

Streamlined Annual PHA Plan (High Performer PHAs)	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.
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A.1	<p>PHA Name: Grand Rapids Housing Commission PHA Code: mi073 PHA Type: <input type="checkbox"/> Small <input checked="" type="checkbox"/> High Performer PHA Plan for Fiscal Year Beginning: July 1, 2017 PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above) Number of Public Housing (PH) Units: 322 Number of Housing Choice Vouchers (HCVs): 3,290 Total Combined: 3612 PHA Plan Submission Type: <input checked="" type="checkbox"/> High Performer <input type="checkbox"/> Revised Annual Submission</p> <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 the table below)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Participating PHAs</th> <th rowspan="2">PHA Code</th> <th rowspan="2">Program(s) in the Consortia</th> <th rowspan="2">Program(s) not in the Consortia</th> <th colspan="2">No. of Units in Each Program</th> </tr> <tr> <th>PH</th> <th>HCV</th> </tr> </thead> <tbody> <tr> <td>Lead PHA:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	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:											
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B.	Annual Plan Elements
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B.1	<p>Revision of PHA Plan Elements.</p> <p>(a) Have the following PHA Plan elements been revised by the PHA since its last Annual PHA Plan submission:</p>
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- 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 5-3, "Oral Briefing," the list of topics that must be covered as part of the Section 8 orientation process includes: where the family can lease a unit, an explanation of how portability works, and "the advantages of areas that do not have a high concentration of low-income families." On page 5-4, the Administrative Plan dictates that the orientation packet must include resources to help the participant find rental units outside of high-poverty areas. It must also 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 13.1.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, B, C; sections relevant to Deconcentration Policy are highlighted.

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

Financial Resources.

The GRHC is undertaking RAD Program conversions at Adams Park Apartments (MI073000001). Campau Commons Apartments (MI073000005) and Scattered Sites (MI073000004), with all conversions slated to be completed by late 2017. 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 D.

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 2017 Operating Budget included as Attachment E.

Policies that Govern Eligibility, Selection and Admissions.

The GRHC has amended Chapter 2 of its Section 8 Administrative Plan, "Fair Housing and Equal Opportunity," to provide additional or amended detail concerning:

1. Nondiscrimination policies:

- a. Clarification that "HUD regulations provide for additional protections regarding sexual orientation, gender identity and marital status."
- b. Add specific requirement that the GRHC will comply with the Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Final Rule published on February 3, 2012.
- c. Clarifies that "when more than one civil rights law applies to a situation, the laws will be read and applied together."
- d. Clarifies the steps the GRHC will take when it receives a discrimination complaint, including providing written notice to all parties involved, investigating the allegations, providing notice of findings, proposing corrective action or explaining why action is not needed, and record keeping related to complaints.

2. Specifically defines reasonable accommodation as "an adjustment made to a rule, policy, practice, or service that allows a person with a disability to have equal access to the HCV program." Clarifies that if the GRHC receives confidential information, it will make note of verification of disability, including date and source, and dispose of the confidential document.

3. Clarifies the steps the GRHC will take to make programs accessible to persons with hearing or vision impairments, including making TTD/TTY communication available, providing large-print and audio versions of key documents as needed, and providing one-on-one assistance upon request.

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4. Adds HUD Notice PIH 2010-26 to the list of specific regulations with which the GRHC must comply.

5. Improving Access to Services for Persons with Limited English Proficiency (LEP): Amends Section 2-III.D. to delineate specific procedures for implementing needed language assistance services to ensure that applicants with limited English proficiency will have equal access to GRHC programs.

Chapter 2 changes are highlighted in Attachment F.

The GRHC has amended Chapter 3 of its Section 8 Administrative Plan, "Eligibility," to clarify the Section 8 program's definition of "family," "head of household," "co-head" and "marriage partner," and the procedures that will be followed in the event a family breaks up. The chapter has also been amended to clarify policies regarding live-in aides, the reporting of Social Security numbers for young children, denial of assistance, what constitutes evidence of "criminal activity" in the context of denial of assistance, and the circumstances that will affect a decision regarding denial of assistance:

1. "Family" is defined to specifically include households "regardless of actual or perceived sexual orientation, gender identity, or marital status." Gender identity and sexual orientation are defined.
2. "If the family breakup results from an occurrence of domestic violence, dating violence, sexual assault or stalking, the GRHC must ensure that the victim retains assistance." The chapter refers to Chapter 16 for details of required documentation.
3. The chapter expands the definition of "head of household" to include a minor who is emancipated under state law and defines "marriage partner" to include a "common law" marriage and the term "spouse" to exclude friends, roommates and significant others who are not marriage partners.
4. The chapter specifies that a dependent in a joint custody arrangement will be considered a family member if he or she lives with the applicant or participant family at least 50 percent of the time.
5. The chapter specifies the certification required for a live-in aide.
6. The chapter specifies that the Social Security number of a young child added to an applicant's family within six months prior to voucher issuance must be reported within 90 days of the effective date of the initial HAP contract.
7. Section 3.II-E describes eligibility rules for students pursuing higher education. Parents' income eligibility will be relevant when the student is under the age of 24, is not a veteran, is not married, has no dependents, and is not a person with disabilities receiving HCV assistance as of 11/30/2005; if the student is determined to be independent, the parents' income eligibility will not be considered.
8. The chapter specifies that an applicant cannot be denied assistance because he or she has been a victim of domestic violence, dating violence, sexual assault or stalking.
9. The chapter specifies the evidence that will be permitted as grounds to deny assistance because of the household's criminal activity and the circumstances that will be considered related to denial of assistance. Record of arrest will not be used as the basis for denial, however, the GRHC can investigate the household's circumstances, including witness statements, whether or not criminal charges were filed and the resolution of charges, and any other relevant evidence.

Chapter 3 changes are highlighted in Attachment G.

The GRHC has amended Chapter 5 of its Section 8 Administrative Plan, "Briefings and Voucher Issuance," to specifically state that criminal activity related to domestic violence, dating violence, sexual assault or stalking will not be considered a lease violation by the victim of the activity. Chapter 5 changes are highlighted in Attachment A.

The GRHC has amended Chapter 7 of its Section 8 Administrative Plan, "Verification," to specifically incorporate HUD Notice PIH 2010-19 related to written and oral third-party verification procedures; the revised chapter also clarifies circumstances under which self-certification of assets is permitted and our policy related to reporting Social Security numbers of young children:

1. GRHC policy now allows self-certification of the value of family assets when net assets total \$5,000 or less. The policy specifies that the GRHC will use third-party documentation to verify the assets of a family member added to the household.
2. When HUD requires third-party verification, self-certification will be used as a last resort when the GRHC is unable to obtain verification.
3. The chapter specifies that "the GRHC will grant one additional 90-day extension [of time frame in which a family must provide the Social Security numbers of all members] if needed for reasons beyond the applicant's control, such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency."

Chapter 7 changes are highlighted in Attachment H.

The GRHC has amended Chapter 12 of its Section 8 Administrative Plan, "Termination of Assistance and Tenancy," to clarify our definition of "serious and repeated lease violations" and to exclude an arrest record as the basis of termination or as proof of criminal activity. The chapter has also been amended to clarify how specific types of circumstances are considered related to termination of assistance and specifically prohibits using criminal activity directly related to domestic violence, dating violence, sexual assault or stalking as cause for terminating a victim's tenancy.

1. "Serious and repeated lease violations will include, but are not 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."
2. Chapter 12 has been amended to specifically incorporate: 24 CFR 5.218(c), Notice PIH 2012-10, Failure to Disclose and Document Social Security Numbers; HUD Notice PIH 2012-28, Lifetime Registered Sex Offenders; 24 CFR 982.552(b)(5) and FR 4/10/06, Failure of Students to Meet Ongoing Eligibility Requirements.

<p>B.1 (cont.)</p>	<p>3. GRHC policy specifies that “a record of arrest(s) will not be used as the basis for the termination [of program participant’s housing assistance] or proof that the participant engaged in disqualifying criminal activity.”</p> <p>4. The chapter states that when determining whether to terminate assistance, the GRHC will consider circumstances such as the affect of a participant’s actions on other residents’ safety or property and the age of the individual whose conduct leads to termination proceedings. The chapter specifies the types of evidence permitted as grounds to deny assistance because of the household’s criminal activity and the circumstances that will be considered related to denial of assistance. Record of arrest will not be used as the basis for denial, however, the GRHC can investigate the household’s circumstances, including witness statements, whether or not criminal charges were filed and the resolution of charges, and other relevant evidence.</p> <p>5. When criminal activity is related to domestic violence, dating violence, sexual assault or stalking, the rental property owner is precluded from terminating the victim’s tenancy.</p> <p>Chapter 12 changes are highlighted in Attachment I.</p> <p><u>Rent Determination.</u> The conversion of Campau Commons Apartments to Section 8 Project-Based Program housing necessitated a new RAD Program-compliant lease and Admissions & Continued Occupancy Policy (ACOP). Please reference Attachments J (lease) and K (ACOP).</p> <p>RAD Program-compliant leases and ACOPs will be developed for Adams Park Apartments and Scattered Sites units as the conversion process progresses.</p> <p>The GRHC has amended Chapter 6 of its Section 8 Administrative Plan, “Income and Subsidy Determinations,” to clarify the meaning of “baseline income” for disabled persons who qualify for an earned income disallowance and to delineate how the allowance is calculated. The chapter has also been amended to clarify how student tuition and fees are defined for the purpose of determining what student financial assistance is included in household income and the procedures for making utility reimbursements to a household. The chapter also includes revised payment standards related to reasonable accommodation for a disabled family member.</p> <ol style="list-style-type: none"> 1. The chapter specifies that “while qualification for the [earned income] disallowance is the same for all families, calculation of the disallowance will differ depending on when the family member qualified for the EID. Participants qualifying prior to May 9, 2016, will have the disallowance calculated under the ‘Original Calculation Method’ ... which requires a maximum lifetime disallowance period of up to 48 consecutive months. Participants qualifying on or after May 9, 2016, will be subject to the ‘Revised Calculation Method,’ which shortens the lifetime disallowance period to 24 consecutive months.” 2. The chapter specifies the Revised Calculation Method: During the initial exclusion period of 12 consecutive months, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded. During the second exclusion period of 12 consecutive months, the GRHC must exclude at least 50 percent of any increase in income attributable to employment or increased earnings. GRHC policy states that the EID has a two-year (24-month) lifetime maximum. 3. The chapter clarifies that for the purpose of determining whether student financial assistance is included in annual income, the GRHC defines “tuition and fees” in the same manner in which the U.S. Department of Education defines them. 4. The chapter delineates GRHC policy related to the disbursement of utility allowances (monthly disbursement, or quarterly when the monthly reimbursement amount is \$15 or less). 5. The chapter specifies that the GRHC may establish a payment standard of up to 120 percent of the published FMR to allow a reasonable accommodation when a family member has disabilities. <p>Chapter 6 changes are highlighted in Attachment L.</p> <p>The GRHC has amended Chapter 8 of its Section 8 Administrative Plan, “Housing Quality Standards and Rent Reasonableness Determinations,” to delineate the circumstances under which the GRHC may charge a property owner for a unit inspection and to specifically prohibit the owner from passing a unit inspection charge on to a tenant. The chapter has also been amended to clarify the unit inspection standards to be used and to describe the circumstances under which the GRHC will conduct special inspections.</p> <ol style="list-style-type: none"> 1. The chapter specifies that “the GRHC may charge a reasonable fee [\$25] to owners for reinspections in two situations: when the owner notifies the GRHC that a repair has been made but the deficiency has not been corrected, and when the time for repairs has elapsed and the deficiency has not been corrected.” Fees cannot be charged when a deficiency is tenant-caused damage, when the inspector could not gain access to the unit, or for new deficiencies. 2. The chapter specifies that the GRHC will rely on HUD HQS and not alternative inspection standards. 3. The chapter specifies GRHC policy related to special inspections: When a report of a life-threatening condition is reported, the GRHC must inspect the unit within 24 hours; if the reported condition is not life-threatening, the GRHC must inspect the unit within 15 days. During a special inspection, the GRHC will generally inspect only the reported deficiencies, but will also record any additional HQS deficiencies and require needed repairs. If the annual inspection on the unit is due within 90 days of the special inspection, the GRHC may elect to conduct a full annual inspection. <p>Chapter 8 changes are highlighted in Attachment M.</p>
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**B.1
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The GRHC has amended Chapter 11 of its Section 8 Administrative Plan, "Reexaminations," to streamline the income determination process for family members who have fixed sources of income; the chapter also describes the circumstances under which a third-party verification process will be used. The chapter has also been amended to clarify the role of an advocate, interpreter or other assistant during the annual reexamination process and how that role will be documented. The chapter has also been amended to add a requirement that the GRHC ask whether any household member is subject to a lifetime sex offender registration requirement and describes the process by which an affected household will be notified about the record and its right to dispute the record. The GRHC has changed the time frame for conducting a reexamination of income when a new family member is added to a household and has also amended the procedures for conducting an interim reexamination for families receiving the Earned Income Disallowance.

