

**COLORADO DIVISION OF HOUSING  
ADMINISTRATIVE PLAN**

**VOUCHER HOUSING CHOICES**



**VOUCHER PROGRAM**

Revisions Effective Date: July 1, 2004  
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**COLORADO DIVISION OF HOUSING**  
**PUBLIC HOUSING AGENCY'S ADMINISTRATIVE PLAN**  
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## **1. STATEMENT OF POLICIES AND OBJECTIVES**

The Voucher Rental Assistance Program of the Colorado Division of Housing (DOH) serves metro and non-metro areas of the State that are currently under served by rental assistance programs. The DOH does this by contracting direct services of the program to a number of local agencies, many of which are small housing authorities, non-profits and council of governments.

The DOH is a Public Housing Agency (PHA) who's Director also serves as the Executive Director of the PHA. Although the DOH Voucher Program is contracted to local administering agencies (hereinafter referred to as Contractors), the DOH retains total responsibility for compliance with statutory and regulatory requirements.

The Voucher Program was enacted as part of the Housing and Community Development Act of 1974, which re-codified the U.S. Housing Act of 1937 (the Act) and included Voucher as a substitute for the Section 23 Leased Housing Program. The Act has been amended from time to time and its requirements (as they apply to the Voucher Rental Assistance, Housing Voucher Program) are described in and implemented through this Administrative Plan.

Administration of the Voucher Rental Assistance Program, and the functions and responsibilities of the PHA staff and its Contractors, shall be in compliance with the PHA Personnel Policy, its Equal Housing Opportunity Plan, and HUD's Voucher Regulations and Existing Operations\Procedures Handbook (7420.7) where applicable, as well as all Federal, State and local Fair Housing Laws and Regulations.

### **A. PURPOSE OF THE PLAN**

The overall plan for the Voucher Rental Assistance Program is designed to achieve four major objectives:

1. To provide improved living conditions for very-low-income families while maintaining their rent payments at an affordable level.
2. To promote freedom of housing choice and spatial de-concentrating of very low income and minority families.
3. To provide decent, safe and sanitary housing for eligible participants.
4. To provide an incentive to private property Landlords to rent to very-low-income families by offering timely assistance payments.

The purpose of the Administrative Plan is to establish policies for carrying out the local Rental Assistance, Housing Voucher Programs, in a manner which is consistent with HUD requirements but which are not a mere restatement of HUD-mandated policies and procedures.

The Plan covers both admission and continued participation in these programs. Policies are the same for both programs, unless otherwise noted.

Changes to the Plan will be approved by the State Housing Board of the PHA and submitted to the Department of Housing and Urban Development (HUD).

The PHA is responsible for complying with all subsequent changes in HUD regulations pertaining to these programs. If such changes conflict with this Plan, HUD regulations will have precedence.

### **B. FAIR HOUSING POLICY**

It is the policy of the PHA and it's Contractors to comply fully with all Federal, State, and local nondiscrimination laws and in accordance with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment.

Specifically, the PHA and it's Contractors shall not on account of race, color, sex, religion, creed, national or ethnic origin, age, family or marital status, or disability deny any family or individual the opportunity to apply for or receive assistance under HUD's Voucher Housing Voucher Program.

To further its commitment to full compliance with applicable Civil Rights laws, the PHA and its Contractors will provide Federal, State, and local information to Housing Voucher holders regarding "discrimination" and any recourse available to them should they feel they have been the victim of discrimination. Such information will be made available during the family briefing session and all applicable Fair Housing Information and Discrimination Complaint Forms will be made a part of the Housing Voucher holder's briefing packet.

Posters and housing information, which are easily readable from a wheelchair, are provided in locations throughout the Contractor's office. Except as otherwise provided in 24 CFR 8.21(c)(1), 8.24(a), 8.25, and 8.31, no qualified individual with disabilities shall, because the housing agency's facilities are inaccessible to or unusable by persons with disabilities, be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination under any program or activity that receives Federal financial assistance.

