved for conversion to Project Based Voucher (PBV) rental subsidy are listed below:

--Adams Park Apartments (MI073000001), 188 units, located at 1440 Fuller Ave. SE, Grand Rapids, MI 49507 (serves disabled adults and seniors ages 62 or older, and would continue to serve these populations after conversion under the RAD Program). Bedroom distribution at Adams Park is:

- One-bedroom units will remain the same (183 units).
- Two-bedroom units will remain the same (5 units).

Tenant relocation is not necessary for this development and is not a part of the conversion plan.

--Campau Commons Apartments (MI073000003), 92 units, located at 821 South Division Ave., Grand Rapids, MI 49507 (serves families, seniors and disabled persons, and would continue to serve these populations after conversion under the RAD Program). Bedroom distribution at Campau Commons is:

- One-bedroom units will remain the same (16 units).
- Two-bedroom units will remain the same (34 units).
- Three-bedroom units will remain the same (37 units).
- Four-bedroom units will remain the same (5 units).

Tenant relocation is not necessary for this development and is not a part of the conversion plan.

--Scattered Sites Program (MI073000004), 20 duplex units (serves families, seniors and disabled persons, and would continue to serve these populations after conversion under the RAD Program). Duplex units are all 3 bedrooms; this will remain the same. Tenant relocation is not necessary for this development and is not a part of the conversion plan.

As previously stated, conversion of these developments supports specific maintenance goals in the GRHC's 2015-2019 Five-Year Plan.

In June 2015, the GRHC submitted an application to the HUD RAD Program to convert an additional 22 units in our Scattered Sites Program (MI073000004) to Section 8 Project-Based Program housing. These units serve families, seniors and disabled persons, and would continue to serve these populations after conversion. Bedroom distribution for these units is:

- Three-bedroom units will remain the same (18 units).
- Four-bedroom units will remain the same (4 units).

Tenant relocation is not necessary for this development and is not a part of the conversion plan.

Conversion of these developments supports specific maintenance goals in the GRHC's 2015-2019 Five-Year Plan.

<p>B.3</p>	<p>Progress Report.</p> <p>Provide a description of the PHA’s progress in meeting its Mission and Goals described in the PHA 5-Year Plan.</p> <p>The Grand Rapids Housing Commission continues to make significant progress toward accomplishing its stated mission of providing housing assistance and affordable housing opportunities to lower income families, disabled and senior citizens in a manner that is fiscally sound and in a way that supports families, neighborhoods and economic self-sufficiency.</p> <p>Some of the most significant accomplishments of the past year include:</p> <ul style="list-style-type: none"> • Completion of a \$23.5 million redevelopment project at Creston Plaza Apartments, supporting a goal to expand housing opportunities in our community. • RAD Program awards secured for the conversion of 300 units of LIPH to the Section 8 Project-Based Program, supporting maintenance goals and promoting greater housing choice for GRHC residents. • Continuance of a Family Self-Sufficiency Program initiative designed to attract new program participants and to link current participants with community resources. • Continuance of a partnership with Network 180 that has brought case management services to the disabled residents of Adams Park Apartments. • Continuance of Resident Services and Family Self-Sufficiency programs that have brought health care, educational, training, employment, social, and nutritional programs and services to hundreds of low-income households. • The establishment of a 2016 capital budget that includes an additional \$421,700 in improvements to GRHC housing developments.
<p>B.4.</p>	<p>Most Recent Fiscal Year Audit.</p> <p>(a) Were there any findings in the most recent FY Audit?</p> <p>Y N <input type="checkbox"/> <input checked="" type="checkbox"/> Fiscal Year ended 6/30/15</p> <p>(b) If yes, please describe:</p>
<p>Other Document and/or Certification Requirements.</p>	
<p>C.1</p>	<p>Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan</p> <p><u>Form 50077-ST-HCV-HP</u>, <i>Certification of Compliance with PHA Plans and Related Regulations</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan. See Attachment H</p>
<p>C.2</p>	<p>Civil Rights Certification.</p> <p><u>Form 50077-ST-HCV-HP</u>, <i>Certification of Compliance with PHA Plans and Related Regulations</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan. See Attachment I</p>
<p>C.3</p>	<p>Resident Advisory Board (RAB) Comments.</p> <p>(a) Did the RAB(s) provide comments to the PHA Plan?</p> <p>Y N <input checked="" type="checkbox"/> <input type="checkbox"/></p> <p>If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations. See Attachment J</p>
<p>C.4</p>	<p>Certification by State or Local Officials.</p> <p><u>Form HUD 50077-SL</u>, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan. See Attachment K</p>
<p>D</p>	<p>Statement of Capital Improvements. Required in all years for all PHAs completing this form that administer public housing and receive funding from the Capital Fund Program (CFP).</p>
<p>D1</p>	<p>Capital Improvements. Include a reference here to the most recent HUD-approved 5-Year Action Plan (HUD-50075.2) and the date that it was approved by HUD.</p> <p>See HUD Form 50075.2 at Attachment B.</p>

Chapter 5

BRIEFINGS AND VOUCHER ISSUANCE

INTRODUCTION

This chapter explains the briefing and voucher issuance process. When a family is determined to be eligible for the Housing Choice Voucher (HCV) program, the GRHC must ensure that the family fully understands the way the program operates and the family's obligations under the program. This is accomplished through both an oral briefing and provision of a briefing packet containing written documentation of information the family needs to know. Once the family is fully informed of the program's requirements, the GRHC issues the family a voucher. The voucher includes the unit size the family qualifies for based on the GRHC's subsidy standards, as well as the dates of issuance and expiration of the voucher. The voucher is the document that permits the family to begin its search for a unit, and limits the amount of time the family has to successfully locate an acceptable unit.

This chapter describes HUD regulations and GRHC policies related to these topics in two parts:

Part I: Briefings and Family Obligations. This part details the program's requirements for briefing families orally, and for providing written materials describing the program and its requirements. It includes a particular focus on the family's obligations under the program.

Part II: Subsidy Standards and Voucher Issuance. This part discusses the GRHC's standards for determining how many bedrooms a family of a given composition qualifies for, which in turn affects the amount of subsidy the family can receive. It also discusses the policies that dictate how vouchers are issued, and how long families have to locate a unit.

