

**City of Amarillo**

**Section 8 Administrative Plan**

**March, 2010**



# TABLE OF CONTENTS

<b>Section I</b>	<b>Introduction.....</b>	<b>5</b>
	Equal Opportunity .....	5
	Fair Housing.....	5
	<b>Language Access Plan</b> .....	6
	Admission Eligibility .....	7
	Restrictions on Assistance to Students Enrolled in an Institution of Higher Education .....	7
	Income Limits at Admission .....	8
	Annual Income .....	8
	Annualizing Annual Income Received In Various Intervals .....	12
	Special Procedures in Annualizing Erratic Sources of Income.....	13
	Child Support Income .....	13
	Annualizing Other Erratic Earned Income .....	13
	Adjusted Income .....	13
	Assets .....	14
	Family Composition .....	14
	Verification Procedures.....	15
	Required Consent.....	15
	Verification Of Income.....	15
	Verification of Assets .....	19
	Income From Assets.....	20
	Verification Mandatory Deductions .....	21
	Verification of Social Security Numbers.....	25
	Verification of Citizenship and Eligible Immigration Status.....	25
	Special Procedures For Verification of Erratic Child Support Income .....	26
	Income Targeting .....	26
	Continuously Assisted.....	26
	Criminal Record Check.....	26
<b>Section III</b>	<b>How Applicants Are Selected.....</b>	<b>28</b>
	Selection Preferences.....	28
	Singles Preference.....	28
	Exceptions to Selection from the Waiting List .....	28
<b>Section IV</b>	<b>Waiting List: Administration of Waiting List.....</b>	<b>29</b>
	Accepting Applications.....	29
	Organization of Waiting List.....	29
	Removal from the Waiting List.....	30
	Funding for Specified Category of Waiting List Families .....	30
	Opening and Closing of Waiting List.....	33
<b>Section V</b>	<b>Grounds for Denial of Admission .....</b>	<b>34</b>
	General Criteria.....	34
	Crime by Household Members .....	34
	Consideration of Circumstances and Evidence .....	36
	Informal Review- Applicants .....	37
<b>Section VI</b>	<b>Leasing A Unit.....</b>	<b>38</b>
	Portability .....	38
	Briefing of Families .....	38
	Voucher Term and Extensions .....	39

Request for Tenancy Approval .....	39
Lease and Tenancy .....	40
Rent Reasonableness.....	40
Disapproval Of Owners.....	41
Participation by Owners of Suitable Units Located Outside Areas of Low Income or Minority Concentration.....	42
Screening of Tenants.....	43
Housing Assistance Payments Contracts.....	43
Use and Occupancy of the Unit .....	43
Family Addition to the Household .....	43
Family Absence From The Unit .....	45
Temporarily Absent Family Member.....	45
Dissolution of a Family.....	46
Family Moves with Continued Assistance .....	47
<b>Section VII        Where Family Can Live and Move.....</b>	<b>47</b>
Where Family Can Lease A Unit .....	47
<b>Section VIII       Dwelling Unit- Housing Quality Standards, Subsidy Standards, and Inspection .....</b>	<b>48</b>
Housing Quality Standards .....	48
Inspections.....	48
Quality Control .....	49
Subsidy Standards.....	49
Unit Size.....	49
Family Flexibility On Unit Size Actually Selected .....	50
<b>Section IX         Rent and Housing Assistance Payment.....</b>	<b>51</b>
Payment Standards .....	51
Affordability Adjustments to Payment Standards .....	51
Family Income and Composition: Regular and Interim Examinations .....	52
Annual Reexaminations .....	52
Failure to Keep Annual Re-exam Appointment .....	52
Failure to Provide Complete Information .....	52
Interim Reexaminations .....	53
Income Change.....	54
PHA Errors.....	54
Minimum Rent.....	55
Utility Allowances .....	56
<b>Section X         Family Obligations: Denial and Termination of Assistance.....</b>	<b>56</b>
Termination of Assistance .....	56
Mandatory Termination.....	56
Authorization to Terminate.....	57
Prohibition of Termination of Assistance as Addressed in the Violence Against Women Act .....	57
Termination of HAP Contract With Owner .....	58
Allegations of Program Violation, Abuse and Fraud.....	58
Owner or Family Debts to the Housing Office .....	61
Payment Agreement for Families .....	62
Payment Schedule for Monies Owed .....	62
Late Payments.....	62
Payment Agreement in Default.....	62

Portability While Monies Owed .....	63
Owner Debts .....	63
Claims .....	63
<b>Section XI          Informal Hearing for Participant.....</b>	<b>64</b>
Participants .....	64
Decisions Subject To A Hearing .....	65
Notification Procedures.....	65
Procedures for Informal Hearing.....	65
<b>Section XII          Special Housing Types .....</b>	<b>67</b>
Special Housing Types .....	67
Section 8 Homeownership Program .....	67
General .....	67
Family Eligibility .....	67
Eligible Units .....	68
Eligible Seller .....	69
Minimum Cash Down payment.....	69
Requirements for Family Search and Purchase .....	69
Homeownership Counseling .....	69
Home Inspections .....	70
Contract of Sale .....	70
Occupancy .....	71
Family Obligations .....	71
Maximum Term of Assistance .....	73
Amount and Distribution of Homeownership Payment .....	73
Portability .....	74
Move with Continued Assistance.....	74
Denial or Termination of Assistance .....	74
<b>Section XIII          Special Procedures, Section 8 Moderate Rehabilitation Program .....</b>	<b>75</b>
<b>Section XIV          Family Self-Sufficiency .....</b>	<b>75</b>
<b>Section XV          Administrative Fee Reserve .....</b>	<b>75</b>
Purchasing Policies.....	75
Limit on Maximum Fee Reserve Expenditure Without Specific Approval .....	76

## **Section I Introduction**

This administrative plan has been prepared by the City of Amarillo's Housing (City) office in conformance with the requirements of 24 CFR 982.54. Certain procedural elements of the Section 8 process are described in this plan. This plan does not duplicate the requirements of the regulations cited below under which the program is administered. Rather, the plan indicates how the City is administering those aspects of the program left to the City's discretion.

Regulations governing the Section 8 program are as follows:

24 CFR 5 Definition of income, income limits, rent, regular reexamination of family income

24 CFR 882 Section 8 Moderate Rehabilitation Program

24 CFR 982 Section 8 Tenant-Based Assistance: Housing Choice Voucher Program

24 CFR 984 Section 8 Family Self-Sufficiency Program

24 CFR 985 Section 8 Management Assessment Program (SEMAP)

This plan is intended to establish local policies for administration of the program and should not be considered an exhaustive treatment of the procedures by which these policies are implemented.

### **Equal Opportunity**

The City of Amarillo, through the administration of the Section 8 Rental Assistance Programs, seeks to:

- Provide eligible families with the opportunity to occupy decent, safe and sanitary housing
- Provide opportunities and promote self-sufficiency and economic independence for program participants.

### **Fair Housing**

It is the policy of the City to comply fully with all Federal, State, and local nondiscrimination laws and operate in accordance with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment and with the Americans with Disabilities Act.

Specifically, the City shall not on account of race, color, sex, religion, creed, national or ethnic origin, familial status, disability or handicap, deny any family or individual the opportunity to apply for or receive assistance under HUD's Rental Assistance Programs, within the requirements and regulations of HUD and other regulatory authorities.

All housing staff members are instructed on Fair Housing, including the local ordinance and Federal and State law. They are also familiar with the Department of Housing and Urban Development pamphlet, Fair Housing USA and the Housing Discrimination Complaint Form 903.

Copies of the Fair Housing U.S.A. brochure are kept on display in the Housing Office along with the Fair Housing Poster and Equal Opportunity Logo. A local Fair Housing brochure is distributed to community service agencies. The brochure is also available in the Housing Office. A 30-second Fair Housing PSA airs periodically through the year on local radio stations and a water bill stuffer is mailed annually. In addition, copies of the City's Fair Housing Ordinance will be available to any family alleging discrimination. Referral to the City Prosecutor's office is made under the City's Fair Housing Ordinance. HUD's toll free number is posted in the lobby area of the Housing Office and is provided to those requesting it. A link to HUD's Fair Housing web page is provided on the City's web page at [www.ci.amarillo.tx.us](http://www.ci.amarillo.tx.us).

To further its commitment to full compliance with applicable civil rights laws, the City will provide access to information to program applicants and participants regarding discrimination. Also, this subject will be discussed during the briefing session. Any complaints will be documented and made part of the applicant's/tenant's file.

### **Language Access Plan**

The City of Amarillo's Community Development Department recognizes the importance of effective and accurate communication between its personnel and the community and has developed a Language Access Plan (LAP), which is an attachment to this Administrative Plan. Language barriers can impede effective and accurate communication in a variety of ways. Language barriers can sometimes inhibit or even prohibit individuals with limited English proficiency (LEP) from accessing and/or understanding certain rights, obligations and services. Ensuring maximum communication ability between Community Development staff and the community serves the interests of both.

The purpose of this LAP is to establish effective guidelines for personnel to follow when providing services to, or interacting with, individuals who are LEP consistent

with federal law prohibiting national origin discrimination, including Title VI of the Civil Rights Act.

The Community Development Department staff shall adhere to this Plan in order to take reasonable steps to provide access to LEP persons to the services and benefits the Department provides in its programs and activities. Staff shall provide free language assistance services to LEP individuals whom they encounter and whenever an LEP individual requests language assistance services. The Department will inform the public that language assistance services are available free of charge to LEP persons. It is important that all staff members become fully aware of the language assistance resources that are available to assist them in providing services to LEP persons.

## **Section II Eligibility and Targeting**

### **Admission Eligibility**

The City will only admit eligible applicants to the Rental Assistance Programs. To be eligible, the applicant must meet the following eligibility criteria:

- The applicant must be a “family” as defined in this plan.
- The applicant must be income eligible.
- A Social Security number must be provided for all family members. The required documentation to verify the SSN is a valid SS card issued by the SSA or an original document issued by a federal or state government agency which contains the individual’s name and SSN. Only the following individuals are exempt from disclosure: individuals who do not contend to have eligible immigration status; tenants age 62+ as of 1/21/2010; tenants who have previously disclosed a valid SSN.
- Applicant must furnish evidence of citizenship or eligible immigrant status. For U.S citizens or U.S. nationals, the evidence consists of a signed declaration of U.S. citizenship or U.S. nationality
- No adult member of the family has been involved in violent criminal activity or drug-related criminal activity during a reasonable time before admission.

### **Restrictions on Assistance to Students Enrolled in an Institution of Higher Education**

No assistance shall be provided to any individual who:

- a) Is enrolled as a student at an institution of higher education, as defined under section 102 of the Higher Education Act of 1965;
- b) Is under 24 years of age;
- c) Is unmarried;
- d) Does not have a dependent child; and

- e) Is not otherwise individually eligible, or has parents who, individually or jointly, are not eligible on the basis of income to receive assistance under section 8 of the 1937 Act.

### **Income Limits at Admission**

To be income eligible, the applicant must be a family in any of the following categories:

- A very low-income family, having a gross annual income below 50% of median family income.
- A low-income family that is continually assisted under the 1937 Housing Act, below 80% of median family income.
- A low-income family that meets additional eligibility criteria specified in this Administrative Plan.
- A low income family that qualifies for voucher assistance as a non-purchasing family residing in a HOPE 1 or HOPE 2 project.
- A low income or moderate-income family displaced as a result of prepayment of a mortgage or voluntary termination of a mortgage insurance contract on eligible low-income housing.
- A low-income family that qualifies for voucher assistance as a non-purchasing family residing in a project subject to a resident home ownership program.

### **Annual Income**

Annual income is defined as all amounts, monetary or not:

- Which go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member, and
- Are based on, at the time of admission, reexamination, or recertification
  - 1) actual income being received (projected forward for a 12-month period); or
  - 2) Past actual income received or earned within the last 12 months of the determination date, when:
    - (i) The family reports little or no income; and
    - (ii) The City is unable to determine annual income due to fluctuations in income (e.g., seasonal or cyclical income);
- Which are not specifically excluded by regulations in 24 CFR 5.609(c) and
- Also include amounts derived from assets to which any family member has access.



Monetary or not, refers to cash as well as non-cash contributions to the household. This includes gifts, non-cash items such as groceries as well as such things as rent and utility payments paid on behalf of the family on a regular basis.

Current family circumstances are used to anticipate income, unless verification forms indicate an imminent change, or that income is cyclical. All income is converted to an annual figure to complete rent calculations. For seasonal employment, the City will annualize current income and then conduct an interim reexamination when income changes.

Income includes:

- The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
- Asset income such as interest, dividends, and net income from real or personal property. Where the family has net family assets in excess of \$5,000, income from these assets will be the greater of the actual income from all net family assets or imputed asset income. Imputed asset income is the net cash value of assets multiplied by HUD-determined local passbook interest rate. In calculating the net cash value of an asset, the City will deduct reasonable costs, which would be incurred in converting the asset to cash. These include penalties for premature withdrawal; broker fees incurred in the sale of stocks, bonds, real estate, and closing costs, not to exceed 5%, incurred in real estate transactions. If an asset is owned jointly in an “and” or “or” account, only that portion owned by the family member will be counted as an asset. The value of necessary items of personal property such as furniture and automobiles shall be excluded as an asset. Any personal property held as an investment is not considered a necessary item.
- The full amount of periodic payments including Social Security, annuities, pensions, disability or death benefits, insurance policies, retirement funds, lotteries, and other similar types of periodic receipts.
- Periodic and determinable allowances, such as child support and alimony payments, and regular contributions (cash or non-cash) or gifts received from persons not residing in the dwelling.
- Payments in lieu of earnings including unemployment, worker’s compensation, or severance pay. (If an individual will not receive periodic payments for the full year, the City will annualize current income and then conduct an interim reexam when the payments stop. Lump sum worker’s compensation payments are not considered income. Only periodic payments are considered as income.).
- Welfare assistance including the amount of reduced welfare income that is disregarded specifically because the family engaged in fraud or failed

to comply with an economic self-sufficiency or work activities requirement. The amount that the welfare benefit has been reduced because of fraud or sanction for noncompliance is identified as “imputed welfare income”. Note: The amount of imputed welfare income is offset by income from other sources received by the family that start after the sanction is imposed.

- Income from temporarily absent family members.
- Military pay of a family member whether or not living in the unit.
- The net income from the operation of a business or profession.
- Lump-sum payments caused by delays in processing periodic payments. (except for Social Security or SSI)
- Any financial assistance, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965, from private sources, or from an institution of higher education, shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, “financial assistance” does not include loan proceeds for the determining of income.

Income does not include:

- Income from employment of children under the age of 18 years
- Payments received for the care of foster children or foster adults
- Lump-sum additions to family assets, such as inheritances, insurance payments, capital gains, and settlement for personals or property losses
- Amounts received by the family for, or in reimbursement of the cost of medical expenses for any family member
- Income of a live-in aide
- Special pay to a family member serving in the Armed Forces who is exposed to hostile fire
- Amounts received under training programs funded by HUD
- Amounts received by a person with disabilities that are disregarded for a limited time for purposes of SSI eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS)
- Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program (special equipment, clothing, transportation, child care, etc.)
- A resident service stipend.

- Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs. Amounts excluded by this provision must be received under programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program.
- Temporary, nonrecurring, or sporadic income, including gifts.
- Reparations payments paid by a foreign government for persons persecuted during the Nazi era
- Earnings in excess of \$480 for each full-time student 18 years or older (excluding the head of household and spouse)
- Adoption assistance payments in excess of \$480 per adopted child
- Deferred periodic payments of supplemental security income and social security benefits that are received in a lump-sum payment or in prospective monthly payments
- Amounts received by the family in the form of refunds or rebates under the state or local law for property taxes paid on the dwelling unit
- Amounts paid by a state agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the family member at home
- Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the 1937 Act.
- Earned Income Disallowance (EID) for persons with disabilities. The EID calls for the exclusion of increases in income attributable to employment by the disabled family member over income received by that family member prior to qualifying for the disallowance. To qualify for the EID, the family must be a program participant and must experience an increase in annual income that is the result of one of the following three events:
  1. Employment by a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment. A person is considered to have been unemployed if he or she has earned less money in the previous 12 months than would have been earned working 10 hours per week for 50 weeks at the established minimum wage.
  2. Increased earnings by a family member who is a person with disabilities and whose earnings increased during participation in an economic self-sufficiency program or other job-training program.
  3. New employment or increased earnings by a family member who is a person with disabilities and who has received TANF benefits or services within the six months.

During the initial 12-month exclusion period, the full amount of the increase of the increase in income attributable to employment or increased earnings is excluded. The initial exclusion period begins on the date the family member first experiences an increase in income due to employment.

During the second 12-month exclusion and phase-in period, the exclusion is reduced to half, or 50 percent, of the increase in increased earnings.

The exclusion period can be interrupted, but in no case may the total number of months between the beginning of the exclusion and the final month of exclusion exceed 48 months. The months in each phase are cumulative, not consecutive. The family also has a maximum of 12 cumulative months for each of the two exclusion periods.

To be considered sporadic, income including employment income, must be infrequent and unpredictable. Income which is irregular is not necessarily sporadic. For example, child support payments may be irregular in the amount but paid on a regular basis. Likewise, an individual employed by a temp agency may work irregular hours but receive regular paychecks. In these examples, periodic reviews would have to be made to annualize income. However, in a case where an individual is employed by a temp agency but rarely works and the agency cannot predict if and when he will work and there is very little work history with the agency, the income would be treated as sporadic income.

### **Annualizing Annual Income Received In Various Intervals**

Income received in various intervals will be converted to annual amounts using the following formulas:

- Full time hourly: amount x 2,080
- Weekly: amount x 52
- Biweekly: amount x 26
- Semimonthly: amount x 24
- Monthly: amount x 12

## **Special Procedures in Annualizing Erratic Sources of Income**

### **Child Support Income**

The full amount of child support payments awarded is counted as income unless it is verified that the payments are not being made.

If payments are irregular, the following guidelines are used to determine annual income:

- Exclude any lump sum payments unless it can be determined that these are regular and can be anticipated. (Ex. amounts captured from the payee's income tax refund) Otherwise, unexpected, irregular lump sum payments are treated as sporadic income.
- When family reports child support payments have stopped and at least 30 days have elapsed since last payment, the income is excluded.
- When a family reports child support payments have resumed, our office considers the recent payment history posted on the Attorney General's web site or received via fax from the Attorney General's Office as well as the amount of court ordered child support verified by court documents. If there is a discrepancy, the lesser of the amounts will be counted and an interim review will be conducted within 60 days.
- Regular payment intervals but irregular amounts- average the payments for the payment history provided
- Irregular payment intervals and irregular amounts- average the payments for the payment history provided
- Payment history reflects a recent return to regular interval and amounts- anticipate the payments will remain regular.

### **Annualizing Other Erratic Earned Income**

If it is not feasible to determine income for a 12-month period due to the nature of the earned income (e.g. self-employment, seasonal employment, temporary staffing positions or "prn" or as needed staff positions, fluctuating hours and/or rates), income is annualized for a shorter period with subsequent redetermination. In such instances, interim reviews will be conducted quarterly. Income is annualized based on the average of the last five pay periods if paid weekly, biweekly or semi-monthly. If paid monthly, commissioned or self-employed, income will be annualized based on the average income of the last quarter.

### **Adjusted Income**

Adjusted income is the annual income of the members of the family residing in or intending to reside in the dwelling unit, less the mandatory deductions:

- \$480 for each dependent

- \$400 for any elderly family or disabled family
- child care
- disability assistance
- medical expenses.

## **Assets**

Assets include:

- Amounts in savings and checking accounts. This is the current single month balance in savings and checking accounts.
- Stocks, bonds, savings certificates, money market funds and other investment accounts
- Equity in real property or other capital investments. Equity is the estimated current market value of the asset less: 1) the unpaid balance on all loans secured by the assets, and 2) reasonable costs (such as broker fees) that would be incurred in selling the assets. In determining the net cash value of real estate, a 6% brokerage fee is used.
- Cash value of trusts that may be withdrawn by the family
- Retirement savings accounts
- If accessible to the family, some contributions to company retirement/pension funds.
- Assets, although owned by more than one person, allow unrestricted access by the applicant.
- Lump sum receipts such as inheritances, capital gains, lottery winnings, insurance settlements, and other claims.
- Personal property held as an investment such as jewelry, coin collections, antique cars, etc.
- Cash value of life insurance policies.
- Assets disposed of for less than fair market value during two years preceding certification or recertification.

## **Family Composition**

- A family may be a single person or a group of persons.
- A family includes a family with a child or children.
- A group of persons consisting of two or more elderly persons or disabled persons living together, or one or more elderly or disabled persons living with one or more live-in aides is a family.
- A family may be two or more persons related by blood, marriage, adoption or other operation of law, or two or more persons who are not so related but who will live together and share resources. (Documenting

shared resources involves a living arrangement that is already in place at admission.) A single person family may be:

- An elderly person (62 years of age or older)
- A displaced person- a person displaced by government action or a disaster recognized by the Federal government, which extensively damaged or destroyed the dwelling.
- A disabled person
- Any other single person
- A child who is temporarily away from the home because of placement in foster care is considered a member of the family.
- A remaining member of a tenant family. This is a member of an assisted tenant family who remains in the unit when other members of the family have left the unit and has the capacity to execute a lease.

### **Verification Procedures**

The verification process during the time of application, before, during and/or after interim and annual reexamination is a critical task in the administration of the City's assisted housing programs. The City's Housing Office verifies all factors relating to eligibility determinations. These include: family composition and type, annual income, assets and asset income, child care and medical expenses, social security numbers, and citizenship or eligible immigration status.

All verifications are valid for 60 days prior to issuance of a Voucher and 120 days for a re-exam. The Housing Administrator makes a quality control check of at least 10% of all files.

### **Required Consent**

The verification process requires the family to provide and disclose information that is true and complete. Each member of the family who is at least 18 years of age, and each family head and spouse, regardless of age, shall sign one or more consent forms including HUD Form 9886. The City will ensure that appropriate consent forms are used to obtain specific information.

### **Verification Of Income**

Information is verified through the five methods of verification acceptable to HUD in the following order:

1. Enterprise Income Verification System (EIV)
2. Review of current tenant provided documents

3. Third-party written verification
4. Third-party oral verification
5. Certification/self-declaration

Up-Front Income Verification- The City is equipped to obtain electronic verification of certain benefits, earned income and unemployment benefits. Verification obtained in this manner is referred to as up-front income verification (EIV). When this type of verification is available, the City will use it together with tenant provided documents for obtaining income information.

Disclosure of EIV Tools Used:

- Computer matching agreements with federal, state or local government agencies or a private agency are used. At this time the City has such an arrangement with The Work Number.
- The State of Texas Child Support Interactive Website is utilized with written consent from the family, as well as other automated benefit call centers with written consent of the family. Examples of such call centers include: Texas Workforce Center unemployment benefits, Amarillo College financial aid and insurance companies.
- Use of HUD's Enterprise Income Verifications (EIV) System. Tenants and applicants reaching the top of the waiting list sign an information sheet concerning the EIV system and are given a copy for their retention.

How EIV Tools Are Used- The City consults EIV system and prints income details report and includes it in tenant file. If additional information is needed, the City uses current tenant-provided documents to calculate anticipated annual income.

How Income Discrepancies Are Identified-

- When the income information reveals an employer or other income source that was not disclosed by the tenant at annual or interim reexam, or when the income information differs substantially (more than \$200 per month) from the information received from the tenant or from his or her employer the City shall request the undisclosed employer or other income source to furnish any information necessary to establish the tenant's eligibility for or level of assistance in the program. Once the discrepancy is verified, the tenant is notified in writing of any adverse findings made on the basis of the information verified and given the opportunity to contest such findings. To demonstrate compliance with mandatory EIV use, the PHA must retain in the tenant file the Income Report for each annual review, and the ICN page for an interim reexam if no discrepancy is found or the Income Report if there is an income discrepancy.
- For each new admission a review of the income report in EIV must be conducted within 90 days of the admission date to confirm/validate the family-reported income.



Actions When Tenant Agrees/Disagrees With Discrepancy- Any income discrepancies must be resolved with the family within 30 days of Income Report date. If the tenant agrees with the discrepancy, the policies for an interim reexamination are followed and the tenant's rent is adjusted accordingly. If the tenant disagrees with the discrepancy, the tenant must respond within ten days of the notice and provide verifiable information to resolve the discrepancy to the City within thirty days of the date of the notice.

Explanation of Actions To Be Taken On Verified Unreported Or Underreported Income- If the City determines that the tenant completed a Tenant Information Form or Personal Declaration Form and deliberately omitted or misrepresented income, assets or allowances, steps will be taken to terminate the tenant's assistance. Termination procedures outlined in Section X of this Plan will be followed. If the misrepresentation resulted in an overpayment in housing assistance that exceeds \$1,500 a complaint will be filed with the Amarillo Police Department for possible criminal prosecution. If less than \$1,500 the tenant will be required to enter into a Repayment Agreement. If the City determines the overpayment occurred over a period of time where the tenant had not completed a Tenant Information Form or Personal Declaration Form and, therefore, no misrepresentation had occurred, the tenant will be required to enter into a Repayment Agreement.

Use of Third-Party Verification to Supplement Up-Front Income Verification Third party verification is required only if: 1) the tenant disputes the EIV data, 2) additional information is required as determined by the City , such as effective dates of employment, pay rate, number of hours worked, pay frequency for new jobs, 3) confirmation of change in circumstances (reduced hours, reduced rate of pay, etc Up-front income verification should not be considered an automatic substitute for other third-party verification. Rather, up-front income verification may supplement other verification documentation, such as original, current tenant-provided documents.

Third-Party Written Verification- Third-party verification is used to verify information directly with the source. Third-party written verification forms are sent and returned via first class mail, fax, or e-mail. The family is required to sign an authorization allowing the information source to release the specified information. Two attempts to obtain third-party verification are made before relying on another method.

Third- party verification forms, including computerized printouts, may not be hand-carried by the family under any circumstances. The City will send requests for third-party written verifications to the source at all times regardless of whether the family provides a computerized printout.

The City will allow four weeks for return of third-party verifications. If third-party verification is not used, the city will document the reasons in the file.

For applicants, verifications may not be more than 60 days old at the time of voucher issuance. For participants, they are valid for 120 days from date of receipt.

File Documentation- Acceptable verifications include EIV + current tenant-provided documents; EIV + current tenant- provided documents + 3<sup>rd</sup> party verification (required when tenant disputes EIV data or City requires additional information)

Third-Party Oral Verification- Oral third-party verification is used when written third-party verification is delayed or impossible. When third-party oral verification is used, staff is required to complete a Certification of Document Viewed or Telephone Verification Form, noting with whom they spoke, the date of conversation, and the facts provided. If oral third-party verification is provided by telephone, the staff person must originate the call. If third-party verification is not available, the City will compare the specified information to any documents provided by the family.

Review of Documents- In the event that third-party written or oral verification is unavailable or information has not been verified by a third party within four weeks, the City will annotate the file accordingly and utilize documents provided by the family as the primary source if the documents contain complete information.

All such documents, excluding government checks, will be photocopied and retained in the family file. When documents cannot be photocopied, staff viewing the documents will complete a Certification of Document Viewed or Telephone Verification Form.

The following documents will be accepted from families:

- Printed wage stubs
- Computer printouts from employers
- Signed letters provided that the information is confirmed by phone
- Official documents from federal, state or local agencies
- Bank statements

The City will not accept photocopies but will accept faxed documents.

If third-party verification is received after documents have been accepted as provisional verification and there is a discrepancy, the City will contact the third-party source and family to resolve differences.

The City will allow one week for families to provide documents when third-party verification is impossible to obtain.

The City will not delay the processing of an application beyond 45 days because a third-party information provider does not return verification in a timely manner.

Self-Certification/Self-Declaration- when information cannot be verified by a third party or by review of documents, families will be required to submit a self-certification. Self-certification means a notarized statement signed under penalty of perjury in the presence of a witness. The City will allow up to one week for a family to provide a self-certification or self-declaration if other forms of verification are impossible to obtain.

## **Verification of Assets**

### Family Assets

The City will utilize the current balance for savings and checking accounts. The City will require the information necessary to determine the current cash value of a family's assets (the net amount the family would receive if the asset were converted to cash).

To document an asset, a third-party verification form is mailed or faxed by the City directly to the financial institution. If third-party verification is not available, the following may be accepted:

- Letters or documents provided directly by a financial institution or broker
- Passbooks, checking account statements, certificates of deposits, bonds, or financial statements supplied by a family if completed by a financial institution or broker
- Real estate tax statements if the approximate current market value can be deduced from them
- Financial statements for business assets
- Copies of closing documents showing selling price and distribution of sales proceeds
- Appraisals of personal property held as an investment
- A family's self-certification describing assets or cash held at the family's home or in safe-deposit boxes

### Assets Disposed of for Less Than Fair Market Value During Two Years Preceding Effective Date of Certification or Recertification

At admissions and reexaminations, the City will obtain each family's certification that it has or has not disposed of assets for less than fair market value during the

two years preceding the effective date of the certification or recertification. If the family certifies that it has disposed of assets for less than fair market value, the certification must show: (a) all assets disposed of for less than fair market value, (b) the date they were disposed of, (c) the amount the family received for each asset, and (d) the market value of each asset at the time of disposition. Third-party verification will be obtained whenever possible.

## **Income From Assets**

Savings or Checking Account Interest and Dividend Income- Acceptable methods of verifications include, in this order:

- City verification forms filled out or other statements supplied by the financial institution or, if these are not available, account statements, passbooks, or certificate of deposit statements supplied by the family
- Broker statements showing the value of stocks or bonds and the earnings credited to the family. (Earnings can also be obtained from current newspaper quotations or orally for brokers.)
- IRS Form 1099 from a financial institution provided that the City adjusts the information to project earnings expected for the next 12 months.