The PHA central office (located at 1313 Sherman Street, Room 518, Denver, CO 80203) is accessible; the TTD/TDY telephone number provides accessibility for the hearing impaired, which is (303) 866-5300.

In addition, all Contractors of the PHA are required to utilize the Colorado Relay Service (a TDD service for those individuals with hearing and speech disabilities) at 1-800-659-2656.

In compliance with Section 147 of the National Affordable Housing Act, no owner who has entered into a contract for housing assistance payments under this section on behalf of any tenant in a multifamily housing project shall refuse to lease any available dwelling unit in any multifamily housing project for an amount greater than the market rent for a comparable unit to a Housing Voucher holder because of their status as a Housing Voucher holder;

For purposes of this section, the term "multifamily housing project" means a residential building containing more than four dwelling units.

### **C. PRIVACY RIGHTS**

Applicants will be required to sign the Federal Privacy Act Statement and HUD Authorization for Release of Information, Form 9886, and Form 9886-A in conjunction with the HUD 50058 form which states under what conditions HUD will release tenant and owner information.

The PHA policy regarding release of information is in accordance with these documents.

Requests for information must be accompanied by a written release request in order for the PHA or its Contractors to release any information involving an applicant or participant, unless disclosure is authorized under Federal or State law.

### **D. STATEMENT OF LOCAL OBJECTIVES**

There is an undeniable need for very-low-income housing assistance within the jurisdiction of the PHA, as evidenced by waiting lists for various housing programs.

There is also a need for decent, safe and sanitary housing units available for program participants. There is not an abundance of affordable housing for extremely low and very-low income participants within the jurisdiction without the availability of subsidy.

We approach the administration of the program with a positive attitude. We have to establish realistic and attainable goals and have given particular thought to the numbers of families who can be expected to need and want to move to better quality and more affordable housing.

In establishing our goals, the PHA also has given special consideration to the likely availability of existing housing. By setting attainable goals, the PHA hopes to achieve these by the nature of the goals themselves. Not overburdening the market, not forcing the program, but providing a vehicle for those who have a need and those who have the units to come together in a manner beneficial to each.



The strategy is to achieve the attainable goals in the simplest manner possible, at the least expense, while complying with the Voucher requirements and regulations.

**E. RULES AND REGULATIONS**

All issues not addressed in this document related to tenants and participants are guided by HUD Handbook 7420.7, where applicable, Federal regulations, HUD Memos and Notices, and guidelines or other applicable law.

**F. REFERENCE**

The **Housing Agency of the State of Colorado** is referred to as "PHA" or "Housing Authority" throughout this document. The local administering agencies are referred to as "Contractors".



## **2. ABOUT THE AUTHORITY**

The Colorado Housing Act of 1970 created the Colorado Division of Housing, the DOH provides coordination of the State's low-moderate income housing efforts.

On February 1, 1983, the PHA entered into an Annual Contributions Contract with HUD and received its first allocation of Voucher Existing Housing units.

### **A. ORGANIZATIONAL SETUP**

Under the direction of the Colorado State Housing Board and the Director of the Colorado Division of Housing, staff of the PHA administers the Voucher program's day-to-day operations.

The staffing information contained in this section includes only those positions directly responsible for the Program at the State level.

#### Executive Director

The Director of the Colorado Division of Housing serves as the Executive Director of the State of Colorado PHA.

#### Program Manager

This position is responsible for contracting with local agencies for delivery of the program services and fiscal year activities. The program manager will also be responsible for the overall coordination of the program and development of necessary agreements between participating local agencies. In addition, the manager will establish and maintain effective contact with groups or individuals representing program related interests and be responsible for the general program management, develop program materials and disseminates information to local agencies, supervise day-to-day activities of the PHA staff, and develop training sessions for the Contractors in program regulatory requirements as well as agency responsibilities.