1. The chapter specifies that the GRHC will "streamline the income determination process for family members with fixed sources of income" as follows:
 - a. "While third-party verification of all income must be obtained during the intake process and every three years thereafter, in the intervening years the GRHC may determine income from fixed sources by applying a verified cost of living (COLA) adjustment or rate of interest."
 - b. The GRHC will use third-party verification when a family member with a fixed source of income is added to the household.
 - c. The GRHC will obtain third-party verification of income if verification of the COLA or rate of interest is unavailable.
2. The chapter specifies that an advocate, interpreter or other assistant may assist the family during the reexamination interview and that the role and assistance of the third party will be documented.
3. The chapter specifies that during the annual reexamination the GRHC will ask whether the tenant or any household member is subject to a lifetime sex offender registration requirement. If the GRHC proposes termination of assistance based on this registration, "the GRHC must notify the household of the proposed action and must provide the subject of the record and the tenant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to termination."
4. When a family member is added, "the GRHC must make appropriate adjustments in the family share of the rent and the HAP payment at the effective date of either the annual or interim reexamination."
5. The chapter has been amended to incorporate 24 CFR 982.552(b)(5), Determining Ongoing Eligibility of Certain Students. The GRHC will consider student and parent income when determining eligibility for a student pursuing higher education who is under age 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of 11/30/05. If a student is determined to be independent, the parents' income will not be considered. This change is limited to students receiving assistance on their own, not those living with parents in an HCV assisted unit.
6. "For families receiving the Earned Income Disallowance, the GRHC will conduct an interim reexamination at the start and conclusion of the 24-month eligibility period."

Chapter 11 changes are highlighted in Attachment N.

The GRHC has amended Chapter 16 of its Section 8 Administrative Plan, "Program Administration," to add information about Violence Against Women Act notification, documentation and confidentiality, and to change the maximum rent exception that can be allowed for a reasonable accommodation from 110 to 120 percent of the applicable FMR for the unit size. The chapter has also been amended to require that the GRHC have an opportunity to examine relevant family documents prior to an informal hearing.

1. The chapter states that prior to conducting an informal hearing at a family's request, the GRHC "must be given an opportunity to examine at the GRHC offices before the hearing any family documents that are directly relevant to the hearing." When a participant requests a hearing, the GRHC will formally request a copy of all documents, and these must be received by noon on the business day prior to the scheduled hearing date.
2. Part IX, "Violence Against Women Act (VAWA): Notification, Documentation, Confidentiality," has been added. This describes requirements related to notifying families and owners about their rights and responsibilities under VAWA; it also details the documentation that will be requested of victims and describes the steps the GRHC will take to maintain the confidentiality of disclosed information.

Chapter 16 changes are highlighted in Attachment O.

Homeownership Programs.

Due to the conversion of our Scattered Sites (MI073000004) units to Section 8 Project-Based Program housing, the GRHC is no longer eligible to administer these units under the HUD Section 5(h) or Section 32 Homeownership Programs. RAD conversion rescinds Section 5(h) Homeownership Program eligibility for 21 existing Scattered Sites home ownership units; this change does not constitute a "Significant Amendment" to our Public Housing Agency Plan or Five-Year Plan. If the Section 32 Program is amended so that Section 8 Project-Based homes can be sold through the program, the GRHC will apply to participate in Section 32.

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

- Hope VI or Choice Neighborhoods.
- Mixed Finance Modernization or Development.
- Demolition and/or Disposition.
- Conversion of Public Housing to Tenant-Based Assistance.
- Conversion of Public Housing to Project-Based Assistance under RAD.
- Project-Based Vouchers.
- Units with Approved Vacancies for Modernization.
- Other Capital Grant Programs (i.e., Capital Lund Community Facilities Grants or Emergency Safety and Security Grants).

(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;

Demolition;

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 or requested for conversion to Project Based Voucher (PBV) rental subsidy are listed below:

-- Adams Park Apartments (MI078000001), 188 units, located at 1440 Fuller Ave. SE, Grand Rapids, MI 49507 (serves disabled adults and seniors ages 62 or older, and will 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 units (serves families, seniors and disabled persons, and would continue to serve these populations after conversion under the RAD Program). 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.

In February 2016, the GRHC received HUD RAD Program approval to convert an additional 22 units of Scattered Sites Program housing (MI073000004) to the Section 8 Project-Based Program; the GRHC has since requested a transfer of assistance that will enable us to move this subsidy to our Hope Community Rapid Re-Housing facility, a severely distressed 24-unit development that serves homeless women and children.

22 units* of Scattered Sites housing that received the RAD award in 2016 are home ownership units (residents must be eligible and willing to purchase these units). As part of the RAD Program conversion process, current residents who are not eligible or willing to purchase the units will be offered a Section 8 rental subsidy through the GRHC's Housing Choice Voucher Program and will also be offered relocation assistance.

*The GRHC intends to demolish the Scattered Sites unit located at 333 Florence Street NE due to extensive fire damage sustained on July 10, 2016. The GRHC submitted a De Minimis Reduction application to HUD in February 2017 that would reduce the number of Scattered Sites units converted under the February 2016 RAD award from 22 to 21; on February 13, 2017, HUD provided the GRHC with an amended Commitment to Enter into a Housing Assistance Payment (CHAP) reducing the number of units to 21. This change does not constitute a "Significant Amendment" to our Public Housing Agency Plan or Five-Year Plan. The lot at 333 Florence St. NE will be retained for future development.

-- Hope Community Rapid Re-Housing Program, 24 units total; located at 1024 Ionia Avenue SW (12 units), 34/38 Albany St. SW (2 units), 35/37 Shelby St. SW (2 units), 43/47 Canton St. SW (2 units), 106/108 Putnam St. SW (2 units), 1043/1045 Ionia Ave. SW (2 units), and 1106/1108 Ionia Ave. SW (2 units). Hope Community serves homeless women and their minor children and would continue to serve this population after receiving a transfer of assistance through the RAD Program. Bedroom distribution at Hope Community is:

- 12 modular units that can be configured for one to three bedrooms.
- Two-bedroom duplex units (6 units).
- Three-bedroom duplex units (6 units).

B.2 (cont.)	<p>Tenant relocation is not necessary for this development and is not a part of the conversion plan.</p> <p>As previously stated, conversion of the developments listed above supports specific maintenance goals in the GRHC’s 2015-2019 Five-Year Plan. Additionally, the conversion of Hope Community Rapid Re-Housing Program supports the specific Community Planning goal to “Serve the housing and supportive needs of child and adult victims of domestic violence, dating violence, sexual assault or stalking by continuing to offer services to homeless women and their children through Hope Community Rapid Re-Housing Program.”</p> <p>The 2016 Consolidated Appropriations Act authorizes HUD to expand the agency’s “Moving to Work” (MTW) demonstration program by an additional 100 public housing authorities over seven years. When HUD opens the MTW application process, the GRHC will apply. The MTW program would afford our agency the flexibility to allocate resources in order to address 2015-2019 Five-Year Plan goals related to maximizing resident self-sufficiency, housing choice and cost efficiency.</p>
B.3	<p>Progress Report. Provide a description of the PHA’s progress in meeting its Mission and Goals 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 and disabled and senior citizens in a manner this 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"> • Formulation of a comprehensive plan to address \$6 million in needed capital improvements at the GRHC’s agency-owned housing developments. • RAD Program award secured for the conversion of an additional 22 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 brings case management services to the disabled residents of Adams Park Apartments. • Formation of a partnership with the Grand Valley State University Kirkhof College of Nursing that is bringing regular health screening, health informational programs and nutrition education services to residents of GRHC developments that serve seniors and disabled persons. • 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.
B.4	<p>Most Recent Fiscal Year Audit.</p> <p>(a) Were there any findings in the most recent FY Audit? Y N <input checked="" type="checkbox"/> <input type="checkbox"/> Fiscal Year ended 6/30/16</p> <p>(b) If yes, please describe:</p> <ol style="list-style-type: none"> 1. “Material weakness in internal control over financial reporting”: The audit identified that certain year-end construction accruals and eliminations were double recorded. GRHC management has approved adjustments to financial statements so that they reflect the correct amounts and will revise procedures to ensure accuracy for future periods. 2. “Immaterial noncompliance/significant deficiency in internal control over compliance,” Section 8 Housing Choice Voucher Program: Auditors observed one case file out of forty tested that did not include the required Housing Quality Inspection. The GRHC is taking appropriate measures to ensure that all Housing Quality Inspections are performed within required time frames.
Other Document and/or Certification Requirements.	
C.1	<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, Certification of Compliance with PHA Plans and Related Regulations</u>, must be submitted by the PHA as an electronic attachment to the PHA Plan. See Attachment P.</p>
C.2	<p>Civil Rights Certification.</p> <p><u>Form 50077-ST-HCV-HP, Certification of Compliance with PHA Plans and Related Regulations</u>, must be submitted by the PHA as an electronic attachment to the PHA Plan. See Attachment Q.</p>
C.3	<p>Resident Advisory Board (RAB) Comments.</p> <p>(a) Did the RAB(s) provide comments to the PHA Plan? (pending RAB review and comments) 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.</p> <p>Resident Advisory Board members representing Sheldon Apartments and Ransom Tower Apartments informed staff of several maintenance issues at these housing developments:</p> <ol style="list-style-type: none"> 1. JoAnn Morris reported that there appears to be a hole in the trash dumpster at Sheldon Apartments. GRHC staff are investigating this problem and will work with our refuse contractor to resolve the issue. 2. Barbara Jones suggested that units occupied by long-term residents should be carpeted and repainted in a more timely manner. GRHC staff are inspecting units on a regular basis and will adjust budgets as needed to ensure that all residents enjoy well-maintained apartments. 3. Barbara Jones inquired regarding resident responsibility related to fire damage in an apartment. The GRHC’s Executive Director explained agency policies regarding fire damages. <p>Resident Advisory Board meeting minutes are at Attachment R.</p>

C.4	<p>Certification by State or Local Officials. Form HUD 500077-SL, <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.</p> <p>See Attachment S</p>
D	<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>
D.1	<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 D.</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 the HUD-required documents and other information the family needs to know in order to lease a unit under the program. Once the family is fully informed of the program's requirements, the GRHC issues the family a voucher. The voucher includes the unit size for which the family qualifies based on the GRHC's subsidy standards, as well as the issue and expiration date of the voucher. The voucher is the document that authorizes 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 who qualify for a voucher. 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 will be conducted in group meetings.

Generally, the head of household is required to attend the briefing. 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 be scheduled for another briefing automatically. 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 prior 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;
- An explanation of how portability works. The GRHC may not discourage the family from choosing to live anywhere in the GRHC jurisdiction or outside the GRHC jurisdiction under portability, unless otherwise expressly authorized by statute, regulation, PIH Notice, or court order;
- The GRHC must inform the family of how portability may affect the family's assistance through screening, subsidy standards, payment standards, and any other elements of the portability process which may affect the family's assistance;
- The advantages of areas that do not have a high concentration of low-income families.

Briefing Packet [24 CFR 982.301(b)]

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

- The term of the voucher, voucher suspensions, and the GRHC's policies on any extensions 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 and an explanation of how portability works, including information on how portability may affect the family's assistance through screening, subsidy standards, payment standards, and any other elements of the portability process that may affect the family's assistance.
- 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.
- Materials (e.g., brochures) on how to select a unit and any additional information on selecting a unit that HUD provides.

- Information on federal, state and local equal opportunity laws and a copy of the housing discrimination complaint form.
- A list of landlords known to the GRHC who may be willing to lease a unit to the family or other resources (e.g., newspapers, organizations, online search tools) known to the GRHC that may assist the family in locating a unit. GRHCs must ensure that the list of landlords or other resources covers areas outside of poverty or minority concentration.
- 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 family obligations under the program, including any obligations of a welfare-to-work family.
- 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 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 with 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, Notice PIH 2010-19].

GRHC Policy

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

The HUD pamphlet on lead-based paint entitled *Protect Your Family from Lead in Your Home*

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

Information about the protections afforded by the Violence against Women Act of 2013 (VAWA) to victims of domestic violence, dating violence, sexual assault, and stalking (see section 16-IX.C)

“Is Fraud Worth It?” (form HUD-1141-OIG), which explains the types of actions a family must avoid and the penalties for program abuse

“What You Should Know about EIV,” a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2010-19

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]

The family obligations of the voucher are listed as follows:

- 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.

GRHC Policy

Damages beyond normal wear and tear will be considered to be damages which could be assessed against the security deposit.

- 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, police reports, and affidavits from the owner, neighbors, or other credible parties with direct knowledge.

Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, living or housekeeping habits that cause damage to the unit or premises, and criminal activity. Generally, the criterion to be used will be whether or not the reason for the eviction was the fault of the tenant or guests. Any incidents of, or criminal activity related to, domestic violence, dating violence, sexual assault, or stalking will not be construed as serious or repeated lease violations by the victim [24 CFR 5.2005(c)(1)].

- 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].
- 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 must also establish policies related to the issuance of the voucher, to the voucher term, and to any extensions of the voucher 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, and children under age 5) 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.

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 verification of 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].

GRHC Policy

Vouchers will be issued to eligible applicants immediately following the mandatory briefing.

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 AND EXTENSIONS

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

Whether family size or other special circumstances make it difficult to find a suitable unit

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 or obtain verification from a qualified third party.

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)]

The GRHC must provide for suspension of the initial or any extended term of the voucher from the date the family submits a request for GRHC approval of the tenancy until the date the GRHC notifies the family in writing whether the request has been approved or denied.

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.

GRHC Policy

If an applicant family's voucher term or extension expires before the GRHC has approved a tenancy, the GRHC will require the family to reapply for assistance.

Within 10 business days after the expiration of the voucher term or any extension, the GRHC will notify the family in writing that the voucher term has expired and that the family must reapply in order to be placed on the waiting list.

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.

Chapter 17

PROJECT-BASED VOUCHERS

INTRODUCTION

This chapter describes HUD regulations and GRHC policies related to the project-based voucher (PBV) program in nine parts:

Part I: General Requirements. This part describes general provisions of the PBV program including maximum budget authority requirements, relocation requirements, and equal opportunity requirements.

Part II: PBV Owner Proposals. This part includes policies related to the submission and selection of owner proposals for PBV assistance. It describes the factors the GRHC will consider when selecting proposals, the type of housing that is eligible to receive PBV assistance, the cap on assistance at projects receiving PBV assistance, subsidy layering requirements, site selection standards, and environmental review requirements.

Part III: Dwelling Units. This part describes requirements related to housing quality standards, the type and frequency of inspections, and housing accessibility for persons with disabilities.

Part IV: Rehabilitated and Newly Constructed Units. This part describes requirements and policies related to the development and completion of rehabilitated and newly constructed housing units that will be receiving PBV assistance.

Part V: Housing Assistance Payments Contract. This part discusses HAP contract requirements and policies including the execution, term, and termination of the HAP contract. In addition, it describes how the HAP contract may be amended and identifies provisions that may be added to the HAP contract at the GRHC's discretion.

Part VI: Selection of PBV Program Participants. This part describes the requirements and policies governing how the GRHC and the owner will select a family to receive PBV assistance.

Part VII: Occupancy. This part discusses occupancy requirements related to the lease, and describes under what conditions families are allowed or required to move. In addition, exceptions to the occupancy cap (which limits PBV assistance to 25 percent of the units in any project) are also discussed.

Part VIII: Determining Rent to Owner. This part describes how the initial rent to owner is determined, and how rent will be redetermined throughout the life of the HAP contract. Rent reasonableness requirements are also discussed.

Part IX: Payments to Owner. This part describes the types of payments owners may receive under this program.

PART I: GENERAL REQUIREMENTS

17-I.A. OVERVIEW [24 CFR 983.5]

The project-based voucher (PBV) program allows PHAs that already administer a tenant-based voucher program under an annual contributions contract (ACC) with HUD to take up to 20 percent of its voucher program budget authority and attach the funding to specific units rather than using it for tenant-based assistance [24 CFR 983.6]. GRHC may only operate a PBV program if doing so is consistent with the GRHC's Annual Plan, and the goal of deconcentrating poverty and expanding housing and economic opportunities [42 U.S.C. 1437f(o)(13)].

GRHC Policy

The GRHC will operate a project-based voucher program using up to 20 percent of its budget authority for project-based assistance.

PHA units that are converted to project-based vouchers under Rental Assistance Demonstration (RAD) program do not count against the maximum amount of assistance a PHA may utilize for the PBV program. HUD waived section 8(o)(13)(B) and section 983.6 to implement the RAD program.

PBV assistance may be attached to existing housing or newly constructed or rehabilitated housing [24 CFR 983.52]. If PBV units are already selected for project-based assistance either under an agreement to enter into HAP Contract (Agreement) or a HAP contract, the GRHC is not required to reduce the number of these units if the amount of budget authority is subsequently reduced. However, the GRHC is responsible for determining the amount of budget authority that is available for project-based vouchers and ensuring that the amount of assistance that is attached to units is within the amounts available under the ACC [24 CFR 983.6].

17-I.B. TENANT-BASED VS. PROJECT-BASED VOUCHER ASSISTANCE [24 CFR 983.2]

Much of the tenant-based voucher program regulations also apply to the PBV program. Consequently, many of the GRHC policies related to tenant-based assistance also apply to PBV assistance. The provisions of the tenant-based voucher regulations that do not apply to the PBV program are listed at 24 CFR 983.2.

GRHC Policy

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, the GRHC policies for the tenant-based voucher program contained in this administrative plan also apply to the PBV program and its participants.

17-I.C. RELOCATION REQUIREMENTS [24 CFR 983.7]

Any persons displaced as a result of implementation of the PBV program must be provided relocation assistance in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)[42 U.S.C. 4201-4655] and implementing regulations at 49 CFR part 24.

The cost of required relocation assistance may be paid with funds provided by the owner, local public funds, or funds available from other sources. GRHC may not use voucher program funds

to cover relocation costs, except that GRHC may use their administrative fee reserve to pay for relocation expenses after all other program administrative expenses are satisfied, and provided that payment of the relocation benefits is consistent with state and local law. Use of the administrative fee for these purposes must also be consistent with other legal and regulatory requirements, including the requirement in 24 CFR 982.155 and other official HUD issuances.

The acquisition of real property for a PBV project is subject to the URA and 49 CFR part 24, subpart B. It is the responsibility of the GRHC to ensure the owner complies with these requirements.

17-I.D. EQUAL OPPORTUNITY REQUIREMENTS [24 CFR 983.8]

The GRHC must comply with all equal opportunity requirements under federal law and regulations in its implementation of the PBV program. This includes the requirements and authorities cited at 24 CFR 5.105(a). In addition, the GRHC must comply with the GRHC Plan certification on civil rights and affirmatively furthering fair housing, submitted in accordance with 24 CFR 903.7(o).

PART II: PBV OWNER PROPOSALS

17-II.A. OVERVIEW

The GRHC must describe the procedures for owner submission of PBV proposals and for GRHC selection of PBV proposals [24 CFR 983.51]. Before selecting a PBV proposal, the GRHC must determine that the PBV proposal complies with HUD program regulations and requirements, including a determination that the property is eligible housing [24 CFR 983.53 and 983.54], complies with the cap on the number of PBV units per project [24 CFR 983.56, FR Notice 11/24/08], and meets the site selection standards [24 CFR 983.57].

HUD has waived 24CFR Section 983.51 related to selection procedures for units converted under the RAD program.

17-II.B. OWNER PROPOSAL SELECTION PROCEDURES [24 CFR 983.51]

The GRHC must select PBV proposals in accordance with the selection procedures in the GRHC administrative plan. The GRHC must select PBV proposals by either of the following two methods.

- GRHC request for PBV Proposals. The GRHC may solicit proposals by using a request for proposals to select proposals on a competitive basis in response to the GRHC request. The GRHC may not limit proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites.
- The GRHC may select proposal that were previously selected based on a competition. This may include selection of a proposal for housing assisted under a federal, state, or local government housing assistance program that was subject to a competition in accordance with the requirements of the applicable program, community development program, or supportive services program that requires competitive selection of proposals (e.g., HOME, and units for which competitively awarded LIHTCs have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements within three

years of the PBV proposal selection date, and the earlier competitive selection proposal did not involve any consideration that the project would receive PBV assistance.

Solicitation and Selection of PBV Proposals [24 CFR 983.51(b) and (c)]

GRHC procedures for selecting PBV proposals must be designed and actually operated to provide broad public notice of the opportunity to offer PBV proposals for consideration by the GRHC. The public notice procedures may include publication of the public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice. The public notice of the GRHC request for PBV proposals must specify the submission deadline. Detailed application and selection information must be provided at the request of interested parties.

GRHC Policy

GRHC Request for Proposals for Rehabilitated and Newly Constructed Units

The GRHC will advertise its request for proposals (RFP) for rehabilitated and newly constructed housing in the local newspaper.

In addition, the GRHC will post the RFP and proposal submission and rating and ranking procedures on its electronic web site.

The GRHC will publish its advertisement in the newspapers and trade journals mentioned above for at least one day per week for three consecutive weeks. The advertisement will specify the number of units the GRHC estimates that it will be able to assist under the funding the GRHC is making available.

In order for the proposal to be considered, the owner must submit the proposal to the GRHC by the published deadline date, and the proposal must respond to all requirements as outlined in the RFP. Incomplete proposals will not be reviewed.

The GRHC will rate and rank proposals for rehabilitated and newly constructed housing using the following criteria:

- Owner experience and capability to build or rehabilitate housing as identified in the RFP;

- Extent to which the project furthers the GRHC goal of deconcentrating poverty and expanding housing and economic opportunities;

- If applicable, the extent to which services for special populations are provided on site or in the immediate area for occupants of the property; and

GRHC Requests for Proposals for Existing Housing Units

The GRHC will advertise its request for proposals (RFP) for existing housing in the local newspaper.

In addition, the GRHC will post the notice inviting such proposal submission and the rating and ranking procedures on its electronic web site.

The GRHC will periodically publish its advertisement in the local newspaper for at least one day per week for three consecutive weeks. The advertisement will specify the number of units the GRHC estimates that it will be able to assist under the funding the

GRHC is making available. Owner proposals will be accepted on a first-come first-served basis and will be evaluated using the following criteria:

Experience as an owner in the tenant-based voucher program and owner compliance with the owner's obligations under the tenant-based program;

Extent to which the project furthers the GRHC goal of deconcentrating poverty and expanding housing and economic opportunities;

If applicable, extent to which services for special populations are provided on site or in the immediate area for occupants of the property; and

Extent to which units are occupied by families that are eligible to participate in the PBV program.

GRHC Selection of Proposals Subject to a Previous Competition under a Federal, State, or Local Housing Assistance Program

The GRHC will accept proposals for PBV assistance from owners that were competitively selected under another federal, state or local housing assistance program, including projects that were competitively awarded Low-Income Housing Tax Credits on an ongoing basis.

The GRHC may periodically advertise that it is accepting proposals in the local newspaper.

In addition to, or in place of advertising, the GRHC may also directly contact specific owners that have already been selected for Federal, state, or local housing assistance based on a previously held competition, to inform them of available PBV assistance.

Proposals will be reviewed on a first-come first-served basis. The GRHC will evaluate each proposal on its merits using the following factors:

Extent to which the project furthers the GRHC goal of deconcentrating poverty and expanding housing and economic opportunities unless the units were converted under the RAD program; and

Extent to which the proposal complements other local activities such as the redevelopment of a public housing site under the HOPE VI program, the HOME program, CDBG activities, other development activities in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community.

GRHC-owned Units [24 CFR 983.51(e) and 983.59]

A GRHC-owned unit may be assisted under the PBV program only if the HUD field office or HUD-approved independent entity reviews the selection process and determines that the GRHC-owned units were appropriately selected based on the selection procedures specified in the GRHC administrative plan. If the GRHC selects a proposal for housing that is owned or controlled by the GRHC, the GRHC must identify the entity that will review the GRHC proposal selection process and perform specific functions with respect to rent determinations and inspections.

In the case of GRHC-owned units, the initial contract rent must be approved by an independent entity based on an appraisal by a licensed, state-certified appraiser. In addition, housing quality standards inspections must be conducted by an independent entity.

The independent entity that performs these program services may be the unit of general local government for the GRHC jurisdiction (unless the GRHC is itself the unit of general local government or an agency of such government) or another HUD-approved public or private independent entity.

The GRHC may only compensate the independent entity and appraiser from GRHC ongoing administrative fee income (including amounts credited to the administrative fee reserve). The GRHC may not use other program receipts to compensate the independent entity and appraiser for their services. The GRHC, independent entity, and appraiser may not charge the family any fee for the appraisal or the services provided by the independent entity.

GRHC Notice of Owner Selection [24 CFR 983.51(d)]

The GRHC must give prompt written notice to the party that submitted a selected proposal and must also give prompt public notice of such selection. Public notice procedures may include publication of public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice.

GRHC Policy

Within 10 business days of the GRHC making the selection, the GRHC will notify the selected owner in writing of the owner's selection for the PBV program. The GRHC will also notify in writing all owners that submitted proposals that were not selected and advise such owners of the name of the selected owner.