Interest Income from Mortgage and Similar Arrangements- Acceptable methods of verification include, in this order:

- A letter received directly from an accountant, attorney, real estate broker, the buyer, or a financial institution stating the interest due for the next 12 months. (A copy of the check paid by the buyer to the family is not sufficient unless the breakdown of interest and principal is shown.)
- An amortization schedule showing interest for the 12 months following the effective date of certification or recertification.

Net Rental Income from Property Owned by Family- Acceptable methods of verification include, in this order:

- IRS Form 1040 with Schedule E (Rental Income)
- Copies of latest rent receipts, leases, or other documentation of rent amounts
- Documentation of allowable operating expenses of the property: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense
- Lessee's written statement verifying rent payments to the family and the family's self-certification of net income realized

## Verification Mandatory Deductions

In determining adjusted income, the city is required to deduct the following amounts from annual income:

- \$480 for each dependent
- \$400 for any elderly or disabled family
- The sum of the following, to the extent that the sum exceeds 3% of annual income:
  - Unreimbursed medical expenses of any elderly or disabled family; and
  - Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family to be employed.
- Any reasonable childcare expenses necessary to enable a member of the family to be employed or to further his or her education.

### Dependent Deduction

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

Minor status is verified with a birth certificate (certified copy or hospital issued), and social security card showing name, sex, social security number, and date of birth and relationship to head of household.

Full time student status is verified by written third-party verification using the City's Full Time Student verification form mailed to the educational institution. The institution defines what full-time student means for its student population. Options which may be used for verifying full-time student status include: oral third party verification by contacting the institution's registrar's office, a current enrollment status letter showing the school's name and address, dates of enrollment and total number of classes or credits attempted in a given quarter or semester. Verification requests should be mailed directly to the school and completed verification should be received directly from the school.

Disability status for a family member receiving disability benefits from the Social Security Administration may be verified by faxing a verification form to the local SSA office. The deduction for a member not receiving benefits may be verified in writing by a third party who is a qualified professional with knowledge of the person's disability status. In such instances, the City will mail a disability

verification form to the qualified professional, which states the regulatory requirements for qualifying as a person with disabilities.

#### Deduction for Disabled Families

A disabled family is a family whose head, spouse or sole member is a person with disabilities. Disability status will be verified in the same manner as described above.

#### Deduction for Elderly Families

An elderly family is a family whose head or spouse is at least 62 years of age. Birth certificates and social security cards can verify elderly status. Third party written verification of social security benefits received from the local SSA office contains the birth date of the recipient. These can be used to verify birth date in place of a birth certificate.

#### Deduction for Child Care Expenses

Childcare expenses are amounts anticipated to be paid by a family for the care of children under 13 years of age if the care is necessary to enable a family member to do any of the following: actively seek employment, be gainfully employed, or further the member's education. More than one family member may be enabled to engage in any one of these qualifying activities for childcare purposes.

To qualify as "actively seeking employment" a family member must be compliant in an official job search program, which must be verified by the sponsoring agency, or, if in independent job search, the family member must be registered with a Texas Workforce Commission (TWC) Employee Services Specialist and must submit weekly job search worksheets documenting evidence of daily job search activities. The City will initially require written third party verification that the family member is actively seeking employment from the sponsoring agency or TWC and will follow up monthly by telephone as long as the family member is unemployed. To qualify as "furthering education" the family member must be enrolled in an academic or vocational class. Enrollment will be verified through written verification obtained from the institution's registrar's office.

The City uses third-party written verification to verify childcare expense by mailing a Child Care Verification Form directly to the childcare provider. Childcare expenses are deductible only to the extent that they are not reimbursed, they reflect reasonable charges for childcare, and the expenses incurred to enable a family member to work do not exceed the amount earned. Staff will compare the hours during which childcare is provided to the hours family members are working or engaging in one of the other qualifying activities to determine if child care is necessary to enable the qualifying activities.

When more than one family member works, the City will assume that the child care expense enables the lowest paid individual to work, unless this is obviously not the case. When a family member works and goes to school, the City must prorate the childcare expense so that the portion of the total childcare expense that is specifically related to the hours the family member works can be compared with the amount earned.

In estimating annual childcare expenses, changes in expenses due to the school year are built into the annual estimates. The childcare verification form requests the amount charged during the school year and school vacations. The City will use the school year rate for 40 weeks of the year and the vacation rate for 12 weeks of the year to annualize the child care expense. Otherwise, all families are advised that they are required to report decreases in child care expenses within ten days and should report increases as soon as possible as it will affect their rent.

When childcare expenses are incurred by two households with split custody, the expenses will be split evenly for those hours/days during which both parties are enabled to be engaged in one of the qualifying activities.

The City will use reasonable costs used by the local Child Care Management System as a guide in determining reasonableness for childcare expenses.

#### Deduction for Medical Expenses

The medical expense deduction is permitted only for households in which the head or spouse is elderly or disabled. Medical expenses are expenses anticipated to be incurred during the 12 months following certification or reexamination which are not covered by an outside source such as insurance. The medical allowance is intended to anticipate regular, ongoing and anticipated expenses during the coming year.

IRS Publication 502 is used as guidance in determining allowable medical expenses that may include:

- Services of doctors and health care professionals
- Services of health care facilities
- Medical insurance premiums
- Prescriptions and non-prescriptions if prescribed by a physician
- Transportation to treatment
- Dental expenses, eyeglasses, hearing aids, batteries
- Live-in or periodic medical assistance

- Monthly payment on accumulated medical bills. The allowance may include only the amount expected to be paid in the coming 12 months.

The City will request third party written verification of medical expenses. Privacy laws are making it more difficult to verify medical expenses, however. If a health care provider does not respond to a request for verification of a medical expense, the City may review tenant-provided documents.

#### Disability Assistance Expense Deduction

Families are entitled to a deduction for unreimbursed medical expenses to cover care attendants and auxiliary apparatus for each member of the family who is a person with a disability, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older, and who are able to work because of such attendant care or auxiliary apparatus.

When imposing the employment income ceiling, the City will consider:

- If the assistance enables more than one person to be employed, the incomes of those person will be combined to determine the ceiling
- If an auxiliary apparatus enables the person with a disability to be employed and frees another person to be employed, the allowance cannot exceed the combined incomes of those two people.

If both childcare and a disability expense are needed to enable a person in the family to work, the employment income used to justify the childcare allowance for employment purposes may not be used to also justify the disability assistance allowance. For example:

The family pays: childcare	\$100 per week
Disability assistance	\$100 per week
Total	\$200 per week

The combined care enables an adult to work and earn \$150 per week. The total for **both** the disability assistance allowance and the childcare allowance for employment purposes may not exceed \$150 per week.

The care and apparatus deduction includes, but is not limited to, the unreimbursed costs associated with:

- Attendant care: In-home care, adult day care, nursing, housekeeping, personal care, and errand services, and interpreter for persons who are hearing impaired, or a reader for persons with visual disabilities.



- Auxiliary apparatus: Including wheelchairs, walkers, scooters, ramps, adaptations to vehicles, service animals and special equipment to enable a blind person to read or type. The cost of maintenance and upkeep of the auxiliary apparatus is also included.

### **Verification of Social Security Numbers**

All family members who are six years of age or older who have social security numbers (SSNs) are required to disclose them and provide documentation to verify their SSNs.

A valid SSN card issued by the SSA serves as verification of an individual's SSN. In addition, an original document issued by a federal or state government agency that contains the individual's name and SSN can be used.

### **Verification of Citizenship and Eligible Immigration Status**

Eligibility for federal housing assistance is limited to U.S. citizens and applicants who have eligible immigration status. Persons claiming eligible immigration status must present appropriate immigration documents, which must be verified through the Immigration and Naturalization Service (INS).

Every applicant for and participant in the voucher program must sign a certification for every household member either claiming status as:

- A U. S. citizen
- An eligible alien, or
- Stating the individual's choice not to claim eligible status and acknowledge ineligibility.

For household members claiming U.S. citizenship, only a declaration signed by the household member is required. For an adult, the adult must sign the declaration. For a child, the declaration must be signed by an adult (who will be residing in the unit) who is responsible for the child. All new adult and child additions to the household must have their status determined prior to admission to the household. Non-citizens claiming eligible immigration status must provide all of the following evidence:

- The signed declaration of eligible immigration status;
- One of the INS documents specified in the rule;
- A signed verification consent form describing transmission and use of the information obtained.

## **Special Procedures For Verification of Erratic Child Support Income**

The full amount of child support payments awarded is counted as income unless it is verified that the payments are not being made.

The following documentation is required to verify that the family receives less than the court ordered amount of child support:

- Current print out from the child support enforcement agency indicating the dates and amount of payments actually received
- If payments have stopped, faxed verification received from the State of Texas Attorney General's Office. This verification will provide the amount of the court ordered child support as well as the date and amount of the last payment actually received.
- With family's written permission, information accessed on the Internet through the State of Texas Child Support Interactive website which provides the date and amount of the last 12 payments made. Depending on the frequency of the payments, this will provide a three to twelve month payment history.

## **Income Targeting**

Not less than 75 percent of the families admitted during the fiscal year from the waiting list shall be extremely low income.

## **Continuously Assisted**

An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the voucher program. An interruption between assistance under one of these programs, which lasts longer than 180 days, will be considered to break continuity of assistance under the 1937 Housing Act.

## **Criminal Record Check**

As a part of the eligibility determination, the City will run a criminal history report on all adult household members. The applicant and all adults listed on the application must sign a release allowing the City to request a copy of a criminal history report.

The City uses two methods to obtain criminal history reports. The City subscribes to Public Data.com which is an Internet service providing multi-state criminal history and sex offender information. In addition, a criminal history search is also performed through the Texas Department of Public Safety's (TDPS) secured website. A Sex Offender search for each family member 17 years of age and older

is also performed through the TDPS website. The TDPS searches the following databases:

- 1) The Texas DPS Computerized Criminal History database. The City is provided a copy of any criminal history conviction record information
- 2) The Texas Crime Information Center and National Crime Information Center warrant databases. The City is provided a copy of any outstanding warrants.
- 3) The National Crime Information Center Interstate Identification database. The City is provided a notification that the subject may have a possible out-of-state record. The City will attempt to obtain this information directly from the state using telephone numbers provided by TDPS. If this attempt fails, the City may obtain a copy of the complete out-of-state record by submitting fingerprints to TDPS who in turn will submit them to the FBI.

If the City obtains criminal record information showing that a household member has been convicted of a crime relevant to applicant screening, the City will notify the household of the proposed action to be based on the information and will provide the subject of the record and the applicant a copy of such information, and an opportunity to dispute the accuracy and relevance of the information. This opportunity is provided before a denial of admission on the basis of such information.

All criminal reports are maintained confidentially, not misused, or improperly disseminated, and the utmost security is maintained. The reports, while needed, are stored in a locked file with access restricted to those responsible for screening and determining eligibility.

If the applicant is determined to be eligible for admission, the criminal report shall be destroyed as soon as the applicant is housed. If the applicant is denied assistance, the criminal record information shall be destroyed immediately upon completion of the informal hearing and a final decision has been made. The City will document in the applicant's file the circumstances of the criminal report and the date the report was destroyed.

If, at any time during program participation, the City has reasonable cause to believe that a household member is engaging in drug-related or other criminal activity which would pose a threat to the health, safety, or right to peaceful enjoyment of the premises by other residents, the City may conduct a subsequent criminal check of the household member.

The City will conduct a criminal history on any individual 17 years or older which is added to the lease after initial occupancy.

## **Section III      How Applicants Are Selected**

### **Selection Preferences**

#### **Local Preference- Families Displaced by Hurricane Katrina or Rita**

In September, 2009 the City received an allocation of 51 vouchers to assist families displaced by Hurricanes Katrina and Rita. This allocation requires a local preference for admission to the Housing Choice Voucher program for these families. This preference provides further that eligible families who have recently left or will be leaving FEMA temporary housing units or FEMA's Alternative Housing Pilot Program, including Katrina cottages, must be given preference over all other displaced families. Families will be considered to have recently left a FEMA provided temporary housing unit or FEMA's Alternative Housing Pilot Program, including Katrina cottage, if they vacated their unit on or after June 24, 2009. The number of applicants that may qualify for this preference, however, is limited to the first 51 eligible applicants.

The City has adopted no other local preferences to select applicants from the waiting list. Selections are otherwise based on date and time of application.

#### **Singles Preference**

One or two person elderly, disabled or displaced families will be admitted before an applicant who is single, but who is not elderly, displaced, or a person with disabilities.

#### **Exceptions to Selection from the Waiting List**

Under the following circumstances a Voucher will be issued without regard to date and time of application:

- Families assisted under the Moderate Rehabilitation Programs who are required to move due to a change in family size and are considered under or over housed
- Families assisted under the Moderate Rehabilitation Program who have fulfilled their initial lease term, would have reached the top of the waiting list based on date of original application, and move in accordance with lease provisions
- Families whose post rental rehab rent burden exceeds 35% of their adjusted gross income
- Households exiting the City's Supportive Housing Program who, without moving onto the Housing Voucher Program, would be at risk of becoming homeless again
- Families who qualify and are displaced within the last twelve months due to a Federally declared disaster.

No more than 10% of Vouchers issued annually will be issued to such families.

## **Section IV      Waiting List: Administration of Waiting List**

### **Accepting Applications**

Applications for rental assistance are available in the Housing Office located in the City Hall Building, 509 East 7th in Room 104. Applications are accepted on the first Tuesday of each month between 8 a.m. and 4 p.m. However, in cases of emergency or hardship, applications are accepted on an as needed basis in the Housing Office or by mail. Applications may be requested by mail or telephone when circumstances make it difficult to apply in person. The application may be obtained from the city's web site.

Applicants must complete a written pre-application form for admission to and placement on the waiting list. Preliminary determination of eligibility is made from information on the application including:

- Applicant name, relationship, birth date, sex, disability status and social security
- Number of all household members
- Present street address and separate mailing address if applicable
- Race and ethnicity of head of household
- Current housing status
- Income, assets and banking information
- Disclosure if evicted from subsidized housing for drug-related criminal activity
- Certification of truth and accuracy
- Signature line for head
- Status as current recipient of subsidized housing
- Citizenship status
- Date and time of application

### **Organization of Waiting List**

The waiting list is organized by date and time of application. The waiting list indicates the following:

- Family name
- Family size and family unit size
- Date and time of application receipt
- Racial and ethnic designation of the head of household
- Disability status

- Qualification for any targeted vouchers under the Mainstream, Family Unification, Homeless, Welfare-to-Work Voucher Programs or vouchers for families displaced by Hurricanes Katrina or Rita
- Estimate of annual income

All applicants determined to be eligible are placed on the waiting list by date and time of application. Receipt of application is acknowledged by letter. The letter informs the applicant whether, on the basis of the information provided, he has been determined eligible for the Section 8 program. The letter further advises applicants of the estimated waiting period and that it is their responsibility to notify the City of any change in address and family size.

Applicants determined ineligible are notified of the reason for the determination, and of their right to request an informal review to dispute the ineligibility determination.