#### Housing Program Specialist

These positions are responsible for programmatic monitoring of the Contractors both in Voucher Program compliance and Housing Quality Standards. In addition, the Housing Program Specialists train new and existing housing agencies in establishing Voucher Program rental assistance and FSS programs, certify the request for housing assistance payments, vacancy loss claims, damage claims and claims for unpaid rent, and provide technical assistance to Contractors concerning family moves, income or other adjustments, re-certification, tenant/landlord relations, terminations, etc.

#### Administrative Assistant

This position is responsible for daily data entry, filing, and preparation of electronic and paper payment vouchers. Maintains and updates family files. Functions as the primary telephone contact regarding check status inquires.

The PHA staff is responsible for administering the Voucher Rental Assistance Program beginning with responding to HUD's Notice of Fund Availability (NOFA), through training Contractors to successfully administer the program, and to payment of housing assistance payments to landlords throughout the state.

The PHA receives input from the State of Colorado Comprehensive Plan, which provides the guidelines for development of the PHA objectives. The PHA and its Contractors are charged with the full responsibility of administering the various housing rent subsidy programs designed to provide rental assistance to qualified families in privately owned dwelling units.

#### Activities of this PHA include:

Program descriptions

Overall program marketing

Applicant preference determinations	Conducting informal hearings
Coordinate/prepare funding applications	
Set policy and procedures	Control and monitor program allocations
Prepare budgets, financial reports, policies, procedures, goals and standards	
Prepare Colorado Division of Housing Reports	Send payments to landlords
Inspect 5 percent of the subsidized units	Monitor Voucher Program Family files
Applicant eligibility/ineligibility determinations	Pay administrative fees to Contractors
Develop and revise housing forms	Provide training and technical assistance to Contractors

Activities of the Contractor include:

Initial marketing and outreach	Applicant preference determinations
Initial certification	Provide notification to applicants
Issue Housing Vouchers	Conduct individual/group briefings
Process requests for lease approval	Conduct unit inspections
Negotiate rents and prepare contract documents	Maintain active leases and contracts
Monitor success of Housing Voucher holders in finding suitable housing	
Resolve tenant/landlord disputes	Conduct informal reviews and hearings
Annual re-certification of participant income, HQS inspection of units, and renegotiation of rents	
Have input into/prepare budgets, financial reports, policies, procedures, goals, standards and prepare correspondence	

Administrative Fees

On-going administrative fees for the Voucher Rental Assistance Program are calculated in the following manner:

0. The first 600 units shall be calculated at 7.5 percent of the Administrative Fee Dollar Amount per Unit (set by HUD) for each living unit under contract on the first day of each month. The PHA portion of this fee shall be 30 percent and the Contractor's portion will be 70 percent.
0. Any additional units over the first 600 will be calculated at 7 percent of the Administrative Fee Dollar Amount per Unit (set by HUD) for each living unit under contract on the first day of each month. The PHA portion of this fee will be 30 percent and the Contractor's portion will be 70 percent.

**B. DESCRIPTION OF PROGRAMS OFFERED**

The PHA administers the following programs:

Voucher Housing Choice Voucher Program

Voucher Moderate Rehabilitation Program

Family Self-Sufficiency

HOME Program Tenant Based Rental Assistance Program

**C. LEGAL JURISDICTION**

The Colorado Division of Housing (DOH) is a Public Housing Agency. The DOH Public Housing Agency satisfies the statutory definition of a public housing agency that has been set forth in 24 CFR 982.51. The DOH legal jurisdiction is the state of Colorado. The State of Colorado Department of Law Office of the Attorney General rendered a legal opinion regarding this on September 16, 1980. This opinion is on file at the Colorado Division of Housing.

**Colorado Revised Statutes, Part 7, Division of Housing - Colorado Housing Act of 1970, 24-32-701. Legislative declaration.** It is hereby declared that there exists in this state a need for additional adequate, safe, sanitary, and energy-efficient new and rehabilitated dwelling units; that a need exists for assistance to families in securing new or rehabilitated rental housing; and that, unless the supply of housing units is increased, a large number of residents of this state will be compelled to live under unsanitary, overcrowded, and unsafe conditions to the detriment of their health, Public Assistance, and well-being and to that of the communities of which they are a part. It is further declared that coordination among private enterprise and state and local government are essential to the provision of adequate housing, and to that end it is desirable to create a Division of Housing within the Department of Local Affairs. The general assembly further declares that the enactment of these provisions as set forth in this part 7 which are for the public and statewide interest.