In addition, the GRHC will publish its notice for selection of PBV proposals for two consecutive days in the same newspapers and trade journals the GRHC used to solicit the proposals. The announcement will include the name of the owner that was selected for the PBV program. The GRHC will also post the notice of owner selection on its electronic web site.

The GRHC will make available to any interested party its rating and ranking sheets and documents that identify the GRHC basis for selecting the proposal. These documents will be available for review by the public and other interested parties for one month after publication of the notice of owner selection. The GRHC will not make available sensitive owner information that is privileged, such as financial statements and similar information about the owner.

The GRHC will make these documents available for review at the GRHC during normal business hours. The cost for reproduction of allowable documents will be \$.25 per page.

17-II.C. HOUSING TYPE [24 CFR 983.52]

The GRHC may attach PBV assistance for units in existing housing or for newly constructed or rehabilitated housing developed under and in accordance with an agreement to enter into a housing assistance payments contract that was executed prior to the start of construction. A housing unit is considered an existing unit for purposes of the PBV program, if, at the time of notice of GRHC selection, the units substantially comply with HQS. Units for which new

housing units is considered an existing unit for purposes of the PBV program, if, at the time of notice of GRHC selection, the units substantially comply with HQS. Units for which new construction or rehabilitation was started in accordance with PBV program requirements do not qualify as existing housing.

The GRHC must decide what housing type, new construction, rehabilitation, or existing housing, will be used to develop project-based housing. The GRHC choice of housing type must be reflected in its solicitation for proposals.

17-II.D. PROHIBITION OF ASSISTANCE FOR CERTAIN UNITS

Ineligible Housing Types [24 CFR 983.53]

The GRHC may not attach or pay PBV assistance to shared housing units; units on the grounds of a penal reformatory, medical, mental, or similar public or private institution; nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care (except that assistance may be provided in assisted living facilities); units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students; manufactured homes; and transitional housing. In addition, the GRHC may not attach or pay PBV assistance for a unit occupied by an owner and the GRHC may not select or enter into an agreement to enter into a HAP contract or HAP contract for a unit occupied by a family ineligible for participation in the PBV program.

Subsidized Housing [24 CFR 983.54]

The GRHC may not attach or pay PBV assistance to units in any of the following types of subsidized housing:

- A public housing unit;
- A unit subsidized with any other form of Section 8 assistance;
- A unit subsidized with any governmental rent subsidy;
- A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing;
- A unit subsidized with Section 236 rental assistance payments (except that a GRHC may attach assistance to a unit subsidized with Section 236 interest reduction payments);
- A Section 202 project for non-elderly with disabilities;
- Section 811 project-based supportive housing for persons with disabilities;
- Section 202 supportive housing for the elderly;
- A Section 101 rent supplement project;
- A unit subsidized with any form of tenant-based rental assistance;
- A unit with any other duplicative federal, state, or local housing subsidy, as determined by HUD or the GRHC in accordance with HUD requirements.

17-II.E. SUBSIDY LAYERING REQUIREMENTS [24 CFR 983.55, FR Notice 11/24/08]

The GRHC may provide PBV assistance only in accordance with HUD subsidy layering regulations [24 CFR 4.13] and other requirements.

The subsidy layering review is intended to prevent excessive public assistance by combining (layering) housing assistance payment subsidy under the PBV program with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concessions or tax credits.

The GRHC must submit the necessary documentation to HUD for a subsidy layering review. Except in cases of HAP contracts for existing structures, or if such reviews have been conducted by the applicable state and local agencies, the GRHC may not enter into an agreement to enter into a HAP contract or a HAP contract until HUD (or an independent entity approved by HUD) has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements.

The HAP contract must contain the owner's certification that the project has not received and will not receive (before or during the term of the HAP contract) any public assistance for acquisition, development, or operation of the housing other than assistance disclosed in the subsidy layering review in accordance with HUD requirements.

17-II.F. CAP ON NUMBER OF PBV UNITS IN EACH PROJECT

25 Percent per Project Cap [24 CFR 983.56(a), FR Notice 11/24/08]

In general, the GRHC may not select a proposal to provide PBV assistance for units in a project or enter into an agreement to enter into a HAP or a HAP contract to provide PBV assistance for units in a project, if the total number of dwelling units in the project that will receive PBV assistance during the term of the PBV HAP contract is more than 25 percent of the number of dwelling units (assisted or unassisted) in the project.

Exceptions to 25 Percent per Project Cap [24 CFR 983.56(b), FR Notice 11/24/08]

Exceptions are allowed and PBV units are not counted against the 25 percent per project cap if:

- The units are in a single-family building (one to four units);
- The units are *excepted units* in a multifamily building because they are specifically made available for elderly or disabled families or families receiving supportive services (also known as *qualifying families*).

GRHC must include in the GRHC administrative plan the type of services offered to families for a project to qualify for the exception and the extent to which such services will be provided. It is not necessary that the services be provided at or by the project, if they are approved services. To qualify, a family must have at least one member receiving at least one qualifying supportive service. A GRHC may not require participation in medical or disability-related services other than drug and alcohol treatment in the case of current abusers as a condition of living in an excepted unit, although such services may be offered.

If a family at the time of initial tenancy is receiving, and while the resident of an excepted unit has received, FSS supportive services or any other supportive services as defined in the GRHC administrative plan, and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit.

The GRHC must monitor the excepted family's continued receipt of supportive services and take appropriate action regarding those families that fail without good cause to complete their supportive services requirement. The GRHC administrative plan must state the form and frequency of such monitoring.

Under the RAD program 25% limitation on the number of units that may receive PBV assistance in a project is increased to 50%. For the purposes of RAD, the requirement that a family must actually receive services to reside in the excepted unit has been modified. Families living in units subject to a proposed RAD conversion must be given the option to receive supportive services. If such services are declined by the household, the unit shall remain under the HAP contract, the household shall not be terminated from the PBC program, and the decision to decline an offer to receive supportive services shall not represent a ground for lease termination. Once the initial relocated household residing in the expected unit under RAD vacates such unit, all PBV program requirements related to the required receipt of supportive services shall apply in accordance with 24CFRSection 983.56,983.257(c), 983.261(a)&(d).

GRHC Policy

The GRHC will not provide PBV assistance for excepted units.

Promoting Partially-Assisted Buildings [24 CFR 983.56(c)]

A GRHC may establish local requirements designed to promote PBV assistance in partially assisted buildings. A *partially assisted building* is a building in which there are fewer units covered by a HAP contract than residential units [24 CFR 983.3].

A GRHC may establish a per-building cap on the number of units that will receive PBV assistance or other project-based assistance in a multifamily building containing excepted units or in a single-family building. A GRHC may also determine not to provide PBV assistance for excepted units, or the GRHC may establish a per-building cap of less than 25 percent.

GRHC Policy:

The GRHC will not provide assistance for excepted units. Beyond that, the GRHC will not impose any further cap on the number of PBV units assisted per building.

17-II.G. SITE SELECTION STANDARDS

Compliance with PBV Goals, Civil Rights Requirements, and HQS Site Standards [24 CFR 983.57(b)]

The GRHC may not select a proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an agreement to enter into a HAP contract or HAP contract for units on the site, unless the GRHC has determined that PBV assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities. The standard for deconcentrating poverty and expanding housing and economic opportunities must be consistent with the GRHC Plan under 24 CFR 903 and the GRHC administrative plan.

In addition, prior to selecting a proposal, the GRHC must determine that the site is suitable from the standpoint of facilitating and furthering full compliance with the applicable Civil Rights Laws, regulations, and Executive Orders, and that the site meets the HQS site and neighborhood standards at 24 CFR 982.401(l).

HUD waived compliance with Site Selection Standards for RAD units having to do with de-concentration of poverty and expanding housing and economic opportunity, for the existing site. HUD waived section 8(o)(13)(ii) and Section 983.57(b)(1)&(c).

GRHC Policy

It is the GRHC goal to select sites for PBV housing that provide for deconcentrating poverty and expanding housing and economic opportunities. In complying with this goal the GRHC will limit approval of sites for PBV housing in census tracts that have poverty concentrations of 20 percent or less.

However, the GRHC will grant exceptions to the 20 percent standard where the GRHC determines that the PBV assistance will complement other local redevelopment activities designed to deconcentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations greater than 20 percent, such as sites in:

A census tract in which the proposed PBV development will be located in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community;

A census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition and HOPE VI redevelopment;

A census tract in which the proposed PBV development will be located is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area;

A census tract where new market rate units are being developed where such market rate units will positively impact the poverty rate in the area;

A census tract where there has been an overall decline in the poverty rate within the past five years; or

A census tract where there are meaningful opportunities for educational and economic advancement.

Existing and Rehabilitated Housing Site and Neighborhood Standards [24 CFR 983.57(d)]

The GRHC may not enter into an agreement to enter into a HAP contract nor enter into a HAP contract for existing or rehabilitated housing until it has determined that the site complies with the HUD required site and neighborhood standards. The site must:

- Be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- Have adequate utilities and streets available to service the site;
- Promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

New Construction Site and Neighborhood Standards [24 CFR 983.57(e)]

In order to be selected for PBV assistance, a site for newly constructed housing must meet the following HUD required site and neighborhood standards:

- The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- The site must have adequate utilities and streets available to service the site;
- The site must not be located in an area of minority concentration unless the GRHC determines that sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration or that the project is necessary to meet overriding housing needs that cannot be met in that housing market area;
- The site must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
- The site must promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate;
- The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Except for housing designed for elderly persons, the housing must be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

17-II.H. ENVIRONMENTAL REVIEW [24 CFR 983.58]

The GRHC activities under the PBV program are subject to HUD environmental regulations in 24 CFR parts 50 and 58. The *responsible entity* is responsible for performing the federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). The GRHC may not enter into an agreement to enter into a HAP contract nor enter into a HAP contract until it has complied with the environmental review requirements.

In the case of existing housing, the responsible entity that is responsible for the environmental review under 24 CFR part 58 must determine whether or not PBV assistance is categorically excluded from review under the National Environmental Policy Act and whether or not the assistance is subject to review under the laws and authorities listed in 24 CFR 58.5.

The GRHC may not enter into an agreement to enter into a HAP contract or a HAP contract with an owner, and the GRHC, the owner, and its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities under this part, until the environmental review is completed.

The GRHC must supply all available, relevant information necessary for the responsible entity to perform any required environmental review for any site. The GRHC must require the owner to

carry out mitigating measures required by the responsible entity (or HUD, if applicable) as a result of the environmental review.

PART III: DWELLING UNITS

17-III.A. OVERVIEW

This part identifies the special housing quality standards that apply to the PBV program, housing accessibility for persons with disabilities, and special procedures for conducting housing quality standards inspections.

17-III.B. HOUSING QUALITY STANDARDS [24 CFR 983.101]

The housing quality standards (HQS) for the tenant-based program, including those for special housing types, generally apply to the PBV program. HQS requirements for shared housing, manufactured home space rental, and the homeownership option do not apply because these housing types are not assisted under the PBV program.

The physical condition standards at 24 CFR 5.703 does not apply to the PBV program.

Lead-based Paint [24 CFR 983.101(c)]

The lead-based paint requirements for the tenant-based voucher program do not apply to the PBV program. Instead, The Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR part 35, subparts A, B, H, and R, apply to the PBV program.

17-III.C. HOUSING ACCESSIBILITY FOR PERSONS WITH DISABILITIES

The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. The GRHC must ensure that the percentage of accessible dwelling units complies with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR 8, subpart C.

Housing first occupied after March 13, 1991, must comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205, as applicable. (24 CFR 983.102)

17-III.D. INSPECTING UNITS

Pre-selection Inspection [24 CFR 983.103(a)]

The GRHC must examine the proposed site before the proposal selection date. If the units to be assisted already exist, the GRHC must inspect all the units before the proposal selection date, and must determine whether the units substantially comply with HQS. To qualify as existing housing, units must substantially comply with HQS on the proposal selection date. However, the GRHC may not execute the HAP contract until the units fully comply with HQS.

Pre-HAP Contract Inspections [24 CFR 983.103(b)]

The GRHC must inspect each contract unit before execution of the HAP contract. The GRHC may not enter into a HAP contract covering a unit until the unit fully complies with HQS.

Turnover Inspections [24 CFR 983.103(c)]

Before providing assistance to a new family in a contract unit, the GRHC must inspect the unit. The GRHC may not provide assistance on behalf of the family until the unit fully complies with HQS.

Annual Inspections [24 CFR 983.103(d)]

At least annually during the term of the HAP contract, the GRHC must inspect a random sample, consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS. Turnover inspections are not counted toward meeting this annual inspection requirement.

If more than 20 percent of the annual sample of inspected contract units in a building fails the initial inspection, the GRHC must reinspect 100 percent of the contract units in the building.