### **Removal from the Waiting List**

Applicants' names are removed from the waiting list for the following reasons:

- The applicant requests their name be removed
- The applicant was advised of a requirement to notify the Housing Office of its continued interest and failed to do so. Periodically, purge letters are mailed to applicants on the waiting list instructing them to notify the Housing Office if they are still interested in receiving rental assistance. The notice states that if the applicant fails to respond within ten days, their name will be removed from the waiting list and their application will be considered inactive. The applicant may be reinstated on the waiting list if the applicant states such a notice was not received and contacts the Housing Office within six months of the date of the notice.
- The applicant fails to keep an appointment and fails to notify the Housing Office within ten days after the date of the appointment, of his/her inability to keep an appointment, or the applicant fails to supply documentation required by the Housing Office
- Ineligibility

*Note:* If an applicant is otherwise eligible for the Section 8 Program but is denied assistance for a specific targeted program because the applicant does not meet the specific requirements for that program, the applicant will retain their position on the HCVP regular waiting list.

### **Funding for Specified Category of Waiting List Families**

Special procedures are followed in selecting families for special programs. These programs are:

## 1. HOME Rental Rehabilitation Program

- a) Families living in the Rental Rehabilitation unit and who are displaced because of physical construction, overcrowding, or change in use of the unit must submit an application and be eligible to participate under the criteria listed in this plan. A Voucher will then be issued.
- b) A Voucher will be issued to a lower income family living in a Rental Rehabilitation unit if the family would pay over 35% of its income for rent as a result of rehabilitation.
- c) A Voucher will be issued to any eligible very low-income family living in a Rental Rehabilitation project who has a post-rehabilitation rent burden in excess of 30% of adjusted income.

## 2. Homeless Voucher Program

The City has received funding for 113 vouchers to house homeless families. The waiting list identifies those families who indicate a homeless status at the time of application. These families are notified of the availability of the homeless vouchers in order of the date and time of their application. If an applicant is no longer homeless, the applicant remains on the waiting list based on the original date and time of their application.

To be considered homeless, the family must:

- Lack a fixed, regular and adequate night-time residence and have a primary night-time residence that is a supervised public or private operated shelter designated to provide temporary living accommodations, or
- Is in an institution that provides temporary residence for individuals intended to be institutionalized (not incarcerated, i.e. jails and prisons), or
- Is in a public or private place not designated or normally used as a regular sleeping place for humans.

Once all available homeless vouchers are issued, homeless applicants are selected in the same manner and order as other applicants. As a homeless family who was issued a homeless voucher leaves the program, the next homeless family on the waiting list will again receive priority over all other applicants and be housed in order to maintain the targeted number of 113 families.

In the event that there are insufficient applicants to meet the targeted homeless threshold, vouchers will be issued to other applicants with a preference to stay fully leased. Vouchers will not be withheld waiting for potential homeless applicants.

## 3. Mainstream Program

The City has 130 vouchers under the Mainstream Program. Of these, 50 are targeted to non-elderly disabled. These vouchers are issued to only those

families where the head or spouse is disabled. A designation has been created so that these applicants can be readily identified and a “list within a list” created where only these families are notified when a Mainstream Voucher is available. These families are notified on a first come first served basis by the date and time of application. The families will continue to be listed on the regular waiting list and are issued a Voucher from whichever list they reach the top of first.

#### 4. SRO Mod Rehab Converted to Vouchers

Under the Section 8 SRO Mod Rehab Program, only eligible homeless single individuals were assisted. When the ACC contract expired on this program, the units were converted to Section 8 Certificates and subsequently converted to Vouchers. These 33 vouchers continue to be set aside to assist homeless, single individuals. The applicants who qualify as a single, homeless individual are placed on the SRO waiting list and notified on a first come first served basis by the date and time of their application with the exception that those with a mental illness are assisted before those without one. A homeless single individual who is disabled will also appear on the waiting list for the Mainstream Program and will be assisted on whichever program has the first opening.

#### 5. Welfare-to-Work Voucher Program

The City was originally awarded 100 Welfare-to-Work Vouchers (WTW). In 2004 HUD will begin to phase out the WTW voucher program and issuance of WTW vouchers that are not currently under lease and those that become available through turnover will no longer be subject to HUD’s WTW voucher program requirements. At this time, the City chooses to continue to commit a minimum of 50 vouchers to the WTW program.

In addition to meeting the eligibility requirements of the regular tenant-based Section 8 assistance program, the applicant must also meet the following additional requirements:

- When initially selected the family must be eligible to receive, be currently receiving, or shall have received within the past two years, assistance or services funded under the TANF program;
- Housing assistance must be determined to be critical to the family’s ability to successfully obtain or retain employment; and
- The family shall not be receiving Section 8 tenant-based assistance.

Eligible families are selected for participation in the following order:

- Families who have received TANF and participated in the CHOICES program in the past two years and whose TANF benefits have been exhausted. These families must be employed or in a training program.
- TANF recipients who are participating in a welfare-to-work program including CHOICES and JTPA and will lose TANF benefits within 12 months.
- Any other eligible family participating in the welfare-to-work program.



- Families who are receiving TANF benefits and who are exempt from work related activities but are voluntarily participating in a welfare-to-work program.
- Any other family meeting the welfare-to-work eligibility requirements.

At the time of application, the applicant completes a welfare-to-work form indicating which of the above categories apply and is identified as eligible for the welfare-to-work program when listed on the waiting list. This allows these applicants to be readily identifiable when a welfare-to-work voucher becomes available. The family continues to be listed on the regular waiting list and is assisted by whichever program has the first opening.

6. Family Unification Program

The City has 30 Vouchers under the Family Unification Program. Besides meeting the eligibility requirements of the regular Section 8 assistance program, a family must meet the following additional requirement:

An eligible family is one, which the Texas Department of Family and Protective Services has certified that the lack of adequate housing is a primary factor in the imminent placement of a family's child or children in out-of-home care, or in the delay in reuniting the child(ren) who are in out-of-home care with the family.

These families are identified as being eligible for the Family Unification Program when listed on the waiting list. Families are selected for participation by the date and time of application. The family continues to be listed on the regular waiting and is assisted by whichever program has the first opening.

7. Family Unification Program for Youth

The City has 10 Vouchers under the Family Unification Program. Besides meeting the eligibility requirements of the regular Section 8 assistance program, a family must meet the following additional requirement:

An eligible applicant is one which the Texas Department of Family and Protective Services has certified is a youth 18 to 21 years of age who left foster care at age 16 or older and lacks adequate housing.

8. Families Displaced by Hurricanes Katrina or Rita

The City has 51 vouchers to assist families displaced by Hurricanes Katrina or Rita. An eligible family is one who has recently left or will be leaving FEMA temporary housing units or FEMA's Alternative Housing Pilot Program, including Katrina cottages.

**Opening and Closing of Waiting List**

The Housing Office maintains an open waiting list policy.

## **Section V      Grounds for Denial of Admission**

### **General Criteria**

The City will deny assistance to applicants who:

- Fail to complete any aspect of the application or lease-up process;
- Do not meet any one or more of the eligibility criteria;
- Owes rent or other amounts to any housing authority in connection with Section 8 or public housing programs. A search is made prior to admission in the EIV system.
- Have committed fraud, bribery, or any other corrupt act in connection with any Federal housing assistance program in the last five years, including the intentional misrepresentation of information related to their housing application or benefits derived there from;
- Have a household member who left the Section 8 program within the last year with a serious lease violation. A serious lease violation includes unpaid rent, unpaid damages, unauthorized occupants, move without required notice, or failure to complete the initial lease term; or,
- Have been convicted within a reasonable time before admission of: (1) drug-related criminal activity; (2) violent criminal activity; or (3) other criminal activity which may threaten the health, safety, or right to peaceful enjoyment of the premises by other resident or persons residing in the immediate vicinity. For purposes of this section, conviction includes those individuals who plead guilty to a crime and are granted deferred adjudication.

### **Crime by Household Members**

#### Definitions of Terms Used In This Section

*Drug-related Criminal Activity-* The illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sale, distribute or use the drug.

*Violent Criminal Activity-* Any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

*Crimes That May Threaten-* Among the crimes that threaten health, safety, or right to peaceful enjoyment of the premises are:

- Crimes of violence (murder, battery, assault)
- Crimes against property (burglary, larceny, robbery)
- Crimes that impose financial cost (vandalism, arson)
- Crimes that involve disturbing the peace

*Reasonable cause* – includes information from the criminal reports, credible informants, police reports, and newspaper articles.

*Reasonable time* is defined as:

- One year from date of conviction for misdemeanor offenses or state jail felony
- Two years from date of conviction for felony conviction of 3<sup>rd</sup> degree or less
- Five years from date of conviction for 2<sup>nd</sup> degree felony offense
- Ten years from date of conviction for first-degree felony offense.

*“Currently engaged in”* criminal activity means the person has engaged in the activity recently enough to justify a reasonable belief that the behavior is current.

Drug-Related Crime by Family Members- The City must deny assistance to applicants who:

- Have a household member who was evicted or terminated from federally assisted housing within the last three years for drug-related criminal activity. However, the City may admit the household if it determines: (a) that the evicted household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program, or (2) that the circumstances leading to the eviction no longer exist (for example, the criminal household member has died or is imprisoned).
- Have a household member who is currently engaging in illegal use of a drug;
- The City has reasonable cause to believe that a household member’s illegal drug use or a pattern of illegal drug use may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity;
- Have a household member who has been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing.

Denial of Admission to Alcohol Abusers- The City will deny admission to applicants who:

- The City has reasonable cause to believe that a household member’s abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

Denial of Admission to Sex Offenders- The City must deny admission to applicants who:

- Have a household member who is subject to a lifetime registration requirement under a State sex offender registration program. If the registration requirement is for a period less than lifetime, the City will deny admission until such registration requirement expires.

Denial of Admission- Other Crimes: The City will deny admission to applicants who:

- Have a household member who is currently engaged in, or has engaged in during a reasonable time before admission: (1) drug-related criminal activity; (2) violent criminal activity; or (3) other criminal activity which may threaten the health, safety, or right to peaceful enjoyment of the premises by other resident or persons residing in the immediate vicinity.

Denial Due to Domestic Violence- The City of Amarillo will not deny admission solely for the reason that an individual is a victim of domestic violence, stalking, dating violence, or sexual assault .

### **Consideration of Circumstances and Evidence**

In determining whether to deny admission the City:

- May consider all relevant circumstances such as the seriousness of the case, the extent of participation or culpability of individual family member, mitigating circumstances related to the disability of a family member, and the effects denial of admission on other family members who were not involved in the action or failure to act;
- May impose a requirement that household members who participated in or were culpable for action or failure to act will not reside in the unit;
- Will consider information that appears on the criminal history report and information obtained from other sources such as police incident reports, landlords, employers, social service agencies, substance abuse centers, acquaintances, other tenants and records of complaints
- May consider if the applicant has sufficient evidence that the members of the household are not currently engaged in, and have not engaged in, such criminal activity during a reasonable period before the admission decision. Sufficient evidence would include a certification by the applicant or the family member that he or she is not currently engaged in and has not engaged in such criminal activity during the specified period and providing supporting information from such sources as a probation officer, a landlord, social service agency workers and criminal records.
- May consider whether the household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully. For this purpose, the City may require the applicant to submit evidence of the household member's current

participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.

### **Informal Review- Applicants**

Any applicant who is determined to be ineligible for or denied assistance under the Section 8 Housing Program is notified of the decision in writing within ten days. Denial of assistance includes placement of the waiting list, issuance of a Voucher, or participation in the program. The notice contains a brief statement of reasons for the decision, advises the applicant of the right to an informal review (24CFR 982.554) which must be requested in writing within ten days of the date of the notice. The request must be addressed to the Housing Administrator. The applicant is notified of the scheduled date for the review within 5 working days of receipt of the written request. The informal review is conducted by the Community Development Administrator.

At the review, the applicant is given the opportunity to present written or oral objections to the decision. The Housing Administrator explains the basis for the denial and provides any appropriate evidence. Within 5 working days of the informal review the Community Development Administrator of the final decision notifies the applicant in writing. This notice includes a brief statement of the reasons for the decision.

The following procedures apply:

- The Community Development Administrator regulates the conduct of the review.
- Before the review, the applicant has the opportunity to examine documents directly relevant to the review.
- A lawyer or other representative may represent the applicant, at his own expense.
- The City must be allowed to copy documents or evidence provided by the applicant. If the applicant does not make the documents or evidence available for copies, the applicant may not rely on it.
- The Housing Administrator presents evidence to support the decision to deny assistance. The applicant or his representative has the opportunity to present evidence contrary to the decision.
- Each side has the opportunity to present and question witnesses.
- Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.
- Notes will be taken to document those in attendance, and statements presented.
- The final ruling of the hearing officer must be based on evidence presented at the review.

## **Section VI      Leasing A Unit**

### **Portability**

Applicants who were nonresidents at time of application are required to initially lease up in the City of Amarillo's jurisdiction.

### **Briefing of Families**

Group briefings are conducted weekly and individual briefings are held when warranted to accommodate a family. All families (head of household) are required to attend the briefing before receiving a voucher. A Voucher Holder's Packet is provided to the applicant at the time of the oral briefing. Items included in the briefing packets are:

- The term of the voucher, policies on extensions and an explanation of how the family can request an extension;
- How the housing assistance payment is determined including information on Payment Standards and the utility allowance schedule
- How the maximum rent for an assisted unit is determined
- What the family should consider in deciding to lease a unit including the condition of the unit, whether the rent is reasonable, the cost of any tenant-paid utilities and the location of the unit
- Where the family may lease a unit including an explanation of portability
- The Lease and Lease Addendum forms
- How to request approval to lease a unit including the Request for Tenancy Approval Form, W-9 Form, General Information for Owners, Regulation Changes, and Lead Paint Disclosure Certification
- The City's policy on providing information about a family to prospective owners
- The subsidy standards, including when exceptions will be considered
- The "Good Place To Live" brochure
- The HUD lead-based paint brochure
- The housing discrimination complaint form and Fair Housing brochure
- Family obligations under the program
- Grounds for termination of assistance
- Informal hearing procedures
- A list of owners who participate in the program and notice that the family may request the current listings of any accessible units known to the City
- The Housing Assistance Payments Contract
- Maps identifying low-income census tracts, major employers, day care centers and schools
- Information on the Violence Against Women Act

## **Voucher Term and Extensions**

A Housing Voucher is issued for an initial period of 60 days. An extension of thirty days is granted if requested by the family. Before granting an extension, the family is required to complete an updated Personal Declaration form and report any required changes in income and family composition. A second extension of thirty days will be granted only for the following extenuating circumstances:

- Serious illness in the family
- Death in the family
- Family emergency
- Family size or other special requirements that has made finding a unit difficult.

The family may be required to provide documentation of such circumstances.

The Housing Office notifies those families whose Vouchers have expired before issuing additional Vouchers to new families. A tickler system is used to insure that no Voucher expires without notification to the holder. Notification of expiration occurs twice. Notice is given thirty days prior to the expiration date to allow the holder the opportunity to request an extension. Notice is again given on the expiration date.

When a Request for Tenancy Approval (RTA) and proposed lease is received by the City, the term of the voucher will not be suspended while the City processes the request. Suspension means stopping the clock on a family's voucher term when a family submits the RTA until the Housing Office approves or denies the request.