PART I: BRIEFINGS AND FAMILY OBLIGATIONS

5-I.A. OVERVIEW

HUD regulations require the GRHC to conduct mandatory briefings for applicant families. The briefing provides a broad description of owner and family responsibilities, explains the GRHC's procedures, and includes instructions on how to lease a unit. This part describes how oral briefings will be conducted, specifies what written information will be provided to families, and lists the family's obligations under the program.

5-I.B. BRIEFING [24 CFR 982.301]

The GRHC must give the family an oral briefing and provide the family with a briefing packet containing written information about the program. Families may be briefed individually or in groups. At the briefing, the GRHC must ensure effective communication in accordance with Section 504 requirements (Section 504 of the Rehabilitation Act of 1973), and ensure that the briefing site is accessible to individuals with disabilities. For a more thorough discussion of accessibility requirements, refer to Chapter 2.

GRHC Policy

Briefings may be conducted in group meetings.

The head of household is required to attend the briefing as well as any member over 18 years old. If the head of household is unable to attend, the GRHC may approve another adult family member to attend the briefing.

Families that attend group briefings and still need individual assistance will be referred to an appropriate GRHC staff person.

Briefings will be conducted in English. For limited English proficient (LEP) applicants, the GRHC will provide translation services in accordance with the GRHC's LEP plan (See Chapter 2).

Notification and Attendance

GRHC Policy

Families will be notified of their eligibility for assistance at the time they are invited to attend a briefing. The notice will identify who is required to attend the briefing, as well as the date and time of the scheduled briefing.

If the notice is returned by the post office with no forwarding address, the applicant will be denied and their name will not be placed back on the waiting list. If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated.

Applicants who fail to attend a scheduled briefing will automatically be scheduled for another briefing. The GRHC will notify the family of the date and time of the second scheduled briefing. Applicants who fail to attend two scheduled briefings, without GRHC approval, will be denied assistance (see Chapter 3).

Oral Briefing [24 CFR 982.301(a)]

Each briefing must provide information on the following subjects:

- How the Housing Choice Voucher program works;
- Family and owner responsibilities;
- Where the family can lease a unit, including renting a unit inside or outside the GRHC's jurisdiction;
- For families eligible under portability, an explanation of portability.
- For families living in high-poverty census tracts, an explanation of the advantages of moving to areas outside of high-poverty concentrations.

Briefing Packet [24 CFR 982.301(b)]

Documents and information provided in the briefing packet must include the following:

- The term of the voucher, and the GRHC's policies on any extensions or suspensions of the term. If the GRHC allows extensions, the packet must explain how the family can request an extension.
- A description of the method used to calculate the housing assistance payment for a family, including how the GRHC determines the payment standard for a family, how the GRHC determines total tenant payment for a family, and information on the payment standard and utility allowance schedule.
- An explanation of how the GRHC determines the maximum allowable rent for an assisted unit.
- Where the family may lease a unit. For a family that qualifies to lease a unit outside the GRHC jurisdiction under portability procedures, the information must include an explanation of how portability works.
- The HUD-required tenancy addendum, which must be included in the lease.
- The form the family must use to request approval of tenancy, and a description of the procedure for requesting approval for a tenancy.
- A statement of the GRHC policy on providing information about families to prospective owners.
- The GRHC subsidy standards including when and how exceptions are made.
- The HUD brochure on how to select a unit.
- The HUD pamphlet on lead-based paint entitled *Protect Your Family from Lead in Your Home*.
- Information on federal, state and local equal opportunity laws and a copy of the housing discrimination complaint form.
- A reference to the Michigan Housing Locator website will be given. This site contains a list of landlords that have units available for rent.
- Notice that if the family includes a person with disabilities, the family may request a list of available accessible units known to the GRHC.
- The grounds on which the GRHC may terminate assistance for a participant family because of family action or failure to act.
- GRHC informal hearing procedures including when the GRHC is required to offer a participant family the opportunity for an informal hearing, and how to request the hearing.

If the GRHC is located in a metropolitan FMR area, the following additional information must be included in the briefing packet in order to receive full points under SEMAP Indicator 7, Expanding Housing Opportunities [24 CFR 985.3(g)].

- Maps showing areas with housing opportunities outside areas of poverty or minority concentration, both within its jurisdiction and its neighboring jurisdiction.

- Information about the characteristics of these areas including job opportunities, schools, transportation and other services.
- An explanation of how portability works, including a list of portability contact persons for neighboring GRHCs including names, addresses, and telephone numbers.

Additional Items to be Included in the Briefing Packet

In addition to items required by the regulations, GRHCs may wish to include supplemental materials to help explain the program to both participants and owners [HCV GB p. 8-7].

GRHC Policy

The GRHC will provide the following additional materials in the briefing packet:

When GRHC-owned units are available for lease, a written statement that the family has the right to select any eligible unit available for lease, and is not obligated to choose a GRHC-owned unit.

Information on how to fill out and file a housing discrimination complaint form.

The publication *Things You Should Know (HUD-1140-OIG)* that explains the types of actions a family must avoid and the penalties for program abuse.

5-I.C. FAMILY OBLIGATIONS

Obligations of the family are described in the housing choice voucher (HCV) regulations and on the voucher itself. These obligations include responsibilities the family is required to fulfill, as well as prohibited actions. The GRHC must inform families of these obligations during the oral briefing, and the same information must be included in the briefing packet. When the family's unit is approved and the HAP contract is executed, the family must meet those obligations in order to continue participating in the program. Violation of any family obligation may result in termination of assistance, as described in Chapter 12.

Time Frames for Reporting Changes Required By Family Obligations

GRHC Policy

Unless otherwise noted below, when family obligations require the family to respond to a request or notify the GRHC of a change, notifying the GRHC of the request or change within 10 business days is considered prompt notice.

When a family is required to provide notice to the GRHC, the notice must be in writing.

Family Obligations [24 CFR 982.551]

Following is a listing of a participant family's obligations under the HCV program:

- The family must supply any information that the GRHC or HUD determines to be necessary, including submission of required evidence of citizenship or eligible immigration status.
- The family must supply any information requested by the GRHC or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
- The family must disclose and verify Social Security numbers and sign and submit consent forms for obtaining information.