Other Inspections [24 CFR 983.103(e)]

The GRHC must inspect contract units whenever needed to determine that the contract units comply with HQS and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. The GRHC must take into account complaints and any other information coming to its attention in scheduling inspections.

The GRHC must conduct follow-up inspections needed to determine if the owner (or, if applicable, the family) has corrected an HQS violation, and must conduct inspections to determine the basis for exercise of contractual and other remedies for owner or family violation of HQS.

In conducting GRHC supervisory quality control HQS inspections, the GRHC should include a representative sample of both tenant-based and project-based units.

Inspecting GRHC-owned Units [24 CFR 983.103(f)]

In the case of GRHC-owned units, the inspections must be performed by an independent agency designated by the GRHC and approved by HUD. The independent entity must furnish a copy of each inspection report to the GRHC and to the HUD field office where the project is located. The GRHC must take all necessary actions in response to inspection reports from the independent agency, including exercise of contractual remedies for violation of the HAP contract by the GRHC-owner.

PART IV: REHABILITATED AND NEWLY CONSTRUCTED UNITS

17-IV.A. OVERVIEW [24 CFR 983.151]

There are specific requirements that apply to PBV assistance for newly constructed or rehabilitated housing that do not apply to PBV assistance in existing housing. This part describes the requirements unique to this type of assistance.

Housing selected for this type of assistance may not at a later date be selected for PBV assistance as existing housing.

17-IV.B. AGREEMENT TO ENTER INTO HAP CONTRACT

In order to offer PBV assistance in rehabilitated or newly constructed units, the GRHC must enter into an agreement to enter into HAP contract (Agreement) with the owner of the property. The Agreement must be in the form required by HUD [24 CFR 983.152(a)].

In the Agreement the owner agrees to develop the PBV contract units to comply with HQS, and the GRHC agrees that upon timely completion of such development in accordance with the terms of the Agreement, the GRHC will enter into a HAP contract with the owner for the contract units [24 CFR 983.152(b)].

Content of the Agreement [24 CFR 983.152(c)]

At a minimum, the Agreement must describe the following features of the housing to be developed and assisted under the PBV program:

- Site and the location of the contract units;
- Number of contract units by area (size) and number of bedrooms and bathrooms;
- Services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner and utility services to be paid by the tenant;
- An indication of whether or not the design and construction requirements of the Fair Housing Act and section 504 of the Rehabilitation Act of 1973 apply to units under the Agreement. If applicable, any required work item resulting from these requirements must be included in the description of work to be performed under the Agreement;
- Estimated initial rents to owner for the contract units;
- Description of the work to be performed under the Agreement. For rehabilitated units, the description must include the rehabilitation work write up and, where determined necessary by the GRHC, specifications and plans. For new construction units, the description must include the working drawings and specifications.
- Any additional requirements for quality, architecture, or design over and above HQS.

Execution of the Agreement [24 CFR 983.153, FR Notice 11/24/08]

The Agreement must be executed promptly after GRHC notice of proposal selection to the selected owner. Generally, the GRHC may not enter into the Agreement with the owner until the subsidy layering review is completed. Likewise, the GRHC may not enter into the Agreement until the environmental review is completed and the GRHC has received environmental approval. However, the GRHC does not need to conduct a subsidy layering review in the case of a HAP contract for an existing structure or if the applicable state or local agency has conducted such a review. Similarly, environmental reviews are not required for existing structures unless otherwise required by law or regulation.

GRHC Policy

The GRHC will enter into the Agreement with the owner within 10 business days of receiving both environmental approval and notice that subsidy layering requirements have been met, and before construction or rehabilitation work is started.

17-IV.C. CONDUCT OF DEVELOPMENT WORK

Labor Standards [24 CFR 983.154(b)]

If an Agreement covers the development of nine or more contract units (whether or not completed in stages), the owner and the owner's contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in the development of housing. The HUD-prescribed form of the Agreement will include the labor standards clauses required by HUD, such as those involving Davis-Bacon wage rates.

The owner, contractors, and subcontractors must also comply with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other applicable federal labor relations laws and regulations. The GRHC must monitor compliance with labor standards.

Equal Opportunity [24 CFR 983.154(c)]

The owner must comply with Section 3 of the Housing and Urban Development Act of 1968 and the implementing regulations at 24 CFR part 135. The owner must also comply with federal equal employment opportunity requirements.

Owner Disclosure [24 CFR 983.154(d) and (e)]

The Agreement and HAP contract must include a certification by the owner that the owner and other project principals are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs.

The owner must also disclose any possible conflict of interest that would be a violation of the Agreement, the HAP contract, or HUD regulations.

17-IV.D. COMPLETION OF HOUSING

The Agreement must specify the deadlines for completion of the housing, and the owner must develop and complete the housing in accordance with these deadlines. The Agreement must also specify the deadline for submission by the owner of the required evidence of completion.

Evidence of Completion [24 CFR 983.155(b)]

At a minimum, the owner must submit the following evidence of completion to the GRHC in the form and manner required by the GRHC:

- Owner certification that the work has been completed in accordance with HQS and all requirements of the Agreement; and
- Owner certification that the owner has complied with labor standards and equal opportunity requirements in development of the housing.

At the GRHC's discretion, the Agreement may specify additional documentation that must be submitted by the owner as evidence of housing completion.

GRHC Policy

The GRHC will determine the need for the owner to submit additional documentation as evidence of housing completion on a case-by-case basis depending on the nature of the PBV project. The GRHC will specify any additional documentation requirements in the Agreement to enter into HAP contract.

GRHC Acceptance of Completed Units [24 CFR 983.156]

Upon notice from the owner that the housing is completed, the GRHC must inspect to determine if the housing has been completed in accordance with the Agreement, including compliance with HQS and any additional requirements imposed under the Agreement. The GRHC must also determine if the owner has submitted all required evidence of completion.

If the work has not been completed in accordance with the Agreement, the GRHC must not enter into the HAP contract.

If the GRHC determines the work has been completed in accordance with the Agreement and that the owner has submitted all required evidence of completion, the GRHC must submit the HAP contract for execution by the owner and must then execute the HAP contract.

PART V: HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP)

17-V.A. OVERVIEW

The GRHC must enter into a HAP contract with an owner for units that are receiving PBV assistance. The purpose of the HAP contract is to provide housing assistance payments for eligible families. Housing assistance is paid for contract units leased and occupied by eligible families during the HAP contract term. The HAP contract must be in the form required by HUD [24 CFR 983.202].

17-V.B. HAP CONTRACT REQUIREMENTS

Contract Information [24 CFR 983.203, FR Notice 11/24/08]

The HAP contract must specify the following information:

- The total number of contract units by number of bedrooms;
- The project's name, street address, city or county, state and zip code, block and lot number (if known), and any other information necessary to clearly identify the site and the building;
- The number of contract units in each building, the location of each contract unit, the area of each contract unit, and the number of bedrooms and bathrooms in each contract unit;
- Services, maintenance, and equipment to be supplied by the owner and included in the rent to owner;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner (included in rent) and utility services to be paid by the tenant;
- Features provided to comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8;
- The HAP contract term;

- The number of units in any project that will exceed the 25 percent per project cap, which will be set-aside for occupancy by qualifying families; and
- The initial rent to owner for the first 12 months of the HAP contract term.

Execution of the HAP Contract [24 CFR 983.204]

The GRHC may not enter into a HAP contract until each contract unit has been inspected and the GRHC has determined that the unit complies with the Housing Quality Standards (HQS). For existing housing, the HAP contract must be executed promptly after the GRHC selects the owner proposal and inspects the housing units. For newly constructed or rehabilitated housing the HAP contract must be executed after the GRHC has inspected the completed units and has determined that the units have been completed in accordance with the agreement to enter into HAP, and the owner furnishes all required evidence of completion.

GRHC Policy

For existing housing, the HAP contract will be executed within 10 business days of the GRHC determining that all units pass HQS.

For rehabilitated or newly constructed housing, the HAP contract will be executed within 10 business days of the GRHC determining that the units have been completed in accordance with the agreement to enter into HAP, all units meet HQS, and the owner has submitted all required evidence of completion.

Term of HAP Contract [FR Notice 11/24/08]

The GRHC may enter into a HAP contract with an owner for an initial term of no less than one year and no more than 15 years.

GRHC Policy

The term of all PBV HAP contracts will be negotiated with the owner on a case-by-case basis.

At any time before expiration of the HAP contract, the GRHC may extend the term of the contract for an additional term of up to 15 years if the GRHC determines an extension is appropriate to continue providing affordable housing for low-income families or to expand housing opportunities. Subsequent extensions are subject to the same limitations. All extensions must be on the form and subject to the conditions prescribed by HUD at the time of the extension.

GRHC Policy

When determining whether or not to extend an expiring PBV contract, the GRHC will consider several factors including, but not limited to:

- The cost of extending the contract and the amount of available budget authority;
- The condition of the contract units;
- The owner's record of compliance with obligations under the HAP contract and lease(s);

Whether the location of the units continues to support the goals of deconcentrating poverty and expanding housing opportunities; and

Whether the funding could be used more appropriately for tenant-based assistance.

Termination by GRHC [24 CFR 983.205(c)]

The HAP contract must provide that the term of the GRHC's contractual commitment is subject to the availability of sufficient appropriated funding as determined by HUD or by the GRHC in accordance with HUD instructions. For these purposes, sufficient funding means the availability of appropriations, and of funding under the ACC from such appropriations, to make full payment of housing assistance payments payable to the owner for any contract year in accordance with the terms of the HAP contract.

If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, the GRHC may terminate the HAP contract by notice to the owner. The termination must be implemented in accordance with HUD instructions.

Termination by Owner [24 CFR 983.205(d) , FR Notice 11/24/08]

If in accordance with program requirements the amount of rent to an owner for any contract unit is reduced below the amount of the rent to owner at the beginning of the HAP contract term, the owner may terminate the HAP contract by giving notice to the GRHC. In this case, families living in the contract units must be offered tenant-based assistance.

At their discretion GRHCs may specify in the HAP contract that the maximum rent on a unit will not be less than the initial rent.

Remedies for HQS Violations [24 CFR 983.207(b)]

The GRHC may not make any HAP payment to the owner for a contract unit during any period in which the unit does not comply with HQS. If the GRHC determines that a contract does not comply with HQS, the GRHC may exercise any of its remedies under the HAP contract, for any or all of the contract units. Available remedies include termination of housing assistance payments, abatement or reduction of housing assistance payments, reduction of contract units, and termination of the HAP contract.

GRHC Policy

The GRHC will abate and terminate PBV HAP contracts for non-compliance with HQS in accordance with the policies used in the tenant-based voucher program. These policies are contained in Section 8-II.G., Enforcing Owner Compliance.

17-V.C. AMENDMENTS TO THE HAP CONTRACT

Substitution of Contract Units [24 CFR 983.206(a)]

At the GRHC's discretion and subject to all PBV requirements, the HAP contract may be amended to substitute a different unit with the same number of bedrooms in the same building for a previously covered contract unit. Before any such substitution can take place, the GRHC must inspect the proposed unit and determine the reasonable rent for the unit.

Addition of Contract Units [24 CFR 983.206(b)]

At the GRHC's discretion and subject to the restrictions on the number of dwelling units that can receive PBV assistance per building and on the overall size of the GRHC's PBV program, a HAP contract may be amended during the three-year period following the execution date of the HAP contract to add additional PBV units in the same building. This type of amendment is subject to all PBV program requirements except that a new PBV proposal is not required.

GRHC Policy

The GRHC will consider adding contract units to the HAP contract when the GRHC determines that additional housing is needed to serve eligible low-income families. Circumstances may include, but are not limited to:

The local housing inventory is reduced due to a disaster (either due to loss of housing units, or an influx of displaced families); and

Voucher holders are having difficulty finding units that meet program requirements.

17-V.D. HAP CONTRACT YEAR, ANNIVERSARY AND EXPIRATION DATES [24 CFR 983.206(c) and 983.302(e)]

The HAP contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term.

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year.

There is a single annual anniversary and expiration date for all units under a particular HAP contract, even in cases where contract units are placed under the HAP contract in stages (on different dates) or units are added by amendment. The anniversary and expiration dates for all units coincide with the dates for the contract units that were originally placed under contract.

17-V.E. OWNER RESPONSIBILITIES UNDER THE HAP [24 CFR 983.209]

When the owner executes the HAP contract s/he certifies that at such execution and at all times during the term of the HAP contract:

- All contract units are in good condition and the owner is maintaining the premises and contract units in accordance with HQS;
- The owner is providing all services, maintenance, equipment and utilities as agreed to under the HAP contract and the leases;
- Each contract unit for which the owner is receiving HAP, is leased to an eligible family referred by the GRHC, and the lease is in accordance with the HAP contract and HUD requirements;

- To the best of the owner’s knowledge the family resides in the contract unit for which the owner is receiving HAP, and the unit is the family’s only residence;
- The owner (including a principal or other interested party) is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit;
- The amount of the HAP the owner is receiving is correct under the HAP contract;
- The rent for contract units does not exceed rents charged by the owner for comparable unassisted units;
- Except for HAP and tenant rent, the owner has not received and will not receive any other payment or consideration for rental of the contract unit; and
- The family does not own or have any interest in the contract unit.