If an applicant's voucher term or extension expires before the family has submitted a RTA, the PHA will require the family to reapply for assistance. If the City subsequently disapproves the RTA (after the voucher term has expired) the family will be required to reapply for assistance.

## **Request for Tenancy Approval**

Once a family finds a suitable unit, it must submit:

- A completed Request for Tenancy Approval form
- An unexecuted copy of the proposed Lease
- W-9 Form completed by the owner
- Owner information sheet signed by the owner
- Lead Paint Disclosure Certification

The Housing Technician, who makes a preliminary determination of rent reasonableness, reviews the Request for Tenancy Approval and the Lease. Rent reasonableness is determined after the Housing Quality Standards (HQS) inspection,

which is scheduled upon receipt of the Request for Tenancy Approval. A family may only submit one Request for Tenancy Approval at a time.

## **Lease and Tenancy**

The tenant must have legal capacity to enter into a lease under state or local law. The lease must be in the standard form the owner uses in the locality for rental to unassisted tenants. The lease must include the following information: names of the owner and tenant, unit address, term of the lease, including initial term and provisions for renewal, amount of monthly rent to owner, and specifications of what utilities and appliances the owner must supply and what utilities and appliances the family must supply. The lease must include verbatim the HUD-prescribed tenancy addendum. If the owner does not have such a lease, the Housing Office has developed a Lease Agreement for each of the housing programs that may be used by owners.

The Housing Office will not approve the assisted tenancy unless it has determined that all of the following meet program requirements:

- The unit has been inspected and meets HQS
- The lease includes the Tenancy Addendum
- The unit is eligible
- The rent is reasonable and approvable
- The family share does not exceed 40 percent of the family's monthly adjusted income
- The owner must not owe any delinquent taxes on the unit. The City may approve the assisted tenancy if the Owner enters into an Agreement with the proper authority to repay the delinquent taxes. A copy of the Agreement must be furnished to the Housing Office prior to execution of the HAP Contract. Payments must remain current during the term of the HAP contract .

The initial term of the lease must be for at least one year, except that the Housing Office may approve a shorter term if that would improve housing opportunities for the tenant and is the prevailing local market practice. The lease may not take effect before the date it is signed by both owner and tenant.

## **Rent Reasonableness**

The Housing Technician certifies and documents on case-by-case basis that the Contract Rent for each unit for which a lease has been approved is:

- Reasonable in relation to rents being charged for comparable units in the private unassisted market
- Not in excess of rents being charged for similar units on the premises



The Housing Office maintains a database of rental units throughout Amarillo. The data is maintained both geographically and categorically. Amarillo is divided into six planning areas, East, North Central, Northwest, South, South Central and Southwest. Within each planning area, data is maintained by unit type and bedroom size. For each unit the following information is entered: planning area, census tract, address, quality, number of bedrooms, type of unit, address, owner name, the rent amount, any amenities and facilities, date built, any management and housing services and utilities and appliances included in the rent. .

Using a standard Housing Survey Form, information is gathered from the Sunday classifieds of the local newspaper, trade publications, property management firms and property listings received in the Housing Office. Each application day, applicants for the Housing Voucher Program are also asked to complete a Housing Survey Form on the unit they currently rent. Data is added to the database continuously.

The housing software used by the City tracks and utilizes this information for rent determinations. The system automatically searches the database for the three most comparable units according to their similarity percentage. This number indicates how closely the comparable units resemble the assisted units according to bedroom size, location, unit type, quality, age, accessibility, utilities and amenities provided. In cases where the units are too unusual to find similar matches, the software allows for manual comparisons. In such cases, the software allows the user to enter less specific search criteria to help find similar units.

Once the three most similar units have been identified, the rent reasonableness determination can be made. A Rent Reasonableness Certification form is then printed, signed, dated and placed in the tenant file.

In reviewing a unit for rent reasonableness, the inspector's comments are also considered. During the Housing Quality Inspection, the inspector notes the condition of such things as the walls and floor coverings as well as amenities in the unit and facilities on the property. Based on the inspector's report and comparable units in the database, a determination is made.

Rent reasonableness forms are completed for every new contract; before any increase in the rent to owner; if there is a five percent decrease in the published FMR in effect 60 days before the contract anniversary date as compared with the FMR in effect one year before the contract anniversary date; and if directed by HUD.

### **Disapproval Of Owners**

In addition to certain federal sanctions of owners, the City will not approve a Lease on any property on which local property taxes are delinquent. Owners may also be disapproved if:

- The owner has committed fraud, bribery, or any other corrupt criminal act in connection with any federal housing program
- The owner has engaged in drug-trafficking or other drug related criminal activity
- The owner has a history of violating Housing Quality Standards
- The owner is an employee of the City
- The owner is the parent, child, grandparent, grandchild, sister or brother of any member of the family to be assisted, unless approving the unit would provide reasonable accommodation for a family member with disabilities

### **Participation by Owners of Suitable Units Located Outside Areas of Low Income or Minority Concentration**

New and prospective owners are briefed on advantages of participation in the program and the role and responsibilities of each party (owner, tenant, and PHA). Personal contact with potential owners is the most effective method of increasing participation. Periodically presentations are made to groups such as the Board of Realtors and Apartment Associations. Information is also available on the City's web page. In addition, voucher holders know that if, during their housing search, they encounter an owner who is not familiar about the program, they or the owner can call the caseworker that will immediately provide additional program information and answer questions.

Information sheets summarizing the Housing Programs and Housing Quality Standards are available and are mailed to owners who make inquiries to the Housing Office. Notices are mailed to owners throughout the year to keep them advised of regulation changes and program status. Information is available on the City's web page.

Special outreach may be conducted where owners are invited in small groups to attend a briefing session on the housing programs. This provides an informal forum where owners can speak frankly and have their specific concerns addressed. This has proven effective in placing tenants outside areas of low income or minority concentration and in assisting special populations who may need additional or unique assistance.

By offering immediate referrals of program families searching for units if owners list their units with the Housing Office, the City has been successful in recruiting owners. Notebooks are maintained in the lobby area of the Housing Office which contain listings of available units.

Areas outside low income concentration are defined as census tracts where the number of families whose income is below the poverty level, is at or below 10% of the total number of families within said census tract, or at or below the overall poverty rate for families for the City of Amarillo, whichever is greater. The 2000 poverty rate for families for the Amarillo area is 11.2%. Therefore, the 11% rate is used in determining low

poverty census tracts. A map identifying these census tracts is included in the briefing packet for voucher holders for families.

### **Screening of Tenants**

Tenant screening and selection are the responsibility of the owner. The City has no liability or responsibility to the owner for the family's behavior or suitability for tenancy and does not elect to screen applicants for family behavior or suitability for tenancy. It is the owner's responsibility to screen tenants based on a family's tenancy history.

The City will furnish the family's current address and the name of current and prior owners to prospective owners. Other information, which may be released, includes any past claims, evictions, complaints, and terminations of leases.

### **Housing Assistance Payments Contracts**

In adopting this Administrative Plan, the City Commission designates the Community Development Administrator as the City's Representative. The Community Development Administrator is authorized to execute Housing Assistance Payments Contracts between the City and participating owners. The HAP contract must be executed no later than 60 calendar days from the beginning of the lease term. The Community Development Administrator is also designated as the custodian of the housing assistance programs records.

### **Use and Occupancy of the Unit**

The family must use the assisted unit for residence by the family and as the only residence for the family. The City must approve all family members residing in the unit, and the family must request approval from the City and the owner to add any other member to the household. The family must promptly notify the City if any family member moves out.

Household members may engage in legal profit-making activities if they do not interfere with the primary use of the residence. The family must not sublease or let the unit and must not assign the lease or transfer the unit.

### **Family Addition to the Household**

Any family seeking to add a new member must request approval from the City before the new member moves in. The family must have written approval from the landlord before seeking approval from the Housing Office.

When the family requests approval to add a new person to the household, the City will conduct a screening of any proposed new adult member. Families who fail to notify the

City of additions to the household or who permit persons to join the household without undergoing screening are violating their family obligations and may be terminated.

Additions to households are permitted only in the following instances:

- Adults- the only adults who may be added to the household after admission are: 1) the adult child, parent or grandparent of the head of household or spouse of head of household; 2) an adult who intends to live with the head of household as a couple. Other related and non-related adults may not be added to the household unless the addition is necessary to assist an existing family member due to health or medical reasons. Such reasons must be verified by a health professional.

Exceptions: At the request of the family and upon the recommendation of the Housing Administrator, the Community Development Administrator may make exceptions to this policy for the addition of other immediate family members on a case by case basis if the addition is due to that other member's disability or other serious medical or health reasons.

- Children- In addition to children born to or adopted by the family, or court awarded custody, children may be added to the family if a relationship of kinship care exists as a result of the absence of another caregiver, parent or legal guardian. Kinship care is defined as an arrangement in which a relative or non-relative becomes the primary caregiver for a child or children but is not the biological parent of the child or children. The primary caregiver need not have a legal custody of such child or children to be kinship caregiver

### **Addition to Households and Verification of Social Security Numbers**

Addition of new household members under the age of 6 and no assigned SSN:

- Individual is included as household member and entitled to benefits and is entered into PIC using a generated alternate ID number
- Head of Household is given 90 days to provide documentation of the SSN
- PHA may give an additional 90 days if unforeseen circumstances outside of the control of the Head of Household prevent timely disclosure of the required documentation

Addition of new household members at least 6 years of age or under the age of 6 and has an assigned SSN:

- The tenant must disclose the SSN and provide documentation of the SSN to the PHA at the time of request to add new household member or during interim reexam

- The new household member cannot be added to the family composition until the family has complied with SSN disclosure and verification requirements.

### **Family Absence From The Unit**

The family may be absent from the unit for brief periods. An assisted family that finds it necessary to be absent from the unit for more than 30 consecutive days is required to notify the owner and the City of their absence, and the date by which they expect to return. If the family has to leave the unit for more than 90 days, the unit will not be considered to be their principal place of residence and they will be terminated from the program. Exceptions can be made for medical reasons or situations beyond the family's control. Under no circumstances may the family be absent from the assisted unit for more than 180 consecutive days.

If the family has given the required notice and the HAP contract was terminated due to their absence, the family will be eligible to receive a new voucher within 180 days of the termination. These families will be considered as having been continuously assisted under the 1937 Act and the very-low income limitation will not apply.

In verifying a family's occupancy or absence, the Housing Office will consider the following evidence:

- Delivery or return of letters to the family's unit
- Phone calls to the unit
- Visits to the unit
- Interviews with neighbors, employers and owner
- Utility company records
- School attendance records.

### **Temporarily Absent Family Member**

- **Children Not In The Home** - A child who is temporarily away from the home because of placement in foster care is considered a member of the family. The Housing Office will contact the child protective agency to verify the placement is temporary and obtain an estimated date that the child will be returned to the home.
- **Parent Absent From The Home** - If a parent leaves the household and if another adult is brought in to care for the children, the family will continue to be assisted as long as the family continues to meet the definition of a family. A change in family composition will be made if the stay is longer than the visitor provision defined in the lease (typically 30 days).

- **Head Or Spouse Absent From The Home** - If the head or spouse leaves the household and will be gone for 3 months or more and the family declares them permanently absent in writing, they will be determined permanently absent and will be removed from the lease. If the head or spouse leaves the household and the period of time is estimated to be less than 3 months the family member will be considered temporarily absent.
- **Adult Child** - An adult child who goes into the military and leaves the household will be considered permanently absent, except absences involving Reserve or National Guard duty. A student (other than the husband or wife) who attends school away from home but lives with the family during school recesses may be considered temporarily absent.
- **Joint and Shared Custody Of Children** - Children who are subject to a joint or shared custody agreement and reside in the unit regularly throughout the year will be considered members of the household.
- **Reporting To The City** - The family must declare a member as permanently or temporarily absent in writing to the City. The City will advise the family at that time, or at reexamination, what the options are and how it might affect the Total Tenant Payment or the Voucher size.

## **Dissolution of a Family**

In an instance where a family breaks up, the City determines who continues to receive housing assistance. The following factors are considered in the determination:

- **Court Determination-** A court has made a determination in a divorce or separation under a court order or court approved settlement disposing of the Family's subsidy, the Housing Office is bound by the court's determination as to which member will continue to participate in the program.
- **The interest of the minor children.** In most cases, the assistance will remain with the parent with whom the children reside. If the children are split between the two households, the assistance remains with the family members residing in the assisted unit.
- **In a family with only adult members,** the assistance stays with the members remaining in the assisted unit. Exceptions can be made in instances where one member is forced to leave as a result of threatened or actual violence by the other adult.
- **The amount of time since the Household Members were added to the family composition.** The Housing Office will consider this factor, on a case-by-case

basis, the circumstances surrounding a member being added or not having been added to the household.

The City reserves the right to make exceptions to these policies on a case-by-case basis. The Housing Administrator is responsible for reviewing the circumstances of the family and approving such exceptions.

When the Housing Office receives notice that a family has broken up or will imminently break up, it will make an initial determination regarding which family member shall retain the Section 8 voucher, including the person who will be regarded as the new head of household, and shall notify all adult members of this determination. The notice shall describe the factors considered in arriving at the decision. The notice also states that any adult member has ten (10) days to request a review of the decision.

### **Family Moves with Continued Assistance**

An assisted family in good standing may move to a new unit with continued assistance if:

- If the HAP for the old unit has been terminated due to the owner's breach
- If the tenant has given the owner notice consistent with the terms of the lease
- If there is a mutual agreement between the owner and the family that the lease can be terminated
- The owner has given the tenant notice to vacate
- The owner has commenced an action to evict the tenant or
- The owner has obtained a court judgment or other process-allowing owner to evict tenant.

The family is prohibited from moving during the initial year of the assisted occupancy and may not move more than once during any one-year period. The Community Development Administrator, for extraordinary reasons such as personal safety or the need for special accommodations due to a disability, may approve an exception to this policy. The City may also deny permission to move in accordance with denial or termination of assistance regulations.

## **Section VII Where Family Can Live and Move**

### **Where Family Can Lease A Unit**

- In the City's jurisdiction- the family may receive tenant-based assistance to lease a unit located in the city limits of Amarillo.
- Portability- The family has the right to receive tenant-based assistance to lease a unit outside the City's jurisdiction as long as that jurisdiction has a tenant-based program.

- Applicants who were nonresidents at time of application are required to initially lease up in the City's jurisdiction.

## **Section VIII Dwelling Unit- Housing Quality Standards, Subsidy Standards, and Inspection**

### **Housing Quality Standards**

The City has adopted HUD's minimum Housing Quality Standards (HQS) for use in the rental assistance programs with the following variations:

- At a minimum, one window in every living, sleeping or bathroom must have a screen in good condition as long as the windows are designed to be opened. This can be waived if the unit has central air conditioning.
- Unvented heaters must be removed and the wall or floor repaired as needed.
- Oxygen depletion heaters (ODS) may be allowed as a heating source of last resort if installed in compliance with the City of Amarillo's Mechanical and Plumbing Code and only if the installation of vented heating is not possible due to the physical arrangement of the unit. A decision to permit an ODS unit will be made on the basis of the requirement from the National Fuel Gas Code. No ODS unit may be installed in a sleeping room.
- All exterior doors must have keyless dead bolts and peepholes installed in accordance with Texas State Law.