- Any information supplied by the family must be true and complete.
- The family is responsible for any Housing Quality Standards (HQS) breach by the family caused by failure to pay tenant-provided utilities or appliances, or damages to the dwelling unit or premises beyond normal wear and tear caused by any member of the household or guest.
- The family must allow the GRHC to inspect the unit at reasonable times and after reasonable notice, as described in Chapter 8 of this plan.
- The family must not commit any serious or repeated violation of the lease.

GRHC Policy

The GRHC will determine if a family has committed serious or repeated violations of the lease based on available evidence, including but not limited to, a court-ordered eviction, or an owner's notice to evict.

Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises and criminal activity. Generally, the criteria to be used is whether the reason for the eviction was the fault of the tenant or guests.

- The family must notify the GRHC and the owner before moving out of the unit or terminating the lease.

GRHC Policy

The family must comply with lease requirements regarding written notice to the owner. The family must provide written notice to the GRHC at the same time the owner is notified.

- The family must promptly give the GRHC a copy of any owner eviction notice.
- The family must use the assisted unit for residence by the family. The unit must be the family's only residence.
- The composition of the assisted family residing in the unit must be approved by the GRHC. The family must promptly notify the GRHC in writing of the birth, adoption, or court-awarded custody of a child. The family must request GRHC approval to add any other family member as an occupant of the unit.

GRHC Policy

The request to add a family member must be submitted in writing and approved prior to the person moving into the unit. The GRHC will determine eligibility of the new member in accordance with the policies in Chapter 3.

- The family must promptly notify the GRHC in writing if any family member no longer lives in the unit.
- If the GRHC has given approval, a foster child or a live-in aide may reside in the unit. The GRHC has the discretion to adopt reasonable policies concerning residency by a foster child or a live-in aide, and to define when GRHC consent may be given or denied. For policies related to the request and approval/disapproval of foster children, foster adults, and live-in aides, see Chapter 3 (Sections I.K and I.M), and Chapter 11 (Section II.B).

- The family must not sublease the unit, assign the lease, or transfer the unit.

GRHC Policy

Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.

- The family must supply any information requested by the GRHC to verify that the family is living in the unit or information related to family absence from the unit.
- The family must promptly notify the GRHC when the family is absent from the unit.

GRHC Policy

Notice is required under this provision only when all family members will be absent from the unit for an extended period. An extended period is defined as any period greater than 30 calendar days. Written notice must be provided to the GRHC at the start of the extended absence.

- The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease [Form HUD-52646, Voucher]. Utility bills should be in the Head of Household, Spouse, or Co-head's name.
- The family must not own or have any interest in the unit, (other than in a cooperative and owners of a manufactured home leasing a manufactured home space).
- Family members must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program. (See Chapter 14, Program Integrity for additional information).
- Family members must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for HUD and GRHC policies related to drug-related and violent criminal activity.
- Members of the household must not engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for a discussion of HUD and GRHC policies related to alcohol abuse.
- An assisted family or member of the family must not receive HCV program assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.
- A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the GRHC has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities. [Form HUD-52646, Voucher]

PART II: SUBSIDY STANDARDS AND VOUCHER ISSUANCE

5-II.A. OVERVIEW

The GRHC must establish subsidy standards that determine the number of bedrooms needed for families of different sizes and compositions. This part presents the policies that will be used to determine the family unit size (also known as the voucher size) a particular family should receive, and the policies that govern making exceptions to those standards. The GRHC also must establish policies related to the issuance of the voucher, to the voucher term, and to any extensions or suspensions of that term.

5-II.B. DETERMINING FAMILY UNIT (VOUCHER) SIZE [24 CFR 982.402]

For each family, the GRHC determines the appropriate number of bedrooms under the GRHC subsidy standards and enters the family unit size on the voucher that is issued to the family. The family unit size does not dictate the size of unit the family must actually lease, nor does it determine who within a household will share a bedroom/sleeping room.

The following requirements apply when the GRHC determines family unit size:

- The Subsidy Standards must provide for the smallest number of bedrooms needed to house a family without overcrowding.
- The Subsidy Standards must be consistent with space requirements under the Housing Quality Standards.
- The Subsidy Standards must be applied consistently for all families of like size and composition.
- A child who is temporarily away from the home because of placement in foster care is considered a member of the family in determining the family unit size.
- A family that consists of a pregnant woman (with no other persons) must be treated as a two-person family.
- Any live-in aide (approved by the GRHC to reside in the unit to care for a family member who is disabled or is at least 50 years of age) must be counted in determining the family unit size;
- Unless a live-in-aide resides with a family, the family unit size for any family consisting of a single person must be either a zero- or one-bedroom unit, as determined under the GRHC subsidy standards.

GRHC Policy

The GRHC will assign one bedroom for each two persons within the household, except in the following circumstances:

Persons of the opposite sex (other than spouses) will be allocated separate bedrooms.

Live-in aides will be allocated a separate bedroom.

Single person families will be allocated one bedroom.

The GRHC will reference the following chart in determining the appropriate voucher size for a family:

Voucher Size	Persons in Household (Minimum – Maximum)
1 Bedroom	1-2
2 Bedrooms	2-4
3 Bedrooms	3-6
4 Bedrooms	4-8
5 Bedrooms	6-10

5-II.C. EXCEPTIONS TO SUBSIDY STANDARDS

In determining family unit size for a particular family, the GRHC may grant an exception to its established Subsidy Standards if the GRHC determines that the exception is justified by the age, sex, health, handicap, or relationship of family members or other personal circumstances [24 CFR 982.402(b)(8)]. Reasons may include, but are not limited to:

- A need for an additional bedroom for medical equipment
- A need for a separate bedroom for reasons related to a family member’s disability, medical or health condition

For a single person who is not elderly, disabled, or a remaining family member, an exception cannot override the regulatory limit of a zero or one bedroom [24 CFR 982.402(b)(8)].

GRHC Policy

The GRHC will consider granting an exception for any of the reasons specified in the regulation: the age, sex, health, handicap, or relationship of family members or other personal circumstances.

The family must request any exception to the Subsidy Standards in writing. The request must explain the need or justification for a larger family unit size, and must include appropriate documentation. Requests based on health-related reasons must be verified by a knowledgeable professional source (e.g., doctor or health professional), unless the disability and the disability-related request for accommodation is readily apparent or otherwise known. The family’s continued need for an additional bedroom due to special medical equipment must be re-verified at annual reexamination, if need is not apparent.