17-V.F. ADDITIONAL HAP REQUIREMENTS

Housing Quality and Design Requirements [24 CFR 983.101(e) and 983.207(a)]

The owner is required to maintain and operate the contract units and premises in accordance with HQS, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance, equipment, and utilities specified in the HAP contract with the GRHC and in the lease with each assisted family. In addition, maintenance, replacement and redecoration must be in accordance with the standard practice for the building as established by the owner.

The GRHC may elect to establish additional requirements for quality, architecture, or design of PBV housing. Any such additional requirements must be specified in the Agreement to enter into a HAP contract and the HAP contract. These requirements must be in addition to, not in place of, compliance with HQS.

GRHC Policy

The GRHC will identify the need for any special features on a case-by-case basis depending on the intended occupancy of the PBV project. The GRHC will specify any special design standards or additional requirements in the invitation for PBV proposals, the agreement to enter into HAP contract, and the HAP contract.

Vacancy Payments [24 CFR 983.352(b)]

At the discretion of the GRHC, the HAP contract may provide for vacancy payments to the owner for a GRHC-determined period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month. The amount of the vacancy payment will be determined by the GRHC and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant’s security deposit).

GRHC Policy

The GRHC will decide on a case-by-case basis if the GRHC will provide vacancy payments to the owner. The HAP contract with the owner will contain any such agreement, including the amount of the vacancy payment and the period for which the owner will qualify for these payments.

PART VI: SELECTION OF PBV PROGRAM PARTICIPANTS

17-VI.A. OVERVIEW

Many of the provisions of the tenant-based voucher regulations [24 CFR 982] also apply to the PBV program. This includes requirements related to determining eligibility and selecting applicants from the waiting list. Even with these similarities, there are requirements that are unique to the PBV program. This part describes the requirements and policies related to eligibility and admission to the PBV program.

17-VI.B. ELIGIBILITY FOR PBV ASSISTANCE [24 CFR 983.251(a) and (b)]

The GRHC may select families for the PBV program from those who are participants in the GRHC's tenant-based voucher program and from those who have applied for admission to the voucher program. For voucher participants, eligibility was determined at original admission to the voucher program and does not need to be redetermined at the commencement of PBV assistance. For all others, eligibility for admission must be determined at the commencement of PBV assistance.

Applicants for PBV assistance must meet the same eligibility requirements as applicants for the tenant-based voucher program. Applicants must qualify as a family as defined by HUD and the GRHC, have income at or below HUD-specified income limits, and qualify on the basis of citizenship or the eligible immigration status of family members [24 CFR 982.201(a) and 24 CFR 983.2(a)]. In addition, an applicant family must provide social security information for family members [24 CFR 5.216 and 5.218] and consent to the GRHC's collection and use of family information regarding income, expenses, and family composition [24 CFR 5.230]. An applicant family must also meet HUD requirements related to current or past criminal activity.

GRHC Policy

The GRHC will determine an applicant family's eligibility for the PBV program in accordance with the policies in Chapter 3.

In-Place Families [24 CFR 983.251(b)]

An eligible family residing in a proposed PBV contract unit on the date the proposal is selected by the GRHC is considered an "in-place family." These families are afforded protection from displacement under the PBV rule. If a unit to be placed under contract (either an existing unit or a unit requiring rehabilitation) is occupied by an eligible family on the date the proposal is selected, the in-place family must be placed on the GRHC's waiting list. Once the family's continued eligibility is determined (the GRHC may deny assistance to an in-place family for the grounds specified in 24 CFR 982.552 and 982.553), the family must be given an absolute selection preference and the GRHC must refer these families to the project owner for an appropriately sized PBV unit in the project. Admission of eligible in-place families is not subject to income targeting requirements.

This regulatory protection from displacement does not apply to families that are not eligible to participate in the program on the proposal selection date.

17-VI.C. ORGANIZATION OF THE WAITING LIST [24 CFR 983.251(c)]

The GRHC may establish a separate waiting list for PBV units or it may use the same waiting list for both tenant-based and PBV assistance. The GRHC may also merge the PBV waiting list with a waiting list for other assisted housing programs offered by the GRHC. If the GRHC chooses to offer a separate waiting list for PBV assistance, the GRHC must offer to place applicants who are listed on the tenant-based waiting list on the waiting list for PBV assistance.

If a GRHC decides to establish a separate PBV waiting list, the GRHC may use a single waiting list for the GRHC's whole PBV program, or it may establish separate waiting lists for PBV units in particular projects or buildings or for sets of such units.

GRHC Policy

The GRHC will establish and manage separate waiting lists for individual projects or buildings that are receiving PBV assistance.

RAD PROGRAM WAITING LIST: In establishing the waiting list for the converted project, the PHA shall utilize the project-specific waiting list that existed at the time of conversion, unless the assistance is being transferred to another neighborhood. If a project-specific waiting list does exist, but the PHA is transferring the assistance, and on how they can apply for residency at the new project site or other sites.

Applicants on a project specific waiting list for a project where the assistance is being transferred shall have priority on the newly formed waiting list for the new project site in accordance with the date and time of their application to the original project's waiting list. In addition, the waiting list must be established and maintained in accordance with PBV program requirements.

If a project-specific waiting list for the project does not exist, the PHA shall establish a waiting list in accordance 24CFR903.7(b)(2)(ii)-(iv) to ensure that applicants on the PHA's public housing community-wide waiting list have been offered placement on the converted project's initial waiting list. For the purpose of establishing the initial waiting list, PHAs have the discretion to determine the most appropriate means of informing applicants on the public housing waiting list given the number of applicants, PHA resources, and community characteristics of the proposed conversion under RAD. Such activities should be pursuant to the PHA's policies for waiting list management, including the obligation to affirmatively further fair housing.

A PHA may consider contacting every applicant on the public housing waiting list via direct mailing; advertising the availability of housing to the population that is less likely to apply, both minority and non-minority groups, through various forms of media (e.g., radio stations, posters, newspapers) within the marketing area, informing local non-profit entities and advocacy groups (e.g., disability rights groups); and conducting other outreach as appropriate. Applicants on the agency's centralized public housing waiting list who wish to be placed onto the newly established waiting lists are done so in accordance with the date and time of their original application to the centralized public housing list. Any activities to contact applicants on the public housing waiting list must be conducted in accordance with the requirements for effective communication with persons with disabilities at 24CFR8.6 and the obligation to provide meaningful access for persons with limited English proficiency (LEP). To implement this provision, HUD is waiving 24CFR983.251(c)(2). However, after the initial waiting list has been established, the PHA shall administer its waiting list for the converted project in accordance with 24CFR983.251(c).

17-VLD. SELECTION FROM THE WAITING LIST [24 CFR 983.251(c)]

Applicants who will occupy units with PBV assistance must be selected from the GRHC's waiting list. The GRHC may establish selection criteria or preferences for occupancy of particular PBV units. The GRHC may place families referred by the PBV owner on its PBV waiting list.

Income Targeting [24 CFR 983.251(c)(6)]

At least 75 percent of the families admitted to the GRHC's tenant-based and project-based voucher programs during the GRHC fiscal year from the waiting list must be extremely-low income families. The income targeting requirement applies to the total of admissions to both programs.

Units with Accessibility Features [24 CFR 983.251(c)(7)]

When selecting families to occupy PBV units that have special accessibility features for persons with disabilities, the GRHC must first refer families who require such features to the owner.

Preferences [24 CFR 983.251(d) , FR Notice 11/24/08]

The GRHC may use the same selection preferences that are used for the tenant-based voucher program, establish selection criteria or preferences for the PBV program as a whole, or for occupancy of particular PBV developments or units. The GRHC must provide an absolute selection preference for eligible in-place families as described in Section 17-VI.B. above.

Although the GRHC is prohibited from granting preferences to persons with a specific disability, the GRHC may give preference to disabled families who need services offered at a particular project or site if the preference is limited to families (including individuals):

- With disabilities that significantly interfere with their ability to obtain and maintain themselves in housing;
- Who, without appropriate supportive services, will not be able to obtain or maintain themselves in housing; and
- For whom such services cannot be provided in a non-segregated setting.

In advertising such a project, the owner may advertise the project as offering services for a particular type of disability; however, the project must be open to all otherwise eligible disabled persons who may benefit from services provided in the project. In these projects, disabled residents may not be required to accept the particular services offered as a condition of occupancy.

If the GRHC has projects with more than 25 percent of the units receiving project-based assistance because those projects include "excepted units" (units specifically made available for elderly or disabled families, or families receiving supportive services), the GRHC must give preference to such families when referring families to these units [24 CFR 983.261(b)].

GRHC Policy

The GRHC will provide a selection preference for eligible in-place families, qualifying families for "excepted units," and mobility impaired persons for accessible units.

17-VI.E. OFFER OF PBV ASSISTANCE

Refusal of Offer [24 CFR 983.251(e)(3)]

The GRHC is prohibited from taking any of the following actions against a family who has applied for, received, or refused an offer of PBV assistance:

- Refuse to list the applicant on the waiting list for tenant-based voucher assistance;
- Deny any admission preference for which the applicant qualifies;
- Change the applicant's place on the waiting list based on preference, date, and time of application, or other factors affecting selection under the GRHC's selection policy;
- Remove the applicant from the tenant-based voucher waiting list.

Disapproval by Landlord [24 CFR 983.251(e)(2)]

If a PBV owner rejects a family for admission to the owner's units, such rejection may not affect the family's position on the tenant-based voucher waiting list.

Acceptance of Offer [24 CFR 983.252]

Family Briefing

When a family accepts an offer for PBV assistance, the GRHC must give the family an oral briefing. The briefing must include information on how the program works and the responsibilities of the family and owner. In addition to the oral briefing, the GRHC must provide a briefing packet that explains how the GRHC determines the total tenant payment for a family, the family obligations under the program, and applicable fair housing information.

Persons with Disabilities

If an applicant family's head or spouse is disabled, the GRHC must assure effective communication, in accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written information packet. This may include making alternative formats available (see Chapter 2). In addition, the GRHC must have a mechanism for referring a family that includes a member with a mobility impairment to an appropriate accessible PBV unit.

Persons with Limited English Proficiency

The GRHC should take reasonable steps to assure meaningful access by persons with limited English proficiency in accordance with Title VI of the Civil Rights Act of 1964 and Executive Order 13166 (see Chapter 2).

17-VI.F. OWNER SELECTION OF TENANTS

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to fulfill their obligations under the lease. An owner must promptly notify in writing any rejected applicant of the grounds for any rejection [24 CFR 983.253(b)].

Leasing [24 CFR 983.253(a)]

During the term of the HAP contract, the owner must lease contract units to eligible families that are selected and referred by the GRHC from the GRHC's waiting list. The contract unit leased to the family must be the appropriate size unit for the size of the family, based on the GRHC's subsidy standards.

Filling Vacancies [24 CFR 983.254(a)]

The owner must promptly notify the GRHC of any vacancy or expected vacancy in a contract unit. After receiving such notice, the GRHC must make every reasonable effort to promptly refer a sufficient number of families for the owner to fill such vacancies. The GRHC and the owner must make reasonable efforts to minimize the likelihood and length of any vacancy.

Reduction in HAP Contract Units Due to Vacancies [24 CFR 983.254(b)]

If any contract units have been vacant for 120 or more days since owner notice of the vacancy, the GRHC may give notice to the owner amending the HAP contract to reduce the number of contract units by subtracting the number of contract units (according to the bedroom size) that have been vacant for this period.

17-VI.G. TENANT SCREENING [24 CFR 983.255]

GRHC Responsibility

The GRHC is not responsible or liable to the owner or any other person for the family's behavior or suitability for tenancy. However, the GRHC may opt to screen applicants for family behavior or suitability for tenancy and may deny applicants based on such screening.

GRHC Policy

The GRHC will not conduct screening to determine a PBV applicant family's suitability for tenancy.

The GRHC must provide the owner with an applicant family's current and prior address (as shown in GRHC records) and the name and address (if known by the GRHC) of the family's current landlord and any prior landlords.

In addition, the GRHC may offer the owner other information the GRHC may have about a family, including information about the tenancy history of family members or about drug trafficking and criminal activity by family members. The GRHC must provide applicant families a description of the GRHC policy on providing information to owners, and the GRHC must give the same types of information to all owners.

Owner Responsibility

The owner is responsible for screening and selection of the family to occupy the owner's unit. When screening families the owner may consider a family's background with respect to the following factors:

- Payment of rent and utility bills;
- Caring for a unit and premises;

- Respecting the rights of other residents to the peaceful enjoyment of their housing;
- Drug-related criminal activity or other criminal activity that is a threat to the health, safety, or property of others; and
- Compliance with other essential conditions of tenancy.