### **Inspections**

Upon receipt of a Request for Lease Approval, a HQS inspection is conducted within seven working days. The "Inspection Form: Section 8 Existing Housing Program" is used for all inspections.

If a unit passes initial inspection, the results are valid for a maximum of sixty (60) calendar days. The start date of the Assisted Lease must fall within this period. If the Lease term will start later than 60 days after the unit passed inspection, the unit must be re-inspected and must pass inspection prior to the start of the HAP contract.

If the dwelling unit does not meet HQS, no lease may be approved. No HAP Contract is prepared until the deficiencies are repaired. Owners and families are notified in writing of the deficiencies and that all repairs must be completed within thirty (30) days. Upon completion of the repairs a re-inspection is scheduled. If the unit still does not comply with HQS requirements within the 30 days, a full inspection will be required upon a 2<sup>nd</sup> reinspection, the tenancy approval process may be canceled, or the family instructed to search for another unit.



Units are inspected at least annually. Special inspections are performed in response to complaints by the owner or family. The owner is notified in writing of any HQS violations and given 30 days for corrections to be made. Items endangering the family's health or safety are relayed by phone, fax or in person to the owner. Such items must be corrected within 24 hours. Serious violations of this nature include: utilities not in service, lack of security for the unit, exposed wiring or other hazardous defects in the electrical system, dangerous structural defects, open sewage, major plumbing leaks, natural gas leaks or fumes, no heat when outside temperature is below 32degrees Fahrenheit and temperature inside unit is below 65 degrees Fahrenheit, or lack of functioning toilet. A follow-up inspection is made to assure the corrections are completed.

If corrections are not made within the specified time frame, the HAP payments are abated. The HAP contract is terminated with 30 days written notice if the owner fails to correct the deficiencies. In cases where HQS deficiencies are caused by the tenant, the tenant is given 30 days to correct the deficiencies. The tenant's housing assistance is terminated if the corrections are not made in the specified time frame.

### **Quality Control**

Consistent quality of the HQS inspections is assured by re-inspecting at least 16 units plus one for each 100 units over 600 (SEMAP requirement). The Housing Technician, who supervises the Housing Inspectors, makes the random quality control inspections. A sample is drawn from recently completed HQS inspections (within three months) and represents a cross section of neighborhoods and the work of a cross section of inspectors. The inspections are taken from the monthly inspections record book. A log is kept listing those units inspected for quality control. The information on the log includes: tenant name, tenant address, planning area, HUD project number, inspector's name, last inspection date, type of inspection, and deficiencies. There is a summary at the bottom of each monthly report, totaling the inspections by planning area, project and inspector.

### **Subsidy Standards**

The subsidy standard is the criteria established by the City of Amarillo for determining the appropriate number of bedrooms for families of different sizes and compositions. There are two standards, one for the Voucher size issuance and one for minimum and maximum size unit the family may select. The subsidy standard must provide for smallest number of bedrooms needed to house the family without overcrowding.

### **Unit Size**

The unit size on the Voucher is assigned in accordance with the following criteria:

- The unit size will not require more than two persons to occupy the same bedroom.

- Persons of the opposite sex or different generations, other than husband and wife, shall not be required to occupy the same bedroom.
- Two children of the opposite sex will not be required to share a bedroom.
- A single head of household parent shall not be required to share a bedroom with his/her children.
- A child temporarily absent because of placement in foster care is considered in determining family size.
- A family that consists of only a pregnant woman is treated as a two-person family but may only be issued a one bedroom voucher
- A live-in aide is counted in determining unit size
- Two elderly or disabled household members may be given separate bedrooms as a special accommodation

These criteria result in the following standards:

# of Bedrooms	0	1	2	3	4
Minimum # of People	1	1	2	3	5
Maximum # of People	1	2	4	6	8

An exception to these standards may be granted if circumstances are justified based on age, sex, health, disability, relationship of family members, or other personal circumstances. A single person who is not displaced, disabled or elderly may only receive a zero or one-bedroom voucher and is not eligible for an exception.

### **Family Flexibility On Unit Size Actually Selected**

The unit size listed on the Voucher does not preclude the family from selecting either a smaller or larger sized unit provided the following requirements are met:

Larger-sized units. The family may select a larger sized unit.

Smaller-sized units. The family may select a smaller sized unit provided there is at least one bedroom or living/sleeping room of appropriate size for each two persons. The unit must, however, afford the family adequate space and security.

Applying this flexibility could result in the following unit size/family size combinations:

# of BEDROOMS	0	1	2	3	4
MINIMUM # OF PEOPLE	1	1	1	1	1
MAXIMUM # OF PEOPLE	1	4	6	8	10

## **Section IX Rent and Housing Assistance Payment**

### **Payment Standards**

The payment standard is the maximum monthly subsidy amount and is used to calculate the monthly housing assistance payment for family. The payment standard for a family is the lower of the payment standard amount for the family unit size or the payment standard amount for the size of the dwelling unit rented by the family.

### **Affordability Adjustments to Payment Standards**

The City annually considers adopting an affordability adjustment to the Payment Standard. Local factors related to comparable rents are analyzed at the time of the City's annual budget preparation. The factors used in the analysis are:

- Participant rent burden (the percent of the total payment to the adjusted household income of the Voucher participants).
- Participant rent burden relative to availability of units by bedroom size and location
- Actual contract rents for specific bedroom sizes
- The applicable annual adjustment factors
- The need to allow families to move out of areas of minority concentration
- Data from the Consolidated Plan for Housing and Community Development, Amarillo Apartment Survey, and the Amarillo Survey of Housing.
- The number of families that can be assisted within the funding provided.

If it is determined that an affordability adjustment is needed, the City will adopt the new Payment Standard to be effective the date any new FMRs become effective. The new Payment Standard is applied to current HAP contracts at the anniversary date of the contracts.

## **Family Income and Composition: Regular and Interim Examinations**

### **Annual Reexaminations**

Annual Reexaminations effective dates correspond with the anniversary date of the HAP Contract. At least ninety (90) days prior to the anniversary date, written notice is sent to the family scheduling the date and time of the reexamination. The procedures for obtaining and verifying information are the same as those used at admission. The head of household, spouse and each additional adult living in the household must sign an Authorization for Release of Information at the time of the annual reexamination. Annual reexaminations are implemented as of the scheduled effective date even if other annual activities are not complete. Annual activities include:

- Re-exam of family income and composition
- Unit inspection
- Review of owner's rent for reasonableness and comparability
- Notice to family and owner of changes in subsidy and tenant rent.

### **Failure to Keep Annual Re-exam Appointment**

If the participant fails to keep the initial reexamination appointment, the caseworker will reschedule the appointment. If the participant fails to attend a second appointment, the caseworker will send a termination letter to the participant. The proposed termination may be rescinded if the participant provides the Housing Office with all the documentation required to recertify within twenty (20) days of the date of the termination letter.

If the participant contacts the Housing Office prior to the appointment to reschedule or has a valid excuse for missing the appointment, the missed appointment will be excused. The Housing Office may ask the participant to supply documentation to verify their inability to attend the appointment.

### **Failure to Provide Complete Information**

If the participant fails to provide the Housing Office with the documentation necessary to recertify the Family at the initial appointment, the caseworker will notify the participant in writing of what documentation is still required to complete the recertification. This notice will require the participant to supply the documentation within twenty (20) days of the

date of the notice or their assistance will be terminated. A termination letter will be sent to the participant at the end of the twenty-day period if the documentation is not submitted.

### **Interim Reexaminations**

At any time, the family may request an interim determination of family income or composition due to any changes that may have occurred since the last determination. Families admitted to the program with zero income are reviewed every ninety (90) days until their source of income is stable.

Families are required to report the following changes in writing to the City within ten working days of the date of the change. Failure to report within the required time may result in a retroactive increase in total tenant payment (TTP) and requirement to repay any overpayment in housing assistance, but not a retroactive credit or rent reduction. In order to qualify for a decrease in TTP, families must report income decreases promptly:

- Loss or addition to family composition of any kind through birth, death, marriage, divorce, removal or other continuing circumstance and the amount, if any, of such family member's income.
- If a family member becomes employed, loses employment or realizes an increase in earnings due to a change in jobs, increase in hours, hourly rate or salary or other such circumstances.
- Increase in *unearned income* other than annual cost of living increases. Annual cost of living increases in Social Security or other retirement benefits need not be reported until next annual re-examination and re-determination of rent.
- Increase in assets exceeding \$5,000; an increase of income from assets exceeding \$500 annually
- Decreases in child care expenses
- No action will be taken if a family reports changes that it is not required to report.
- The City will correct errors or omissions. Retroactive payments will be made to the tenant if the error is in the tenant's favor.
- Verification rules are the same as those used for annual reexaminations, except only those factors that change and that are required to be reported are verified at an interim reexamination.

- A family's failure to abide by these interim reporting requirements is cause for termination of assistance.

The Housing Office processes interim changes in accordance with the chart below:

<b>Income Change</b>	<b>Action</b>
Decrease in income for any reason, except for a decrease that lasts less than 30 days.	An interim change is processed effective the first of the month following the date the change is reported.
Increase in earned income	An interim change is processed. Rent increases are effective the first of the month following reasonable notice. Notice must be dated prior to the 20 <sup>th</sup> of the month. If misrepresentation or delay in reporting is involved, the family will be required to repay any overpayment.
Addition or increase in unearned income other than annual adjustment in retirement, disability, social security, or SSI benefits.	An interim change is processed to be effective the first of the following month.
Increase in income when increase is not reported within the ten day required period or if the family causes a delay in the reexam process	Repayment of any overpayment in housing assistance because of failure to report or delay is required.
Loss of welfare benefits due to fraud or a failure to participate in self-sufficiency or work activity.	An interim reexamination will not be processed. The amount of the reduction in benefits will be included in income as imputed welfare income for the term of the sanction.

### **PHA Errors**

If the Housing Office makes a calculation error at admission or at any annual or interim reexamination, an interim reexamination will be conducted, if necessary, to correct the error. The family will not be charged retroactively. Families will be given decreases,

when applicable, retroactive to when the decrease for the change would have been effective if calculated correctly.

## **Minimum Rent**

Minimum rent refers to the minimum total tenant payment (TTP) for a family receiving Housing Choice Voucher assistance. The minimum rent is \$50.00.

Participating families may request a hardship exemption from this requirement in the case of the following hardship circumstances:

- The family has lost eligibility or is awaiting an eligibility determination for federal, state, or local assistance, including a family with a member who is a non-citizen lawfully admitted for permanent residence under the Immigration and Nationality Act and who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.
- The family would be evicted as a result of the imposition of the minimum rent requirement.
- The income of the family has decreased because of changed circumstances, including loss of employment or death in the family
- Or other hardship circumstances as approved by the Community Development Administrator on a case-by-case basis.

The PHA will grant the minimum rent suspension to all families who request it, effective the first of the following month. The minimum rent will be suspended until the PHA determines whether the hardship meets the criteria for exemptions and whether it is temporary or long-term. Temporary means verified to last less than 90 days. Permanent means lasting 90 or more days. Suspension means that the PHA must not use the minimum rent calculation until the PHA has made this decision.

During the minimum rent suspension period, the family will not be required to pay the minimum rent, and the housing assistance payment (HAP) will be increased accordingly. If the PHA determines that there is **no qualifying hardship**, the PHA will reinstate the minimum rent, including payment for minimum rent from the time of suspension. The PHA will require a repayment agreement in accordance with its repayment policy.

If the PHA determines that the **hardship is temporary**, the minimum rent will not be imposed for a period of 90 days from the date of the family's request unless the family reports that the temporary hardship no longer exists. At the end of the temporary suspension period, the minimum rent will be imposed retroactively to the time of suspension. The PHA will require the family to sign a reasonable repayment agreement.

If the PHA determines that there is a qualifying **long-term financial hardship**, the PHA must exempt the family from the minimum rent requirements for as long as the hardship continues. The exemptions from the minimum rent shall apply from the first day of the month following the family's request for exemption.

## **Utility Allowances**

The Schedule for Utility Allowances and Other Services is reviewed annually. Information on utility rates is obtained from the utility companies to determine if an adjustment is needed. Any increases in allowances are implemented to coincide with the Fair Market Rent increases published by HUD. **This is usually effective October 1 of each year.**

## **Section X Family Obligations: Denial and Termination of Assistance**

### **Termination of Assistance**

Due to a family's action or failure to act, the City may terminate assistance to participants by:

- Refusing to enter into a HAP contract
- Refusing to approve a Lease
- Terminating the HAP contract
- Refusing to process or provide assistance under portability procedures.

### **Mandatory Termination**

The City **must** terminate assistance to a family for any of the following reasons:

- Assistance will be immediately and **permanently** terminated for any person convicted of manufacturing or producing methamphetamine on the premises of the assisted housing
- The family has been evicted from housing assisted under the Section 8 program for serious violation of the lease
- Any member of the family fails to sign and submit consent forms for obtaining information in accordance with program regulations
- A family member does not establish citizenship or eligible immigration status
- If any family member fails to meet the eligibility requirements concerning individuals enrolled at an institution of higher education as specified in 24 CFR 5.612.



## **Authorization to Terminate**

The City may terminate assistance to a family for reasons including:

- Family violates any family obligations
- Family has been evicted from public housing
- Any member of the family commits drug-related or violent criminal activity
- Any member of the family commits fraud, bribery, or any act of corruption in connection with any HUD program
- The family currently owes rent or other amounts to any PHA
- The family has not reimbursed any PHA for amounts paid to an owner for rent, damages, or other amounts paid to an owner by the PHA
- The family violates an agreement with the PHA to pay amounts owed to a PHA or amounts paid to an owner by the PHA
- The family has engaged in or threatened abusive or violent behavior toward PHA personnel
- Any family member fails to submit evidence of citizenship or eligible immigration status
- If the family fails to fulfill its obligations under the Section 8 welfare-to-work voucher program

Both the owner and family are given notice of termination that states the reason for the termination, the effective date of termination and the family's right to request a hearing. The owner is required to follow eviction procedures consistent with the contract, and must comply with the requirements of federal, state, and local law.

The City has discretion of considering circumstances regarding the family's action or failure to act, including the seriousness of the case and the effects on family members who were not involved in the action or failure to act. The City may permit continued assistance for the family on the condition that the family member(s) who were involved in the action or failure to act will not reside in the unit.

## **Prohibition of Termination of Assistance as Addressed in the Violence Against Women Act**

The Violence against Women and Justice Department Reauthorization Act of 2005 (VAWA) protects tenants and family members of tenants who are victims of domestic violence, dating violence, or stalking from being evicted or terminated from housing assistance based on acts of such violence against them. These provisions apply to both the City of Amarillo as the public housing agency and to owners renting to families under the Section 8 Rental Assistance Program.