The GRHC will notify the family of its determination within 10 business days of receiving the family’s request. If a participant family’s request is denied, the notice will inform the family of their right to request an informal hearing.

5-II.D. VOUCHER ISSUANCE [24 CFR 982.302]

When a family is selected from the waiting list (or as a special admission as described in Chapter 4), or when a participant family wants to move to another unit, the GRHC issues a Housing Choice Voucher, form HUD-52646. This chapter deals only with voucher issuance for applicants. For voucher issuance associated with moves of program participants, please refer to Chapter 10.

The voucher is the family's authorization to search for housing. It specifies the unit size for which the family qualifies, and includes both the date of voucher issuance and date of expiration. It contains a brief description of how the program works and explains the family obligations under the program. The voucher is evidence that the GRHC has determined the family to be eligible for the program, and that the GRHC expects to have money available to subsidize the family if the family finds an approvable unit. However, the GRHC does not have any liability to any party by the issuance of the voucher, and the voucher does not give the family any right to participate in the GRHC's housing choice voucher program [Voucher, form HUD-52646]

A voucher can be issued to an applicant family only after the GRHC has determined that the family is eligible for the program based on information received within the 60 days prior to issuance [24 CFR 982.201(e)] and after the family has attended an oral briefing [HCV 8-1].

The GRHC should have sufficient funds to house an applicant before issuing a voucher. If funds are insufficient to house the family at the top of the waiting list, the GRHC must wait until it has adequate funds before it calls another family from the list [HCV GB p. 8-10].

GRHC Policy

Prior to issuing any vouchers, the GRHC will determine whether it has sufficient funding in accordance with the policies in Part VIII of Chapter 16.

If the GRHC determines that there is insufficient funding after a voucher has been issued, the GRHC may rescind the voucher and place the affected family back on the waiting list.

5-II.E. VOUCHER TERM, EXTENSIONS, AND SUSPENSIONS

Voucher Term [24 CFR 982.303]

The initial term of a voucher must be at least 60 calendar days. The initial term must be stated on the voucher [24 CFR 982.303(a)].

GRHC Policy

The initial voucher term will be 60 calendar days.

The family must submit a Request for Tenancy Approval and proposed lease within the 60-day period unless the GRHC grants an extension.

Extensions of Voucher Term [24 CFR 982.303(b)]

The GRHC has the authority to grant extensions of search time, to specify the length of an extension, and to determine the circumstances under which extensions will be granted. There is no limit on the number of extensions that the GRHC can approve. Discretionary policies related to extension and expiration of search time must be described in the GRHC's administrative plan [24 CFR 982.54].

GRHCs must approve additional search time if needed as a reasonable accommodation to make the program accessible to and usable by a person with disabilities. The extension period must be reasonable for the purpose.

The family must be notified in writing of the GRHC's decision to approve or deny an extension. The GRHC's decision to deny a request for an extension of the voucher term is not subject to informal review [24 CFR 982.554(c)(4)].

GRHC Policy

The GRHC will automatically approve one 30-day extension upon written request from the family.

The GRHC will approve additional extensions only in the following circumstances:

It is necessary as a reasonable accommodation for a person with disabilities.

It is necessary due to reasons beyond the family's control, as determined by the GRHC. Following is a list of extenuating circumstances that the GRHC may consider in making its decision. The presence of these circumstances does not guarantee that an extension will be granted:

Serious illness or death in the family

Other family emergency

Obstacles due to employment

Whether the family has already submitted requests for tenancy approval that were not approved by the GRHC

If a request for tenancy approval was submitted and deficiencies were not completed within 30 days.

Whether family size or other special requirements make finding a unit difficult

Any request for an additional extension must include the reason(s) an additional extension is necessary. The GRHC may require the family to provide documentation to support the request.

All requests for extensions to the voucher term must be made in writing and submitted to the GRHC prior to the expiration date of the voucher (or extended term of the voucher).

The GRHC will decide whether to approve or deny an extension request within 10 business days of the date the request is received, and will immediately provide the family written notice of its decision.

Suspensions of Voucher Term [24 CFR 982.303(c)]

At its discretion, a GRHC may adopt a policy to suspend the housing choice voucher term if the family has submitted a Request for Tenancy Approval (RTA) during the voucher term.

“Suspension” means stopping the clock on a family's voucher term from the time a family submits the RTA until the time the GRHC approves or denies the request [24 CFR 982.4]. The GRHC's determination not to suspend a voucher term is not subject to informal review [24 CFR 982.554(c)(4)].

GRHC Policy

When a Request for Tenancy Approval and proposed lease is received by the GRHC, the term of the voucher will not be suspended while the GRHC processes the request.

Expiration of Voucher Term

Once a family's housing choice voucher term (including any extensions) expires, the family is no longer eligible to search for housing under the program. If the family still wishes to receive assistance, the GRHC may require that the family reapply, if the waiting list is open.

GRHC Policy

If an applicant family's voucher term or extension expires before the family has submitted a Request for Tenancy Approval (RTA), the GRHC will require the family to reapply for assistance.

Chapter 13

OWNERS

INTRODUCTION

Owners play a central role in the HCV program by supplying decent, safe, and sanitary housing for participating families.

The term “owner” refers to any person or entity with the legal right to lease or sublease a unit to a participant in the HCV program [24 CFR 982.4(b)]. The term “owner” includes a principal or other interested party [24 CFR 982.453; 24 CFR 982.306(f)], such as a designated agent of the owner.

Owners have numerous responsibilities under the program, including screening and leasing to families, maintaining the dwelling unit, enforcing the lease, and complying with various contractual obligations. However, this chapter is not meant to be an overview of all aspects of owner participation in the HCV program.

The chapter is organized in two parts:

Part I: Owners in the HCV Program. This part discusses the role of an owner in the GRHC’s HCV program and highlights key owner rights and responsibilities.

Part II: HAP Contracts. This part explains provisions of the HAP contract and the relationship between the GRHC and the owner as expressed in the HAP contract.

For detailed information about HCV program responsibilities and processes, including GRHC policies in key areas, owners will need to refer to several other chapters in this plan. Where appropriate, Chapter 13 will reference the other chapters.