No Re-screening of Tenants upon Conversion (RAD). Pursuant to the RAD statute, at conversion, current households are not subject to re-screening, income eligibility, or income targeting provisions. Consequently, current households will be grandfathered for conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion. For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Thus, 24CFR982.201, concerning eligibility and targeting, will not apply for current households. Once that remaining household moves out, the unit must be leased to an eligible family.

Right to Return (RAD). Any residents that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to an assisted unit at the development once rehabilitation or construction is completed. Where the transfer of assistance to a new site is warranted and approved (see Section 1.6.B.7 and Section 1.7.A.8 on conditions warranting a transfer of assistance), residents of the converting development will have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete. Residents of a development undergoing conversion of assistance may voluntarily accept a PHA or Owner's offer of permanently relocate to another assisted unit, and thereby waive their right to return to the development after rehabilitation or construction is completed.

PART VII: OCCUPANCY

17-VII.A. OVERVIEW

After an applicant has been selected from the waiting list, determined eligible by the GRHC, referred to an owner and determined suitable by the owner, the family will sign the lease and occupancy of the unit will begin.

17-VII.B. LEASE [24 CFR 983.256]

The tenant must have legal capacity to enter a lease under state and local law. *Legal capacity* means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

Form of Lease [24 CFR 983.256(b)]

The tenant and the owner must enter into a written lease agreement that is signed by both parties. If an owner uses a standard lease form for rental units to unassisted tenants in the locality or premises, the same lease must be used for assisted tenants, except that the lease must include a HUD-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease, such as a GRHC model lease.

The GRHC may review the owner's lease form to determine if the lease complies with state and local law. If the GRHC determines that the lease does not comply with state or local law, the GRHC may decline to approve the tenancy.

Lease Requirements [24 CFR 983.256(c)]

The lease for a PBV unit must specify all of the following information:

- The names of the owner and the tenant;
- The unit rented (address, apartment number, if any, and any other information needed to identify the leased contract unit);
- The term of the lease (initial term and any provision for renewal);
- The amount of the tenant rent to owner, which is subject to change during the term of the lease in accordance with HUD requirements;
- A specification of the services, maintenance, equipment, and utilities that will be provided by the owner; and
- The amount of any charges for food, furniture, or supportive services.

Tenancy Addendum [24 CFR 983.256(d)]

The tenancy addendum in the lease must state:

- The program tenancy requirements;
- The composition of the household as approved by the GRHC (the names of family members and any GRHC-approved live-in aide);
- All provisions in the HUD-required tenancy addendum must be included in the lease. The terms of the tenancy addendum prevail over other provisions of the lease.

Initial Term and Lease Renewal [24 CFR 983.256(f) and 983.257(b)]

The initial lease term must be for at least one year. Upon expiration of the lease, an owner may renew the lease, refuse to renew the lease for "good cause," or refuse to renew the lease without good cause. If the owner refuses to renew the lease without good cause, the GRHC must provide the family with a tenant-based voucher and remove the unit from the PBV HAP contract.

Renewal of Lease (RAD). Under RAD, the PHA must renew all leases upon lease expiration, unless cause exists. Consequently, 24CFR983.257(b)(3) will apply. This provision must be incorporated by the PBV owner into the tenant lease or tenancy addendum, as appropriate.

Changes in the Lease [24 CFR 983.256(e)]

If the tenant and owner agree to any change in the lease, the change must be in writing, and the owner must immediately give the GRHC a copy of all changes.

The owner must notify the GRHC in advance of any proposed change in the lease regarding the allocation of tenant and owner responsibilities for utilities. Such changes may only be made if approved by the GRHC and in accordance with the terms of the lease relating to its amendment. The GRHC must redetermine reasonable rent, in accordance with program requirements, based

on any change in the allocation of the responsibility for utilities between the owner and the tenant. The redetermined reasonable rent will be used in calculation of the rent to owner from the effective date of the change.

Owner Termination of Tenancy [24 CFR 983.257]

With two exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program (see Section 12-III.B. and 24 CFR 982.310). In the PBV program, terminating tenancy for “good cause” does not include doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose.

Non-Compliance with Supportive Services Requirement [24 CFR 983.257(c), FR Notice 11/24/08]

If a family is living in a project-based unit that is excepted from the 25 percent per project cap on project-basing because of participation in a supportive services program (e.g., Family Self-Sufficiency), and the family fails to complete its supportive services requirement without good cause, such failure is grounds for lease termination by the owner.

Tenant Absence from the Unit [24 CFR 983.256(g) and 982.312(a)]

The owner may specify in the lease a maximum period of tenant absence from the unit that is shorter than the maximum period permitted by GRHC policy. According to program requirements, the family’s assistance must be terminated if they are absent from the unit for more than 180 consecutive days.

Security Deposits [24 CFR 983.258]

The owner may collect a security deposit from the tenant. The GRHC may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.

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

The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used to reimburse the owner, the owner must promptly refund the full amount of the balance to the tenant.

If the security deposit does not cover the amount owed by the tenant under the lease, the owner may seek to collect the balance from the tenant. The GRHC has no liability or responsibility for payment of any amount owed by the family to the owner.

17-VII.C. MOVES

Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.259]

If the GRHC determines that a family is occupying a wrong size unit, based on the GRHC’s subsidy standards, or a unit with accessibility features that the family does not require, and the unit is needed by a family that does require the features, the GRHC must promptly notify the

family and the owner of this determination, and the GRHC must offer the family the opportunity to receive continued housing assistance in another unit.

GRHC Policy

The GRHC will notify the family and the owner of the family's need to move based on the occupancy of a wrong-size or accessible unit within 10 business days of the GRHC's determination. The GRHC will offer the family the following types of continued assistance in the following order, based on the availability of assistance:

PBV assistance in the same building or project;

PBV assistance in another project; and

Tenant-based voucher assistance.

If the GRHC offers the family a tenant-based voucher, the GRHC must terminate the housing assistance payments for a wrong-sized or accessible unit at expiration of the term of the family's voucher (including any extension granted by the GRHC).

If the GRHC offers the family another form of assistance that is not a tenant-based voucher, and the family does not accept the offer, does not move out of the PBV unit within a reasonable time as determined by the GRHC, or both, the GRHC must terminate the housing assistance payments for the unit at the expiration of a reasonable period as determined by the GRHC.

Family Right to Move [24 CFR 983.260]

The family may terminate the lease at any time after the first year of occupancy. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to the GRHC. If the family wishes to move with continued tenant-based assistance, the family must contact the GRHC to request the rental assistance prior to providing notice to terminate the lease.

If the family terminates the lease in accordance with these requirements, the GRHC is required to offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant-based rental assistance. If voucher or other comparable tenant-based assistance is not immediately available upon termination of the family's lease in the PBV unit, the GRHC must give the family priority to receive the next available opportunity for continued tenant-based assistance.

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

17-VII.D. EXCEPTIONS TO THE OCCUPANCY CAP [24 CFR 983.261, FR Notice 11/24/08]

The GRHC may not pay housing assistance under a PBV HAP contract for more than 25 percent of the number of dwelling units in a project unless the units are [24 CFR 983.56]:

- In a single-family building;

- Specifically made available for elderly or disabled families; or
- Specifically made available for families receiving supportive services as defined by the GRHC. At least one member must be receiving at least one qualifying supportive service.

If a family at the time of initial tenancy is receiving and while the resident of an excepted unit has received Family Self-Sufficiency (FSS) supportive services or any other service as defined as defined by the GRHC and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit.

A family (or remaining members of a family) residing in an excepted unit that no longer meets the criteria for a “qualifying family” in connection with the 25 percent per project cap exception (e.g., the family does not successfully complete supportive services requirements, or due to a change in family composition the family is no longer elderly or disabled), must vacate the unit within a reasonable period of time established by the GRHC, and the GRHC must cease paying housing assistance payments on behalf of the non-qualifying family.

If the family fails to vacate the unit within the established time, the unit must be removed from the HAP contract unless the project is partially assisted, and it is possible for the HAP contract to be amended to substitute a different unit in the building in accordance with program requirements; or the owner terminates the lease and evicts the family. The housing assistance payments for a family residing in an excepted unit that is not in compliance with its family obligations to comply with supportive services requirements must be terminated by the GRHC.

PART VIII: DETERMINING RENT TO OWNER

17-VIII.A. OVERVIEW

The amount of the initial rent to an owner of units receiving PBV assistance is established at the beginning of the HAP contract term. Although for rehabilitated or newly constructed housing, the agreement to enter into HAP Contract (Agreement) states the estimated amount of the initial rent to owner, the actual amount of the initial rent to owner is established at the beginning of the HAP contract term.

During the term of the HAP contract, the rent to owner is redetermined at the owner’s request in accordance with program requirements, and at such time that there is a five percent or greater decrease in the published FMR.

17-VIII.B. RENT LIMITS [24 CFR 983.301]

Except for certain tax credit units (discussed below), the rent to owner must not exceed the lowest of the following amounts:

- An amount determined by the GRHC, not to exceed 110 percent of the applicable fair market rent (or any HUD-approved exception payment standard) for the unit bedroom size minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

Certain Tax Credit Units [24 CFR 983.301(c), FR Notice 11/24/08]

For certain tax credit units, the rent limits are determined differently than for other PBV units. These different limits apply to contract units that meet all of the following criteria:

- The contract unit receives a low-income housing tax credit under the Internal Revenue Code of 1986;
- The contract unit is not located in a qualified census tract;
- There are comparable tax credit units of the same bedroom size as the contract unit in the same building, and the comparable tax credit units do not have any form of rental assistance other than the tax credit; and
- The tax credit rent exceeds a GRHC-determined amount (not to exceed 110 percent of the fair market rent or any approved exception payment standard);

For contract units that meet all of these criteria, the rent to owner must not exceed the lowest of:

- The tax credit rent minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

However, GRHCs are permitted to use the higher Section 8 rent for a tax credit unit if the tax credit rent is less than the amount that would be permitted under Section 8. In these cases, Section 8 rent reasonableness requirements must continue to be met.

Definitions

A qualified census tract is any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI), or where the poverty rate is at least 25 percent and where the census tract is designated as a qualified census tract by HUD.

Tax credit rent is the rent charged for comparable units of the same bedroom size in the building that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., tenant-based voucher assistance).

Use of FMRs, Exception Payment Standards, and Utility Allowances [24 CFR 983.301(f)]

When determining the initial rent to owner, the GRHC must use the most recently published FMR in effect and the utility allowance schedule in effect at execution of the HAP contract.

When redetermining the rent to owner, the GRHC must use the most recently published FMR and the utility allowance schedule in effect at the time of redetermination. At its discretion, the GRHC may for initial rent, use the amounts in effect at any time during the 30-day period immediately before the beginning date of the HAP contract, or for redeterminations of rent, the 30-day period immediately before the redetermination date.

Any HUD-approved exception payment standard amount under the tenant-based voucher program also applies to the project-based voucher program. HUD will not approve a different exception payment stand amount for use in the PBV program.

Likewise, the GRHC may not establish or apply different utility allowance amounts for the PBV program. The same utility allowance schedule applies to both the tenant-based and project-based voucher programs.

Redetermination of Rent [24 CFR 983.302, FR Notice 11/24/08]

The GRHC must redetermine the rent to owner upon the owner's request or when there is a five percent or greater decrease in the published FMR.

Rent Increase

If an owner wishes to request an increase in the rent to owner from the GRHC, it must be requested at the annual anniversary of the HAP contract (see Section 17-V.D.). The request must be in writing and in the form and manner required by the GRHC. The GRHC may only make rent increases in accordance with the rent limits described previously. There are no provisions in the PBV program for special adjustments (e.g., adjustments that reflect increases in the actual and necessary expenses of owning and maintaining the units which have resulted from substantial general increases in real property taxes, utility rates, or similar costs).

GRHC Policy

An owner's request for a rent increase must be submitted to the GRHC 60 days prior to the anniversary date of the HAP contract, and must include the new rent amount the owner is proposing.

The GRHC may not approve and the owner may not receive any increase of rent to owner until and unless the owner has complied with requirements of the HAP contract, including compliance with HQS. The owner may not receive any retroactive increase of rent for any period of noncompliance.

Rent Decrease

If there is a decrease in the rent to owner, as established in accordance with program requirements such as a change in the FMR or exception payment standard, or reasonable rent amount, the rent to owner must be decreased regardless of whether the owner requested a rent adjustment. However, the GRHC may stipulate in the HAP contract that the maximum rent on a unit will not be less than the initial rent.