In general, the law says that criminal activity directly relating to domestic violence, dating violence, or stalking, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, shall not be cause for termination of

assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant's family is the victim or threatened victim of that abuse. The law also states that an incident or incidents of actual or threatened domestic violence, dating violence, or stalking will not be considered as a serious or repeated violations of the lease by the victim or threatened victim of that violence and will not be "good cause" for termination of the assistance, tenancy, or occupancy rights of a victim of such violence.

The City of Amarillo, owner or manager, when responding to an incident of actual or threatened domestic violence or stalking that may affect a tenant's participation in the housing program, is allowed to request that an individual complete, sign, and submit, within 14 business days, a HUD-approved certification form. On the form, the individual certifies that he/she is a victim of domestic violence, dating violence, or stalking, and that the incident or incidences in question are true incidences of such abuse. On the certification form, the individual shall provide the name of the perpetrator. If the individual does not provide the form by the 14<sup>th</sup> business day, none of the protections afforded to the victim of domestic violence, dating violence or stalking will apply.

All information provided to the City of Amarillo, the owner or manager relating to the incidents of domestic violence, dating violence, or stalking must be kept in confidence and must not be entered into any shared database nor provided to a related entity, except if the disclosure is 1) requested or consented by the individual in writing, 2) required for use in an eviction proceeding or termination of assistance; or 3) otherwise required by applicable law.

### **Termination of HAP Contract With Owner**

The HAP Contract may be terminated if:

- The owner does not comply with the Housing Assistance Payments Contract
- For HAP Contracts executed after 10/1/95, no HAP payments have been made in 180 calendar days
- There is insufficient ACC funding
- It is determined that the unit does not meet HQS because of an increase in family size or composition

### **Allegations of Program Violation, Abuse and Fraud**

When the Housing Office determines that an allegation or complaint warrants follow-up, either the caseworker that is responsible for the file, or a person designated by the Housing Administrator will conduct the investigation. The steps taken will depend upon the nature of the allegation and may include, but are not limited to, the items listed below.

- Employers and ex-employers may be contacted to verify wages which may have been previously undisclosed or misreported

- Neighbors/witnesses-may be interviewed who are believed to have direct or indirect knowledge of facts pertaining to the situation
- Other agencies- investigators, case workers or representatives of other agencies may be contacted
- Public records- real estate, marriage, divorce, court or police records, utility records, etc.
- Inspections- may be made of the unit to determine if unauthorized occupants are present.

## Evaluation of the Findings

If it is determined that a program violation, abuse or fraud has occurred, the Housing Office will review the facts to determine:

- The type of violation (procedural, non-compliance, fraud)
- Whether the violation was intentional or unintentional
- What amount of money is owed
- If the family is eligible for continued occupancy

## Action Procedures for Documented Violations

Once a program violation has been documented, the Housing Office will propose the most appropriate action based upon the type and severity of the violation.

1. **Procedural Non-compliance** This category applies when the family fails to observe a procedure or requirement, such as failure to appear for a scheduled appointment, but does not misrepresent a material fact, and there are no retroactive assistance payments owed by the family. In such cases a warning notice will be sent to the family which contains the following:
  - A description of the non-compliance and the procedure, policy, or obligation, which was violated.
  - The date by which the violation must be corrected or the procedure complied with
  - The action which will be taken by the Housing Office if the procedure or obligation is not complied with by the date specified
2. **Procedural Non-compliance- Overpaid Assistance.** When the family owes money to the Housing Office for failure to report changes in income or assets, the Housing Office will issue a Notification of Overpayment of Assistance. This Notice will contain the following:
  - A description of the violation and the date
  - Any amounts owed
  - A 10 day response period

- (a) Participant Fails to Comply with Notice. If the participant fails to comply with the notice, the Housing Office will initiate termination of assistance.
- (b) Participant Complies with Notice. When a family complies with the notice, the caseworker will meet with him/her to discuss and explain the violation.

3. **Intentional Misrepresentation**. When a participant falsifies, misstates, omits or otherwise misrepresents a material fact that results (or would have resulted) in an overpayment of housing assistance, the Housing Office will evaluate whether or not:

- a) The participant had knowledge that his/her actions were wrong, and
- b) The participant willfully violated the family obligations or the law.

Knowledge that the action or inaction was wrong. This will be evaluated by determining if the participant was made aware of program requirements and prohibitions. The participant's signature on various certifications, briefing certificates, Tenant Information Form, Personal Declaration Form, and Read Carefully Form are adequate to establish knowledge of wrongdoing.

The participant willfully violated the law. Any of the following circumstances will be considered adequate to demonstrate willful intent:

- An admission by the participant of the misrepresentation
- That the act was done repeatedly
- If a false name or social security number was used
- If there were admissions to others of the illegal action or omission
- That the participant omitted material facts that were known to him/her (e.g., employment of self or other household members)
- That the participant falsified, forged or altered documents
- That the participant stated and certified to statements at a reexamination that were later independently verified to be false

4. **Disposition of Cases Involving Misrepresentations**. In all cases of misrepresentations involving efforts to recover monies owed, the Housing Office may pursue, depending upon its evaluation of the criteria stated above, one or more of the following actions:

- (a) **Criminal Prosecution**. The Housing Office will file a complaint with the Amarillo Police Department who would present case to the local District Attorney's Office.

(b) Administrative Remedies. The Housing Office will:

- Terminate assistance and demand payment restitution in full
- Terminate assistance and execute an administrative repayment agreement in accordance with the Repayment Policy
- Terminate assistance and pursue restitution through civil litigation
- Permit continued assistance and execute an administrative repayment agreement in accordance with the Repayment Policy.

When the Housing Office has established that a material misrepresentation has occurred, an opportunity will be provided for the participant to review the findings and explain any document findings that conflict with representations in the family's file. The Housing Office will consider any documents or mitigating circumstances presented by the family. Prior to the final determination of the proposed action against the family, the Housing Office will consider:

- The duration of the violation and the number of false statements
- The family's ability to understand the rules
- The family's willingness to cooperate and accept responsibility for his/her actions
- The amount of money involved
- The family's past history

### **Owner or Family Debts to the Housing Office**

This section describes the policies for the recovery of monies that have been overpaid for families, and to owners. It describes the methods that are utilized for collection of monies and the guidelines for different types of debts. Before a debt is assessed against a family or owner, the file must contain documentation to support the claim that the debt is owed. The file must also contain written documentation of the method of calculation.

When owners or families owe money to the Housing Office, every effort is made to collect it. A variety of collection tools are used to recover debts including, but not limited to:

- Requests for lump sum payments
- Civil suits
- Payment agreements
- Abatements
- Reductions in HAP to owners
- Collection agencies
- Credit Bureaus
- Referral to the Inspector General's Office or District Attorney's office for prosecution in the case of fraud

## **Payment Agreement for Families**

A Payment Agreement is a document entered into between the Housing Office and a person who owes a debt to the Housing Office. It contains the details regarding the nature of the debt, the terms of the payment, any special provisions of the agreement and the remedies available to the Housing Office upon default of the agreement.

The Housing Office will prescribe the terms of the agreement, including whether to enter into a payment agreement with the family based on the circumstances surrounding the debt to the Housing Office.

There are some circumstances in which the Housing Office may not enter into a payment agreement. They are:

- If the family already has a Payment Agreement in place
- If the family has committed fraud and the amount owed exceeds \$1,500.

## **Payment Schedule for Monies Owed**

A down payment is due at the time the Payment Agreement is signed equal to 10% of the total amount owed. The minimum amount of a monthly payment for any payment agreement is \$10.00.

Amount Owed	Maximum Term
0-\$250	6 months
\$250-\$750	12 months
\$750-\$1,200	18 months
\$1,200-\$2,500	24 months
over \$2,500	30 months

## **Late Payments**

A payment is considered to be late if the payment has not been received by the close of the business day on which the payment is due. If the due date is on a weekend or holiday, the due date is the close of the next business date.

If the family's payment agreement is late, and the family has not contacted or made arrangements with the Housing Office, the Housing Office will notify the family in writing that a payment must be received or their assistance will be terminated.

## **Payment Agreement in Default**

The Payment Agreement is in default when two payments are delinquent. At this time,

the Housing Office will notify the family of the amount due and the date by which the payment must be received to avoid termination of assistance. If payment is not received by that date, a certified letter notifying the family that their assistance is terminated is sent.

### **Portability While Monies Owed**

If a family requests to port out of the jurisdiction, the family must pay the repayment agreement in full prior to receiving a voucher.

### **Owner Debts**

If an owner has retained Housing Assistance to which he is not entitled, the Housing Office may reclaim the amounts from future Housing Assistance Payments owed to the owner for any units under contract.

If future Housing Assistance Payments are insufficient to reclaim the amounts owed, the Housing Office will:

- Require the owner to pay the amount in full with 30 days
- Pursue collection through the local court system
- Restrict the owner from future participation.

### **Claims**

Owners **may not** claim reimbursement for unpaid rent, damages, or other amounts owed by the tenant under the lease for any HAP contract executed on or after October 2, 1995.

Owners **may** claim reimbursement for HAP contracts executed prior to October 2, 1995. The maximum amount that can be reimbursed is determined by the following regulations for each type of program.

#### Claims - Housing Vouchers

Claims for damages and unpaid rent can be paid for actual amounts due the owner up to one month's rent to the owner minus the security deposit the owner did or could collect. The owner retains the housing assistance payment for the month in which the vacancy occurs. No further vacancy loss payment is allowed.

## Claims - General

Owner's claims for payment for loss of rent, for damages, or for vacancy loss are reviewed for accuracy and completeness and compared to internal records on the unit such as the initial, interim and move-out inspections.

- To claim unpaid rent, the owner must inform the City that the tenant has not paid their portion of rent in the month that payment was delinquent. The owner must take the action provided for under the contract/lease to remedy the situation. Unpaid rent claims for months prior to the month in which move-out occurs will not be approved unless this notification is received.
- All claims for damages must be supported by the actual bills for repairs, materials and labor, and copies of the cancelled checks showing payment. Bills from individuals providing labor must include their name, address, and phone number. The owner may not bill himself for labor since this is not considered to be an actual cost. The owner must contact the City immediately upon learning of the vacancy to schedule a damage inspection.
- Verification that the owner has attempted to collect monies owed directly from the tenant must be submitted with the damage/vacancy loss claim.
- All damage/vacancy claims must be submitted within 60 days of the date of move out. Claims submitted later will not be paid.

## **Section XI Informal Hearing for Participant**

### **Participants**

The City adheres to the regulations (24CFR 982.555) pertaining to an informal hearing affecting a participant family. The purpose of the hearing is to determine if a decision is in accordance with law, HUD regulations, and the Administrative Plan. The right to a hearing applies only when the family is claiming that the law or procedures have been incorrectly applied. The City is not required to provide an opportunity for an informal hearing concerning the following:

- Determination that a unit does not meet or comply with housing quality standards
- Denial of a request to extend or suspend a voucher term
- Discretionary administrative determinations
- General policy issues or class grievances
- Refusal to grant approval of the tenancy.

The informal hearing is conducted by the City's Director of Community Services or his designee. In no event may the Hearing Officer be the person who made or approved the decision to terminate or that person's subordinate.



## **Decisions Subject To A Hearing**

The following types of decisions are subject to an informal hearing:

- Determination of annual or adjusted income
- Calculation of total tenant payment
- Determination to terminate assistance because of the family's action or failure to act
- Determination of family unit size under the subsidy standards
- Determination to terminate assistance because the family has been absent from the assisted unit for longer than policy allows

## **Notification Procedures**

The City gives written notice of a decision to deny or terminate housing assistance to the participant for the reasons cited above. This notice contains a brief statement of the reasons for the decisions and a copy of the informal hearing procedures. The notice is sent by certified mail.

An informal hearing must be requested by the participant in writing within ten days of receipt of the notice and must be submitted to the Housing Administrator. The Housing Administrator schedules a hearing date and the participant is notified within 5 working days of the scheduled date and time. If no request for a hearing is made within the time limit, the participant's assistance is terminated.

## **Procedures for Informal Hearing**

The following procedures apply:

- The Hearing Officer regulates the conduct of the hearing
- Before the hearing, the participant has the opportunity to examine documents directly relevant to the hearing
- At his own expense, a participant may be represented by a lawyer or other representative.
- The City must be allowed to copy documents or evidence provided by the participant. If the family does not make the documents or evidence available for copies, the participant may not rely on it.
- The Housing Administrator presents evidence to support the decision to deny or terminate assistance. The participant or his representative has the opportunity to present evidence contrary to the decision.
- Each side has the opportunity to present and question witnesses.
- Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

- Minutes will be taken to document those in attendance, and statements presented.
- The final ruling of the hearing officer must be based on evidence presented at the hearing.

Within five working days after conclusion of the informal hearing, the Hearing Officer issues a written decision that states briefly the reasons for the decision. Documentation of all reviews is filed in the tenant file that is retained as a permanent record.

The Housing Office is not bound by a decision made at an informal hearing when a decision is made:

- Concerning a matter for which the Housing Office is not required to provide an opportunity for an informal hearing
- Concerning a matter that exceeds the authority of the person conducting the hearing under the hearing procedures
- That is contrary to HUD regulations or requirements, or otherwise contrary to federal, state or local law.

If the Housing Office determines that it is not bound by a hearing decision, it will notify the family and inform the family of the reasons it has determined that the decision is not binding.

## **Section XII Special Housing Types**

### **Special Housing Types**

The City will permit the use of special housing types in its programs only if the applicant/participant can demonstrate that it is needed as a reasonable accommodation for a person with a disability. Acceptable demonstration includes documentation from one or more knowledgeable professionals who are familiar with the applicant/participant and or the type of special housing requested as accommodation.

Acceptable documentation of the need for reasonable accommodation would be a letter to the City describing how the special housing type requested provides the accommodation of which the person is in need. The request is reviewed by the Housing Administrator and the applicant/participant notified within ten working days of receipt of the request of the decision.

Special housing types include:

- Congregate housing
- Shared housing
- Cooperative housing
- Manufactured home when the family owns the home and leases the space

## **Section 8 Homeownership Program**

### **General**

The City of Amarillo offers a Section 8 Homeownership option for the housing choice voucher program. This option allows families receiving Section 8 voucher assistance to use their monthly assistance to purchase their own homes.

### **Family Eligibility**

A Section 8 participant who has been on the program a minimum of one year may utilize the subsidy to purchase rather than rent a home, subject to the following requirements:

- A family must meet the general requirements for continued participation in the City of Amarillo's Housing Choice Voucher Program.
- A participant in the voucher program must be in full compliance with their lease and Section 8 program requirements and must terminate their current lease arrangements in compliance with the lease.

- A family must qualify as a first-time homeowner (no member of the family has had any ownership interest in a principal residence in 3 years), or be a family that owns a share in a cooperative.
- Except for cooperative members who have acquired cooperative ownership shares prior to commencement of homeownership assistance, no family member may have a present ownership interest in a residential property.
- A family must meet the minimum income requirements. At commencement of homeownership assistance, the family must demonstrate that the annual income of the adult family members who will own the home is not less than: (1) the Federal minimum hourly wage multiplied by 2,000 hours, (2) in the case of a disabled family, the monthly Federal Supplemental Security Income benefit for an individual living alone multiplied by twelve.
- A family must meet the employment requirements. Except in the case of elderly or disabled families, one or more adult members of the family that will own the home must be currently employed on a full-time basis (no less than an average of 30 hours per week), and have been continuously so employed for at least two years. In meeting this requirement, the City will consider all circumstances of the household if the family demonstrates a favorable work history and meets loan qualification requirements imposed by the lender. Self-employment, successive employment, and interrupted employment will be considered.
- A family must not have defaulted on a mortgage when participating in the voucher homeownership option or the City's HOMEbuyer's Assistance Program.
- Unless, elderly or disabled, a family must be a participant in the Family Self-Sufficiency Program.