PART I. OWNERS IN THE HCV PROGRAM

13-I.A. OWNER RECRUITMENT AND RETENTION [HCV GB, pp. 2-4 to 2-6]

Recruitment

PHAs are responsible for ensuring that very low income families have access to all types and ranges of affordable housing in the PHA’s jurisdiction, particularly housing outside areas of poverty or minority concentration. A critical element in fulfilling this responsibility is for the PHA to ensure that a sufficient number of owners, representing all types and ranges of affordable housing in the GRHC’s jurisdiction, are willing to participate in the HCV program.

To accomplish this objective, PHAs must identify and recruit new owners to participate in the program.

GRHC Policy

The GRHC will conduct owner outreach to ensure that owners are familiar with the program and its advantages. The GRHC will actively recruit property owners with property located outside areas of poverty and minority concentration. These outreach strategies will include:

Distributing printed material about the program to property owners and managers

Holding owner recruitment/information meetings as needed and as resources permit

Participating in community based organizations comprised of private property and apartment owners and managers

Developing working relationships with owners and real estate brokers associations

Outreach strategies will be monitored for effectiveness, and adapted accordingly.

Retention

In addition to recruiting owners to participate in the HCV program, the GRHC must also provide the kind of customer service that will encourage participating owners to remain active in the program.

GRHC Policy

All GRHC activities that may affect an owner's ability to lease a unit will be processed as rapidly as possible, in order to minimize vacancy losses for owners.

The GRHC maintains a website that explains the program, including HUD and GRHC policies and procedures, in easy-to-understand language.

The GRHC will give special attention to helping new owners succeed through activities such as:

Providing the owner with a designated GRHC contact person.

Coordinating inspection and leasing activities between the GRHC, the owner, and the family.

Initiating telephone contact with the owner to explain the inspection process, and providing an inspection booklet and other resource materials about HUD housing quality standards.

Providing other written information about how the program operates, including answers to frequently asked questions.

Additional services may be undertaken on an as-needed basis, and as resources permit.

13-I.B. BASIC HCV PROGRAM REQUIREMENTS

HUD requires the GRHC to aid families in their housing search by providing the family with a list of landlords or other parties known to the GRHC who may be willing to lease a unit to the family, or to help the family find a unit. Although the GRHC cannot maintain a list of owners that are pre-qualified to participate in the program, owners may indicate to the GRHC their willingness to lease a unit to an eligible HCV family, or to help the HCV family find a unit [24 CFR 982.301(b)(11)].

GRHC Policy

Owners that wish to indicate their willingness to lease a unit will be referred to the Michigan Housing Locator website which is a statewide rental service maintained by MSHDA.

When a family approaches an owner to apply for tenancy, the owner is responsible for screening the family and deciding whether to lease to the family, just as the owner would with any potential tenant. The GRHC has no liability or responsibility to the owner or other persons for the family's behavior or suitability for tenancy. See chapters 3 and 9 for more detail on tenant family screening policies and process.

If the owner is willing, the family and the owner must jointly complete a Request for Tenancy Approval (RTA, Form HUD 52517), which constitutes the family's request for assistance in the specified unit, and which documents the owner's willingness to lease to the family and to follow the program's requirements. When submitted to the GRHC, this document is the first step in the process of obtaining approval for the family to receive the financial assistance it will need in order to occupy the unit. Also submitted with the RTA is a copy of the owner's proposed dwelling lease, including the HUD-required Tenancy Addendum (Form HUD-52641-A). See Chapter 9 for more detail on request for tenancy approval policies and process.

HUD regulations stipulate that an assisted tenancy can be approved only under certain conditions.

The owner must be qualified to participate in the program [24 CFR 982.306]. Some owners are precluded from participating in the program, or from renting to a particular family, either because of their past history with this or another federal housing program, or because of certain conflicts of interest. Owner qualifications are discussed later in this chapter.

The selected unit must be of a type that is eligible for the program [24 CFR 982.305(a)]. Certain types of dwelling units cannot be assisted under the HCV program. Other types may be assisted under certain conditions. In addition, the owner must document legal ownership of the specified unit. See chapter 9 for more detail on unit eligibility policies and process.

The selected unit must meet HUD's Housing Quality Standards (HQS) and/or equivalent state or local standards approved by HUD [24 CFR 982.305(a)]. The GRHC will inspect the owner's dwelling unit at various stages of HCV program participation, to ensure that the unit continues to meet HQS requirements. See chapter 8 for a discussion of the HQS standards, as well as the process for HQS inspections at initial lease-up and throughout the family's tenancy.

The GRHC must determine that the cost of the unit is reasonable [24 CFR 982.305(a)]. The rent must be reasonable in relation to comparable unassisted units in the area and must not be in excess of rents charged by the owner for comparable, unassisted units on the premises. See chapter 8 for a discussion of requirements and policies on rent reasonableness, rent comparability and the rent reasonableness determination process.

At initial lease-up of a unit, the GRHC must determine that the share of rent to be paid by the family does not exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)]. See chapter 6 for a discussion of the calculation of family income, family share of rent and HAP.

The dwelling lease must comply with all program requirements [24 CFR 982.308]. Owners are encouraged to use their standard leases when renting to an assisted family. However, the HCV program requires that the Tenancy Addendum, which helps standardize the tenancy requirements for all assisted families, be added word-for-word to that lease. See chapter 9 for a discussion of the dwelling lease and tenancy addendum, including lease terms and provisions.

The GRHC and the owner enter into a formal contractual relationship by executing the Housing Assistance Payment (HAP) Contract (Form HUD-52641). The HAP contract format is prescribed by HUD. See chapter 9 for a discussion of the HAP contract execution process. Specific HAP contract provisions and responsibilities are discussed later in this chapter 13.

13-I.C. OWNER RESPONSIBILITIES [24 CFR 982.452]

The basic owner responsibilities in the HCV program are outlined in the regulations as follows:

- Performing all of the owner's obligations under the Housing Assistance Payments (HAP) contract and the lease
- 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
- Maintaining the unit in accordance with the Housing Quality Standards (HQS), including performance of ordinary and extraordinary maintenance
- Complying with equal opportunity requirements
- Preparing and furnishing to the GRHC information required under the HAP contract
- Collecting from the family any security deposit, the tenant's contribution to rent (that part of rent to owner not covered by the housing assistance payment from the GRHC), and any charges for unit damage by the family.
- Enforcing tenant obligations under the dwelling lease
- Paying for utilities and services (unless paid by the family under the lease)
- Making modifications to a dwelling unit occupied or to be occupied by a disabled person [24 CFR 100.203]
- Comply with the Violence Against Women Reauthorization Act of 2005 (VAWA) when screening and terminating tenants.