Notice of Rent Change

The rent to owner is redetermined by written notice by the GRHC to the owner specifying the amount of the redetermined rent. The GRHC notice of rent adjustment constitutes an amendment of the rent to owner specified in the HAP contract. The adjusted amount of rent to owner applies for the period of 12 calendar months from the annual anniversary of the HAP contract.

GRHC Policy

The GRHC will provide the owner with at least 30 days written notice of any change in the amount of rent to owner.

GRHC-owned Units [24 CFR 983.301(g)]

For GRHC-owned PBV units, the initial rent to owner and the annual redetermination of rent at the anniversary of the HAP contract are determined by the independent entity approved by HUD. The GRHC must use the rent to owner established by the independent entity.

Phase-in of Tenant Rent Increases for RAD units. If a tenant's monthly rent increases by more than the greater of 10 percent or \$25 purely as a result of conversion, the rent increase will be phased in over 3 or 5 years. To implement this provision, HUD is waiving section 3(a)(1) of the Act, as well as, 24CFR983.3(definition of "total tenant payment" (TTP)) only to the extent necessary to allow for the phase-in of tenant rent increases. A PHA must create a policy setting the length of the phase in period at three years, five years or a combination depending on circumstances.

The below method explains the set percentage-based phase-in an owner must follow according to the phase-in period established. For purposes of this section "standard TTP" refers to the TTP calculated in accordance with regulations at 24CFR5.628 and the "most recently paid TTP" refers to the TTP recorded on line 9j of the family's most recent HUD Form 50058.

Three Year Phase-in:

- Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion-33% of difference between most recently paid TTP and the standard TTP
- Year 2: Year 2 Annual Recertification (AR) and any Interim Recertification (IR) prior to Year 3 AR- 66% of difference between most recently paid TTP and the standard TTP
- Year 3: Year 3 AR and all subsequent recertification-Full standard TTP

17-VIII.C. REASONABLE RENT [24 CFR 983.303]

At the time the initial rent is established and all times during the term of the HAP contract, the rent to owner for a contract unit may not exceed the reasonable rent for the unit as determined by the GRHC.

When Rent Reasonable Determinations are Required

The GRHC must redetermine the reasonable rent for a unit receiving PBV assistance whenever any of the following occur:

- There is a five percent or greater decrease in the published FMR in effect 60 days before the contract anniversary (for the unit sizes specified in the HAP contract) as compared with the FMR that was in effect one year before the contract anniversary date;
- The GRHC approves a change in the allocation of responsibility for utilities between the owner and the tenant;
- The HAP contract is amended to substitute a different contract unit in the same building; or
- There is any other change that may substantially affect the reasonable rent.

How to Determine Reasonable Rent

The reasonable rent of a unit receiving PBV assistance must be determined by comparison to rent for other comparable unassisted units. When making this determination, the GRHC must consider factors that affect market rent. Such factors include the location, quality, size, type and age of the unit, as well as the amenities, housing services maintenance, and utilities to be provided by the owner.

Comparability Analysis

For each unit, the comparability analysis must use at least three comparable units in the private unassisted market. This may include units in the premises or project that is receiving project-based assistance. The analysis must show how the reasonable rent was determined, including major differences between the contract units and comparable unassisted units, and must be retained by the GRHC. The comparability analysis may be performed by GRHC staff or by another qualified person or entity. Those who conduct these analyses or are involved in determining the housing assistance payment based on the analyses may not have any direct or indirect interest in the property.

GRHC-owned Units

For GRHC-owned units, the amount of the reasonable rent must be determined by an independent agency approved by HUD in accordance with PBV program requirements. The independent entity must provide a copy of the determination of reasonable rent for GRHC-owned units to the GRHC and to the HUD field office where the project is located.

Owner Certification of Reasonable Rent

By accepting each monthly housing assistance payment, the owner certifies that the rent to owner is not more than rent charged by the owner for other comparable unassisted units in the premises. At any time, the GRHC may require the owner to submit information on rents charged by the owner for other units in the premises or elsewhere.

17-VIII.D. EFFECT OF OTHER SUBSIDY AND RENT CONTROL

In addition to the rent limits discussed in Section 17-VIII.B above, other restrictions may limit the amount of rent to owner in a PBV unit. In addition, certain types of subsidized housing are not even eligible to receive PBV assistance (see Section 17-II.D).

Other Subsidy [24 CFR 983.304]

At its discretion, a GRHC may reduce the initial rent to owner because of other governmental subsidies, including grants and other subsidized financing.

For units receiving assistance under the HOME program, rents may not exceed rent limits as required by that program.

For units in any of the following types of federally subsidized projects, the rent to owner may not exceed the subsidized rent (basic rent) or tax credit rent as determined in accordance with requirements for the applicable federal program:

- An insured or non-insured Section 236 project;
- A formerly insured or non-insured Section 236 project that continues to receive Interest Reduction Payment following a decoupling action;
- A Section 221(d)(3) below market interest rate (BMIR) project;
- A Section 515 project of the Rural Housing Service;
- Any other type of federally subsidized project specified by HUD.

Combining Subsidy

Rent to owner may not exceed any limitation required to comply with HUD subsidy layering requirements.

Rent Control [24 CFR 983.305]

In addition to the rent limits set by PBV program regulations, the amount of rent to owner may also be subject to rent control or other limits under local, state, or federal law.

PART IX: PAYMENTS TO OWNER

17-IX.A. HOUSING ASSISTANCE PAYMENTS [24 CFR 983.351]

During the term of the HAP contract, the GRHC must make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments must be made for each month that a contract unit complies with HQS and is leased to and occupied by an eligible family. The housing assistance payment must be paid to the owner on or about the first day of the month for which payment is due, unless the owner and the GRHC agree on a later date.

Except for discretionary vacancy payments, the GRHC may not make any housing assistance payment to the owner for any month after the month when the family moves out of the unit (even if household goods or property are left in the unit).

The amount of the housing assistance payment by the GRHC is the rent to owner minus the tenant rent (total tenant payment minus the utility allowance).

In order to receive housing assistance payments, the owner must comply with all provisions of the HAP contract. Unless the owner complies with all provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.

17-IX.B. VACANCY PAYMENTS [24 CFR 983.352]

If an assisted family moves out of the unit, the owner may keep the housing assistance payment for the calendar month when the family moves out. However, the owner may not keep the payment if the GRHC determines that the vacancy is the owner's fault.

GRHC Policy

If the GRHC determines that the owner is responsible for a vacancy and, as a result, is not entitled to keep the housing assistance payment, the GRHC will notify the landlord of the amount of housing assistance payment that the owner must repay. The GRHC will require the owner to repay the amount owed in accordance with the policies in Section 16-IV.B.

At the discretion of the GRHC, the HAP contract may provide for vacancy payments to the owner. The GRHC may only make vacancy payments if:

- The owner gives the GRHC prompt, written notice certifying that the family has vacated the unit and identifies the date when the family moved out (to the best of the owner's knowledge);
- The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed;
- The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and

- The owner provides any additional information required and requested by the GRHC to verify that the owner is entitled to the vacancy payment.

The owner must submit a request for vacancy payments in the form and manner required by the GRHC and must provide any information or substantiation required by the GRHC to determine the amount of any vacancy payment.

GRHC Policy

If an owner's HAP contract calls for vacancy payments to be made, and the owner wishes to receive vacancy payments, the owner must have properly notified the GRHC of the vacancy in accordance with the policy in Section 17-VI.F. regarding filling vacancies.

In order for a vacancy payment request to be considered, it must be made within 10 business days of the end of the period for which the owner is requesting the vacancy payment. The request must include the required owner certifications and the GRHC may require the owner to provide documentation to support the request. If the owner does not provide the information requested by the GRHC within 10 business days of the GRHC's request, no vacancy payments will be made.

17-IX.C. TENANT RENT TO OWNER [24 CFR 983.353]

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by the GRHC in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in the GRHC notice to the family and owner.

The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by the GRHC is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the GRHC. The owner must immediately return any excess payment to the tenant.

Tenant and GRHC Responsibilities

The family is not responsible for the portion of rent to owner that is covered by the housing assistance payment and the owner may not terminate the tenancy of an assisted family for nonpayment by the GRHC.

Likewise, the GRHC is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. The GRHC is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. The GRHC may not use housing assistance payments or other program funds (including administrative fee reserves) to pay any part of the tenant rent or other claim by the owner.

Utility Reimbursements

If the amount of the utility allowance exceeds the total tenant payment, the GRHC must pay the amount of such excess to the tenant as a reimbursement for tenant-paid utilities, and the tenant rent to the owner must be zero.

The GRHC may pay the utility reimbursement directly to the family or to the utility supplier on behalf of the family.

GRHC Policy

The GRHC will make utility reimbursements to the family.

17-IX.D. OTHER FEES AND CHARGES [24 CFR 983.354]

Meals and Supportive Services

With the exception of PBV assistance in assisted living developments, the owner may not require the tenant to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy.

In assisted living developments receiving PBV assistance, the owner may charge for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of the reasonable rent. However, non-payment of such charges is grounds for termination of the lease by the owner in an assisted living development.

Other Charges by Owner

The owner may not charge extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.

PART X: OTHER RAD RELATED REGULATIONS

17-X.A. Public Housing Family Self-Sufficiency (PH FSS) and Resident Opportunities and Self Sufficiency Service Coordinator (ROSS-SC) programs. Current PH FSS participants will continue to be eligible for FSS once their housing is converted under RAD. The PH-FSS program participants must be converted to the GRHC's HCV-FSS program at conversion. However, PH-FSS participants who were converted to the HCV-FSS program through RAD may not be terminated from the HCV-FSS program or have HCV assistance withheld due to the participant's failure to comply with the contract of participation. Consequently, 24CFR984.303(b)(5)(iii) does not apply to FSS participants in converted properties.

17-X.B. Resident Participation and Funding.

Resident Procedural Rights. According to RAD regulations, the following items must be incorporated into both the Section 8 Administration Plan and the owner's lease, which includes the required tenancy addendum, as appropriate.

- i. **Termination Notification.** HUD is incorporating additional termination notification requirements to comply with Section 6 of the Act for public housing projects that convert assistance under RAD. In addition to the regulations at 24 CFR 983.257, related to owner termination of tenancy and eviction, as modified by the waiver in Section 1.6(C)(3) above, the termination procedure for RAD conversions to PBV will require that PHAs provide adequate written notice of termination of the lease which shall not be less than:
 - A reasonable period of time, but not to exceed 30 days if the health or safety of other tenants, PHA employees, or persons residing in the immediate vicinity of the premises is threatened; or in the event of any drug-related or violent criminal activity or any felony conviction;
 - 14 days in case of nonpayment of rent; and

- 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.
- ii. **Grievance Process.** HUD is incorporating additional procedural rights to comply with the requirements of Section 6 of the Act. For issues related to tenancy and termination of assistance, PBV program rules require the PHA to provide an Opportunity for an informal hearing, as outlined in 24 CFR 982.55. RAD will waive 24 CFR 982.55 (b) in part, which outlines when informal hearings are not required, and required that:
- In addition to reasons that require an opportunity for an informal hearing given in 24 CFR 982.55 (a) (1) (i)-(vi),³¹ an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to a PHA (as owner) action in accordance with the individual's lease or contract administrator in accordance with RAD PBV requirements that adversely affect the resident's rights, obligations, welfare, or status.
 - a. For any hearing required under 24 CFR 982.555 (a)(1)(i)-(vi), the contract administrator will perform the hearing, as is current standard in the program.
 - b. For any additional hearings required under RAD, the PHA (as owner) will perform the hearing.
 - An informal hearing will not be required for class grievances or to disputes between residents not involving the PHA (as owner) or contract administrator. This hearing requirement shall not apply to and is not intended as a forum for initiating or negotiating policy changes between group or groups of residents and the PHA (as owner) or contract administrator.
 - The PHA (as owner) give residents notice of their ability to request an informal hearing as outlined in 24 CFR 982.555(c)(1) for formal hearings that will address circumstances that fall outside of the scope of 24 CFR 982.555(a)(1)(i)-(vi).
 - The PHA (as owner) provides opportunity for an informal hearing before an eviction.

17-X.C. Earned Income Disregard (EID). Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR 5.617. Upon the expiration of the EID for such families, the rent adjustment shall not be subjected to rent phase-in, as described in Section 1.6.C.4; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time.

Under the Housing Choice Voucher program, the EID exclusion is limited to only persons with disabilities (24 CFR 5.617(b)). In order to allow all tenants (including non-disabled persons) who are employed and currently receiving the EID at the time of conversion to continue to benefit from this exclusion in the PBV project, the provision in section 5.617(b) limiting EID to only disabled persons is waived. The waiver and resulting alternative requirement only applies

to tenants receiving the EID at the time of conversion. No other tenant (e.g., tenants who at one time received the EID but are not receiving EID exclusion at the time of conversion (e.g., due to loss of employment); tenants that move into the property following conversion, etc.) is covered by this waiver.