## **Eligible Units**

An eligible unit must meet the following requirements:

- The home must be located within the city limits of Amarillo and can be either an existing home or a home under construction. A family may purchase a home outside the city limits of Amarillo only if the receiving public housing agency (PHA) is administering a homeownership program and is accepting new homeownership families.
- The home must be the family's primary residence and be a single-family home (including a manufactured home), a townhouse or a condominium.
- Homeownership assistance may be provided for the purchase of a home where the family will not own fee title to the real property on which the home is located, but only if: (1) the home is located on a permanent foundation; and (2) the family has the right to occupy the home site for at least forty years.
- The home must be inspected by the City as well as an independent inspector designated by the family.
- The home must meet the Section 8 Housing Quality Standards.

## **Eligible Seller**

The seller of the unit must not be a person or entity debarred or suspended from participation in HUD programs. The seller must sign a certification that they are not on HUD's debarred or suspended list prior to the City of Amarillo's final approval of homeownership assistance.

## **Minimum Cash Down payment**

Rather than require a minimum down payment, the City chooses to allow the lender to establish the down payment requirement in accordance with the loan product offered to the family. This will help to avoid the exclusion of potentially eligible families who have sufficient income and credit histories to make them excellent candidates for homeownership but insufficient savings. In addition, it allows families to take advantage of loan products designed for lower-income purchasers with no or very low down payment requirements.

The City, through its Homebuyers Assistance Program and Homebuyer Principal Reduction Program, offers assistance with down payment and closing costs. Every effort will be made to encourage families to utilize this program to assist in purchasing homes under the Homeownership Program.

## **Requirements for Family Search and Purchase**

- A family is allowed a maximum time of 120 days to locate a home, enter into a Contract for Sale and close on the home. If the homebuyer's time expires, the City of Amarillo may exercise the option to extend the timeframe if substantial progress has been made and sales closing can be accomplished in 30 days. If time expires, the City will offer the buyer a rental voucher.
- The City of Amarillo requires periodic progress reports on the family's progress in finding and purchasing a home. These update reports are required, at a minimum, at 60 days and 90 days.

## **Homeownership Counseling**

A family is required to attend and satisfactorily complete a pre-assistance homeownership counseling program conducted by a HUD approved Housing Counseling Agency. At this time, Catholic Family Service and Consumer Credit Counseling Service of Amarillo are HUD approved. At a minimum, this counseling must consist of four hours of classroom training. This must be done prior to receiving final

approval for participation in the homeownership program. Post-homeownership counseling will be required for all participants once they have secured a mortgage and have moved into the home.

## **Home Inspections**

All units must pass a HQS inspection conducted by the City. There must also be an inspection by an independent professional inspector commissioned by the family. The private inspector must be licensed by the State of Texas and have a satisfactory rating by the Better Business Bureau.

The independent inspection must cover major building systems and components, including foundation and structure, housing interior and exterior, and the roofing, plumbing, electrical, and heating systems. The independent inspector must provide a copy of the inspection report to the family and the City. Based on the information in this report, the family and the City will determine whether any pre-purchase repairs are necessary. The buyer is not allowed to do or to pay for any necessary repairs. Although the unit may pass the HQS inspection, the City can disapprove the unit based on information contained in the independent inspection.

## **Contract of Sale**

The family must enter a contract of sale with the seller prior to assistance approval. The family must provide the City with a copy of the Contract of Sale. The Contract of Sale must include the following:

- Price and terms of sale
- Provide that purchaser will arrange for a pre-purchase inspection of the unit by an independent inspector selected by the purchaser
- Provide that purchaser is not obligated to purchase the unit unless the inspection is satisfactory to the purchaser and the City of Amarillo
- Purchaser is not obligated to pay for any necessary repairs
- Purchaser is not obligated to purchase the unit should the voucher assistance fail to be approved
- Contain a certification from the seller that the seller has not been debarred, suspended or subject to a limited denial of participation under Part 24 of the Code of Federal Regulations
- Housing Quality Standards Inspection
- A one- year Home Warranty Insurance policy must be provided by either the seller or buyer.

## **Financing**

The family must secure its own financing for the home. The City will offer a list of qualified lenders to the family, but the family is free to choose their own lender.

Financing must be either: 1) provided, insured or guaranteed by state or federal government, or 2) comply with secondary mortgage market underwriting requirements. The City prohibits seller financing, balloon payment mortgages and other types of mixed rate mortgages.

Adjustable Rate Mortgages (ARM) may be submitted for consideration. These referrals will be evaluated and considered on a case-by-case basis by the City.

## **Occupancy**

Homeownership assistance may only be paid while the family is residing in the unit. Assistance may not continue after the month the family vacates the home. Neither the family nor the lender are obligated to refund any assistance received for the month in which the family vacates.

## **Family Obligations**

The family must comply with the following obligations:

### **Ongoing Counseling**

- To the extent required by the City, the family must attend and complete ongoing homeownership and housing counseling.

### **Compliance with mortgage**

- The family must comply with the terms of any mortgage securing debt incurred to purchase the home (or any refinancing of such debt).

### **Use and Occupancy**

- The family must use the assisted unit for residence by the family, and the unit must be the family's only residence.
- The City must approve the composition of the assisted family residing in the unit. The family must promptly notify the City of the birth, adoption or court-awarded custody of a child. The family must request the City's approval to add any other family member as an occupant of the unit. No other person may reside in the unit.
- The family must promptly notify the City if any family member no longer resides in the unit.
- If the City has given approval, a foster child or a live in aide may reside in the unit.
- Members of the household may engage in legal profit making activities in the unit, but only if such activities are incidental to primary use of the unit for residence by members of the family
- The family must promptly notify the City of absence from the unit. The family must supply any information or certification requested by the City to verify the family is living in the unit or the reason for the absence.

### **Conveyance or Transfer of Home**

- The family must not sublease or let the unit.
- The family must not assign or transfer the unit.
- Upon death of a family member who holds, in whole or in part, title to the home or ownership of cooperative membership shares for the home, homeownership assistance may continue pending settlement of the decedent's estate, notwithstanding transfer of title by operation of law to the decedent's executor or legal representative, so long as the home is solely occupied by remaining family members.
- The family must supply any information concerning the sale or transfer of any interest in the home or the family's homeownership expenses.

#### Refinancing

- At times it may be advantageous for a homebuyer to refinance the existing first mortgage. The City must approve the refinance terms and conditions prior to closing. The homebuyer must benefit from the refinancing transaction. The resulting interest rate must be lower than the original loan and the payment and/or term must be lower. Home equity loans and cash advances are not allowed. The request must include the following documents:
  - a. Loan application for the refinancing
  - b. Good faith estimate
  - c. Written statement from current mortgage company showing the payoff amount and current payment for principal, interest, and escrows.
  - d. Acknowledgment of Mortgage Loan Refinancing signed by the homebuyer and the lender.
- Closing on the refinancing can take place after the city reviews and approves the final HUD-1 closing statement.

#### Supplying required information

- The family must supply any information that the City or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status. Information includes any requested certification, release or other documentation.
- The family must supply any information requested by the City or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements.
- The family must disclose and verify social security numbers and must sign and submit consent forms for obtaining information in accordance with 24 CFR Part 5, subpart B.
- Any information supplied by the family must be true and complete.

#### Notice of move out

- The family must notify the City before the family moves out of the home.

#### Notice of mortgage default

- The family must notify the City if the family defaults on a mortgage securing



any debt incurred to purchase the home.

#### Prohibition on owner interest on second residence

- During the time the family receives homeownership assistance, no family member may have any ownership interest in any other residential property.

#### Additional requirements

- The family must attend and satisfactorily complete a post-purchase homeownership counseling program.

### **Maximum Term of Assistance**

The maximum terms of assistance are as follows:

- Fifteen years for mortgages of 20 years or more
- Ten years for all other mortgages
- There is no term limitation for elderly or disabled families. In the case of an elderly family, the exception only applies if the family qualifies as an elderly family at the start of the homeownership assistance. In the case of a disabled family, the exception applies if at any time during receipt of homeownership assistance the family qualifies as a disabled family. If the family ceases to qualify as an elderly or disabled family, the maximum term becomes applicable from the date homeownership assistance began. However, such a family must be provided at least six months of homeownership assistance after the maximum term becomes applicable.
- If the family receives homeownership assistance for different homes or from different PHAs, the total is subject to the maximum term limitations.

### **Amount and Distribution of Homeownership Payment**

All assistance payments are made directly to the lender, the company that is servicing the loan, or to an account set up for the sole purpose of paying the mortgage. The agency receiving the mortgage payment must be made aware that the City will not be responsible for any late fees and will not be held liable for any late or incomplete payment. The City pays a monthly homeownership assistance payment on behalf of the family that is equal to the lower of: (1) the applicable payment standard minus the total tenant payment, or (2) the family's homeownership monthly expenses minus the total tenant payment.

In determining the amount of homeownership expenses to be allowed, the City considers amounts to cover:

- Principal and interest on initial mortgage debt and any refinancing of such debt
- Mortgage insurance premiums
- Real estate taxes and public assessments

- Home insurance
- Allowance for utilities
- Allowance for routine maintenance is \$50 per month and major repairs is \$50 per month.
- Principal and interest on mortgage debt for major repairs.

The family is responsible for all homeownership expenses not covered by the HAP payment.

If a family's income increases to a point that they do not receive a housing assistance payment, eligibility for such payments will continue for 180 calendar days. At the end of a continuous period of 180 days without an assistance payment, eligibility for Section 8 assistance will automatically terminate.

### **Portability**

A family determined eligible for the homeownership assistance may purchase a home outside the city limits of Amarillo provided that the receiving PHA is administering a homeownership program and is accepting new homeownership families.

### **Move with Continued Assistance**

A family may move with continued tenant-based assistance or homeownership option assistance as long as they have fulfilled all of their homebuyer obligations, including prior notification to the City. The City may not begin tenant-based assistance for occupancy of a new unit as long as the family has any title or interest in the prior home.

### **Denial or Termination of Assistance**

At any time, the city may terminate or deny assistance because of mortgage default, failure to comply with family obligations, or in accordance with Section 982.552 (Grounds for denial or termination of assistance) or Section 982.553 (Crime by family members).

Rental assistance will be denied if the family defaults on an FHA-insured mortgage, and the family fails to demonstrate that: 1) it conveyed title to the home as required by HUD and, 2) the family moved within the period required by HUD.

## **Section XIII Special Procedures, Section 8 Moderate Rehabilitation Program**

This section applies to units rehabilitated under the Section 8 Moderate Rehabilitation (Mod Rehab) program. Except with respect to the following, the policies for these units are the same as those for the tenant-based program.

- When a Mod Rehab unit becomes vacant, the owner is required to notify the City so that prospective tenants can be referred. The City will notify current voucher holders of the availability of the unit and advise them that if they select a Mod Rehab unit, they will give up their voucher.
- If the unit is not leased by a voucher holder, the City will post a notice of the availability of the unit in the Housing Office, and interested applicants from the Section 8 waiting list will be referred to the owner.
- Families living in a Mod Rehab unit will have their assistance converted to a Section 8 voucher if the contract is terminated for owner non-compliance or owner opt-out
- Mod Rehab participants whose family size increases to the point where their continued occupancy violates the HQS space requirement will be required to move and will be issued a voucher to lease a new unit.
- Mod Rehab participants whose family size decreases to the point where they have fewer than one person per bedroom will be required to move and will be given a voucher to lease a new unit.
- Mod Rehab participants who complete the initial term of their lease and would have reached the top of the Section 8 waiting list based on time and date of application may be issued a voucher to move.

## **Section XIV Family Self-Sufficiency**

The Family Self-Sufficiency Action Plan for the City is incorporated into the Section 8 Administrative Plan as Appendix I.

## **Section XV Administrative Fee Reserve**

### **Purchasing Policies**

The Section 8 Rental Assistance Programs are administered by the Community Development Department of the City of Amarillo as the PHA. As a result, the programs are governed by the City of Amarillo Charter and by Texas State Law. Below is a schedule of dollar limitations on expenditures:

- \$25,000 and over – Advertised sealed bids, City Commission approval
- \$10,000 to \$24,999 – Informal written bids, City Manager approval
- \$5,000 to \$9,999 – Informal written bids, Purchasing Agent approval
- \$500 to \$4,999 – Telephone bids with fax backup, Purchasing Agent approval
- \$500 and under – Purchasing card, Department Head approval

### **Limit on Maximum Fee Reserve Expenditure Without Specific Approval**

The City of Amarillo has reviewed funding requirements for the successful operation of the rental assistance programs and concludes that adequate operating funds will be available through the remaining term of the Annual Contributions Contract. To assure such level of funding will be available in the future, a limit of \$25,000 has been established as the maximum fee reserve expenditure that can be approved by the City Manager for any one item for other housing purposes. Any amount in excess of \$25,000 requires approval of the City Commission.

### **Section XVI Code of Conduct**

The officers, employees or agents of the City of Amarillo and, therefore, of the program are subject to the Amarillo Municipal Code and the City's Charter which sets forth qualifications for holding these positions. The Charter addresses conflicts of interest and the prohibition of acceptance of gifts in Article V, section 4.

These standards are reiterated in the Purchasing Policies of the City that define Ethical Conduct to be followed in the performance of its employees engaged in the award and administration of contracts.

The applicable sections of the Amarillo Municipal Code and the Purchasing Policies are attached and establish the code of conduct for the City of Amarillo in managing business in accordance with core values and ethical standards.

### **Administrative and Disciplinary Actions**

Administrative and disciplinary actions that are available to remedy violations of such standards range from being charged with a misdemeanor and, upon conviction, forfeiture of office and employment to disciplinary actions set forth in the Civil Service Ordinance. Rule XV of the City's Personnel Rules that describes the procedures for disciplinary suspensions, terminations and demotions is attached.

### **Methods to Assure Awareness**

Each new employee attends an Employee Orientation at which they receive an Employee Handbook that contains the Personnel Rules and Policies. Section 93, Causes for Discipline, address acceptance of gifts and interests in contracts.

Upon appointment, committee and board members receive an Advisory Board Members Handbook. This Handbook addresses the Texas Conflict of Interest Law as well as the broader prohibition of the Amarillo City charter. It also explains that, in addition to the requirements imposed by state statute or city charter, some advisory boards may be governed by federal regulations of conduct. In such cases, the department head or division director advises the board of these further requirements.

The City's Purchasing Department has developed a Purchasing Policies and Procedures Handbook that has been distributed to all departments. The Handbook defines ethical conduct to be followed in the handling of contracts and bids. Training is provided to personnel as needed.