13-I.D. OWNER QUALIFICATIONS

The GRHC does not formally approve an owner to participate in the HCV program. However, there are a number of criteria where the GRHC may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. No owner has a right to participate in the HCV program [24 CFR 982.306(e)].

Owners Barred from Participation [24 CFR 982.306(a) and (b)]

The GRHC must not approve the assisted tenancy if the GRHC has been informed that the owner has been debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24. HUD may direct the GRHC not to approve a tenancy request if a court or administrative

agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements, or if such an action is pending.

Leasing to Relatives [24 CFR 982.306(d), HCV GB p. 11-2]

The GRHC must not approve an RTA if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family. The GRHC may make an exception as a reasonable accommodation for a family member with a disability. The owner is required to certify that no such relationship exists. This restriction applies at the time that the family receives assistance under the HCV program for occupancy of a particular unit. Current contracts on behalf of owners and families that are related may continue, but any new leases or contracts for these families may not be approved.

Conflict of Interest [24 CFR 982.161; HCV GB p. 8-19]

The GRHC must not approve a tenancy in which any of the following classes of persons has any interest, direct or indirect, during tenure or for one year thereafter:

- Any present or former member or officer of the GRHC (except a participant commissioner)
- Any employee of the GRHC, or any contractor, subcontractor or agent of the GRHC, who formulates policy or who influences decisions with respect to the programs
- Any public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the programs
- Any member of the Congress of the United States

HUD may waive the conflict of interest requirements, except for members of Congress, for good cause. The GRHC must submit a waiver request to the appropriate HUD Field Office for determination.

Any waiver request submitted by the GRHC must include [HCV Guidebook pp.11-2 and 11-3]:

- Complete statement of the facts of the case;
- Analysis of the specific conflict of interest provision of the HAP contract and justification as to why the provision should be waived;
- Analysis of and statement of consistency with state and local laws. The local HUD office, the GRHC, or both parties may conduct this analysis. Where appropriate, an opinion by the state's attorney general should be obtained;
- Opinion by the local HUD office as to whether there would be an appearance of impropriety if the waiver were granted;
- Statement regarding alternative existing housing available for lease under the HCV program or other assisted housing if the waiver is denied;
- If the case involves a hardship for a particular family, statement of the circumstances and discussion of possible alternatives;
- If the case involves a public official or member of the governing body, explanation of his/her duties under state or local law, including reference to any responsibilities involving the HCV program;

- If the case involves employment of a family member by the GRHC or assistance under the HCV program for an eligible GRHC employee, explanation of the responsibilities and duties of the position, including any related to the HCV program;
- If the case involves an investment on the part of a member, officer, or employee of the GRHC, description of the nature of the investment, including disclosure/divestiture plans.

Where the GRHC has requested a conflict of interest waiver, the GRHC may not execute the HAP contract until HUD has made a decision on the waiver request.

GRHC Policy

In considering whether to request a conflict of interest waiver from HUD, the GRHC will consider factors the reasons for waiving the requirement; consistency with state and local laws; the existence of alternative housing available to families; the individual circumstances of a particular family; the specific duties of individuals whose positions present a possible conflict of interest; the nature of any financial investment in the property and plans for disclosure/divestiture; and the possible appearance of impropriety.

Owner Actions That May Result in Disapproval of a Tenancy Request [24 CFR 982.306(c)]

HUD regulations permit the GRHC, at the GRHC's discretion, to refuse to approve a request for tenancy if the owner has committed any of a number of different actions.

If the GRHC disapproves a request for tenancy because an owner is not qualified, it may not terminate the HAP contract for any assisted families that are already living in the owner's properties unless the owner has violated the HAP contract for those units [HCV GB p. 11-4].

GRHC Policy

The GRHC will refuse to approve a request for tenancy if the GRHC becomes aware that any of the following are true:

The owner has violated obligations under a HAP contract under Section 8 of the 1937 Act (42 U.S.C. 1437f);

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

The owner has engaged in any drug-related criminal activity or any violent criminal activity;

The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs, or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program;

The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under Section 8 or any other federally assisted housing program for activity engaged in by the tenant, any member of the household, a guest or another person under the control of any member of the household that: (i) Threatens the right to peaceful enjoyment of the premises by other residents; (ii) Threatens the health or safety of other residents, of employees of the GRHC, or of owner employees or other persons engaged in management of the housing; (iii)

Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or (iv) Is drug-related criminal activity or violent criminal activity;

The owner has a history or practice of renting units that fail to meet state or local housing codes; or

In considering whether to disapprove owners for any of the discretionary reasons listed above, the GRHC will consider any mitigating factors. Such factors may include, but are not limited to, the seriousness of the violation in relation to program requirements, the impact on the ability of families to lease units under the program, health and safety of participating families, among others. Upon consideration of such circumstances, the GRHC may, on a case-by-case basis, choose to approve an owner.

Legal Ownership of Unit

The following represents GRHC policy on legal ownership of a dwelling unit to be assisted under the HCV program.

GRHC Policy

The GRHC will only enter into a contractual relationship with the legal owner of a qualified unit. No tenancy will be approved without acceptable documentation of legal ownership (e.g., deed of trust, proof of taxes for most recent year).

13-I.E. NON-DISCRIMINATION [HAP Contract – Form HUD-52641]

The owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability, in connection with any actions or responsibilities under the HCV program and the HAP contract with the GRHC.

The owner must cooperate with the GRHC and with HUD in conducting any equal opportunity compliance reviews and complaint investigations in connection with the HCV program and the HAP contract with the GRHC.

See Chapter 2 for a more thorough discussion of Fair Housing and Equal Opportunity requirements in the HCV program.

PART II. HAP CONTRACTS

13-II.A. OVERVIEW

The HAP contract represents a written agreement between the GRHC and the owner of the dwelling unit occupied by a HCV assisted family. The contract spells out the owner's responsibilities under the program, as well as the GRHC's obligations. Under the HAP contract, the GRHC agrees to make housing assistance payments to the owner on behalf of a specific family occupying a specific unit.

The HAP contract is used for all HCV program tenancies except for assistance under the Section 8 homeownership program, and assistance to families that own a manufactured home and lease the space. See chapter 15 for a discussion of any special housing types included in the GRHC's HCV program.

If the GRHC has given approval for the family of the assisted tenancy, the owner and the GRHC execute the HAP contract. See chapter 9 for a discussion of the leasing process, including provisions for execution of the HAP contract.

13-II.B. HAP CONTRACT CONTENTS

The HAP contract format is required by HUD, specifically Housing Assistance Payment (HAP) Contract, Form HUD-52641.

The HAP contract contains three parts.

Part A of the contract includes basic **contract information** about the name of the tenant family, address of the contract unit, names of all household members, first and last dates of initial lease term, amount of initial monthly rent to owner, amount of initial housing assistance payment, utilities and appliances to be supplied by owner and tenant, signatures of GRHC and owner [HCV Guidebook, pp 11-10 and 11-11].

In general, the HAP contract cannot be modified. However, GRHC does have the discretion to add language to Part A of the HAP contract which prohibits the owner from collecting a security deposit in excess of private market practices or in excess of amounts charged to unassisted tenants. GRHC policy on the amount of security deposit an owner may collect is found in chapter 9.

In addition, GRHC has the discretion to add language to Part A of the HAP contract that defines when the housing assistance payment by the GRHC is deemed received by the owner (e.g., upon mailing by the GRHC or actual receipt by the owner).

GRHC Policy

The GRHC has not adopted a policy that defines when the housing assistance payment by the GRHC is deemed received by the owner. Therefore, no modifications to the HAP contract will be necessary.

Part B is the body of the contract. It describes in detail program requirements affecting the owner and owner roles and responsibilities under the HCV program. Most of the requirements contained in Part B of the HAP contract are outlined elsewhere in this plan. Topics addressed in Part B include:

- Lease of Contract Unit
- Maintenance, Utilities, and Other Services
- Term of HAP Contract
- Provision and Payment of Utilities and Appliances
- Rent to Owner: Reasonable Rent
- GRHC Payment to Owner
- Prohibition of Discrimination
- Owner's Breach of HAP Contract
- GRHC and HUD Access to Premises and Owner's Records
- Exclusion of Third Party Rights

- Conflict of Interest
- Assignment of the HAP Contract
- Written Notices
- Entire Agreement Interpretation

Part C of the contract includes the Tenancy Addendum (Form HUD-52641-A). The addendum sets forth the tenancy requirements for the program and the composition of the household, as approved by the GRHC. The owner must sign the HUD Tenancy Addendum with the prospective tenant, and the tenant has the right to enforce the Tenancy Addendum against the owner. The terms of the Tenancy Addendum prevail over any other provisions of the lease.

13-II.C. HAP CONTRACT PAYMENTS

General

During the term of the HAP contract, and subject to the provisions of the HAP contract, the GRHC must make monthly HAP payments to the owner on behalf of the family, at the beginning of each month. If a lease term begins after the first of the month, the HAP payment for the first month is prorated for a partial month.

The amount of the HAP payment is determined according to the policies described in Chapter 6, and is subject to change during the term of the HAP contract. The GRHC must notify the owner and the family in writing of any changes in the HAP payment.

HAP payments can be made only during the lease term, and only while the family is residing in the unit.

The monthly HAP payment by the GRHC is credited toward the monthly rent to owner under the family's lease. The total of the rent paid by the tenant, plus the GRHC HAP payment, should be equal to the rent specified in the lease (the rent to owner).

The family is not responsible for payment of the HAP payment, and the GRHC is not responsible for payment of the family share of rent.

The family's share of the rent cannot be more than the difference between the total rent to the owner and the HAP payment. The owner may not demand or accept any rent payment from the tenant in excess of this maximum [24 CFR 982.451(b)(4)]. The owner may not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises [24 CFR 982.510(c)]. See chapter 9 for a discussion of separate, non-lease agreements for services, appliances and other items that are not included in the lease.

If the owner receives any excess HAP from the GRHC, the excess amount must be returned immediately. If the GRHC determines that the owner is not entitled to all or a portion of the HAP, the GRHC may deduct the amount of overpayment from any amounts due to the owner, including amounts due under any other Section 8 HCV contract. See Chapter 16 for additional detail on owner reimbursement of HAP overpayments.

Owner Certification of Compliance

Unless the owner complies with all provisions of the HAP contract, the owner is not entitled to receive housing assistance payments under the HAP contract [HAP Contract – Form HUD-52641].

By endorsing the monthly check from the GRHC, the owner certifies to compliance with the terms of the HAP contract. This includes certification that the owner is maintaining the unit and premises in accordance with HQS; that the contract unit is leased to the tenant family and, to the best of the owner's knowledge, the family resides in the unit as the family's only residence; the rent to owner does not exceed rents charged by the owner for comparable unassisted units on the premises; and that the owner does not receive (other than rent to owner) any additional payments or other consideration for rent of the contract unit during the HAP term.

Late HAP Payments [24 CFR 982.451(a)(5)]

The GRHC is responsible for making HAP payments promptly when due to the owner, in accordance with the terms of the HAP contract. After the first two calendar months of the HAP contract term, the HAP contract provides for penalties if the GRHC fails to make the HAP payment on time.

Penalties for late HAP payments can only be imposed if 1) the penalties are in accordance with generally accepted local rental market practices and law governing penalties for late payment by tenants; 2) it is the owner's normal business practice to charge late payment penalties for both assisted and unassisted families; and 3) the owner charges the assisted family for late payment of the family's share of the rent.

The GRHC is not required to pay a late payment penalty if HUD determines that the payment is late for reasons beyond the GRHC's control. In addition, late payment penalties are not required if the GRHC intentionally delays or denies payment as a remedy to an owner breach of the HAP contract [HCV Guidebook p. 11-7].

Termination of HAP Payments [24 CFR 982.311(b)]

The GRHC must continue making housing assistance payments to the owner in accordance with the HAP contract as long as the tenant continues to occupy the unit and the HAP contract is not violated.

HAP payments terminate when the HAP contract terminates or when the tenancy is terminated in accordance with the terms of the lease.

If the owner has initiated eviction proceedings against the family and the family continues to reside in the unit, the GRHC must continue to make housing assistance payments to the owner until the owner has obtained a court judgment or other process allowing the owner to evict the tenant.

GRHC Policy

The owner must inform the GRHC when the owner has initiated eviction proceedings against the family and the family continues to reside in the unit.

The owner must inform the GRHC when the owner has obtained a court judgment or other process allowing the owner to evict the tenant, and provide the GRHC with a copy of such judgment or determination.

After the owner has obtained a court judgment or other process allowing the owner to evict the tenant, the GRHC will continue to make HAP payments to the owner until the family actually moves from the unit or until the family is physically evicted from the unit, whichever is earlier. The owner must inform the GRHC of the date when the family actually moves from the unit or the family is physically evicted from the unit.

13-II.D. BREACH OF HAP CONTRACT [24 CFR 982.453]

Any of the following actions by the owner constitutes a breach of the HAP contract:

- If the owner violates any obligations under the HAP contract including failure to maintain the unit in accordance with HQS
- If the owner has violated any obligation under any other HAP contract under Section 8
- If the owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program
- For projects with mortgages insured by HUD or loans made by HUD, if the owner has failed to comply with the regulations for the applicable program; or if the owner has committed fraud, bribery or any other corrupt or criminal act in connection with the mortgage or loan
- If the owner has engaged in drug-related criminal activity
- If the owner has committed any violent criminal activity

If the GRHC determines that a breach of the HAP contract has occurred, it may exercise any of its rights and remedies under the HAP contract.

The GRHC rights and remedies against the owner under the HAP contract include recovery of any HAP overpayment, suspension of housing assistance payments, abatement or reduction of the housing assistance payment, termination of the payment or termination the HAP contract. The GRHC may also obtain additional relief by judicial order or action.

The GRHC must notify the owner of its determination and provide in writing the reasons for the determination. The notice may require the owner to take corrective action by an established deadline. The GRHC must provide the owner with written notice of any reduction in housing assistance payments or the termination of the HAP contract.

GRHC Policy

Before the GRHC invokes a remedy against an owner, the GRHC will evaluate all information and documents available to determine if the contract has been breached.

If relevant, the GRHC will conduct an audit of the owner's records pertaining to the tenancy or unit.

If it is determined that the owner has breached the contract, the GRHC will consider all of the relevant factors including the seriousness of the breach, the effect on the family, the owner's record of compliance and the number and seriousness of any prior HAP contract violations.

13-II.E. HAP CONTRACT TERM AND TERMINATIONS

The term of the HAP contract runs concurrently with the term of the dwelling lease [24 CFR 982.451(a)(2)], beginning on the first day of the initial term of the lease and terminating on the last day of the term of the lease, including any lease term extensions.

The HAP contract and the housing assistance payments made under the HAP contract terminate if [HCV Guidebook pp.11-4 and 11-5, pg. 15-3]:

- The owner or the family terminates the lease;
- The lease expires;
- The GRHC terminates the HAP contract;
- The GRHC terminates assistance for the family;
- The family moves from the assisted unit. In this situation, the owner is entitled to keep the housing assistance payment for the month when the family moves out of the unit.
- 180 calendar days have elapsed since the GRHC made the last housing assistance payment to the owner;
- The family is absent from the unit for longer than the maximum period permitted by the GRHC;
- The Annual Contributions Contract (ACC) between the GRHC and HUD expires
- The GRHC elects to terminate the HAP contract.

GRHC Policy

The GRHC may elect to terminate the HAP contract in each of the following situations:

Available program funding is not sufficient to support continued assistance for families in the program [24 CFR 982.454];

The unit does not meet HQS size requirements due to change in family composition [24 CFR 982.403] – see chapter 8;

The unit does not meet HQS [24 CFR 982.404] – see chapter 8;

The family breaks up [HUD Form 52641] – see chapter 3;

The owner breaches the HAP contract [24 CFR 982.453(b)] – see Section 13-II.D.

If the GRHC terminates the HAP contract, the GRHC must give the owner and the family written notice. The notice must specify the reasons for the termination and the effective date of the termination. Once a HAP contract is terminated, no further HAP payments may be made under that contract [HCV Guidebook pg.15-4].

GRHC Policy

In all cases, the HAP contract terminates at the end of the calendar month that follows the calendar month in which the GRHC gives written notice to the owner. The owner is not entitled to any housing assistance payment after this period, and must return to the GRHC any housing assistance payment received after this period.

If the family moves from the assisted unit into a new unit, even if the new unit is in the same building or complex as the assisted unit, the HAP contract for the assisted unit terminates. A new HAP contract would be required [HCV GB, p. 11-17].

When the family moves from an assisted unit into a new unit, the term of the HAP contract for the new unit may begin in the same month in which the family moves out of its old unit. This is not considered a duplicative subsidy [HCV GB, p. 8-22].

13-II.F. CHANGE IN OWNERSHIP / ASSIGNMENT OF THE HAP CONTRACT [HUD-52641]

The HAP contract cannot be assigned to a new owner without the prior written consent of the GRHC.

An owner under a HAP contract must notify the GRHC in writing prior to a change in the legal ownership of the unit. The owner must supply all information as requested by the GRHC.

Prior to approval of assignment to a new owner, the new owner must agree to be bound by and comply with the HAP contract. The agreement between the new owner and the former owner must be in writing and in a form that the GRHC finds acceptable. The new owner must provide the GRHC with a copy of the executed agreement.

GRHC Policy

Assignment of the HAP contract will be approved only if the new owner is qualified to become an owner under the HCV program according to the policies in Section 13-I.D. of this chapter.

The GRHC must receive a signed, written request from the existing owner stating the name and address of the new HAP payee and the effective date of the assignment in order to change the HAP payee under an outstanding HAP contract.

The new owner must provide a written certification to the GRHC that includes:

- A copy of the escrow statement or other document showing the transfer of title and recorded deed;

- A copy of the owner's IRS Form W-9, Request for Taxpayer Identification Number and Certification, or the social security number of the new owner;

- The effective date of the HAP contract assignment;

- A written agreement to comply with the terms of the HAP contract; and

- Confirmation that the new owner is not a prohibited relative.

If the new owner does not agree to an assignment of the HAP contract, or fails to provide the necessary documents, the GRHC will terminate the HAP contract with the old owner. If the new owner wants to offer the family a new lease, and the family elects to stay with continued assistance, the GRHC will process the leasing in accordance with the policies in chapter 9.