### **3. OUTREACH PROCEDURES**

#### **A. FAMILY OUTREACH**

The PHA will continue to publicize and disseminate information, concerning the availability and nature of new rental housing assistance. Upon execution of a contract with the PHA, Contractors will make known to the public through publication in a newspaper of general circulation, minority media, broadcasting media, and other suitable means, the availability and nature of rental housing assistance for extremely-low, and very low-income families.

The Notice must:

0. Advise families that applications will be taken at the designated office, including the dates and times applications will be accepted;
0. Briefly describe the Voucher rental assistance program; and
0. The Notice should run at least 3 days.

For a sample of a notice, please contact the DOH.

The publication will specify the location of where applications are accepted. Generally, applications will be accepted at the Contractor's office. The Contractor may also take applications at designated outreach sites as the Contractor determines necessary to assist in special outreach efforts. The PHA and its Contractors have a system in place to assist families with disabilities. Families can contact the PHA at (303) 866-2033 or the Colorado Relay Service (A TDD service for those individuals with hearing and speech disabilities) at 1-800-659-2656 to make special arrangements to complete their application.

If the waiting list is closed and the Contractor decides to open the waiting list, the Contractor will publish the application date(s) for when the waiting list is opening in the local newspaper. In addition, the Contractor contacts agencies whose clients are extremely low and very low income, and flyers will be available in the front office of the Contractor.

#### **B. OUTREACH FOR FAMILY SELF-SUFFICIENCY (FSS)**

The Contractor conducts outreach to Voucher participants at each annual reexamination, through personal contact with the family, and by periodically mailing program recruitment notices. The notice will give a brief description of the program, services to be offered, and how the participant can notify the Contractor of the family's interest in the program.

#### **C. LANDLORD OUTREACH**

The PHA and its Contractors issue public invitations to Landlords as needed to make dwelling units available for leasing by eligible families in accordance with the Equal Opportunity Housing Plan. On a continuing basis, the Contractors welcome the participation of Landlords of decent, safe, and sanitary housing units.

0. The Contractor's staff will continue to make personal contact in the form of formal or informal discussions or meetings with private Landlords, property managers, and real estate agencies to encourage their participation in making rental housing available whose rents are within reach of the subsidy restrictions for the Housing Voucher Program.

Program requirements are explained, and printed material is offered to acquaint the Landlord/manager with the opportunities available under the program.

0. The Contractor may inform the Landlord that tenant screening is a Landlord responsibility and that the Contractor does not screen families for rental suitability.

3.If a prospective Landlord requests information about the family from the Contractor, the Contractor must give prospective Landlords the family's current address and, if known, the name and address of the Landlord at family's current and prior address. This information will only be

provided at the time the applicant is looking for a place to live. Once a lease is signed, the Contractor will not provide this information. The Landlord may request this information either in writing or over the telephone.



#### **4. APPLYING FOR ADMISSION AND MAINTAINING THE WAITING LIST**

##### **A. HOW TO APPLY**

Applications are taken to compile a waiting list. Depending on the demand for housing in the Contractor's jurisdiction, and the length of the waiting list, the Contractor's waiting list may be open or closed to enrollment. Any family requesting an application for Voucher rental assistance will be given the opportunity to apply for admission as long as the waiting list is open. If the waiting list is open, applications may be mailed or delivered to the Contractor's office during specified dates and business hours defined by the Contractor. Individuals who have a physical impairment, which would prevent them from making an application, may contact the Contractor to make special arrangements to complete their application.

When the application is received, the Contractor must review the application for completeness, then date, time-stamp, and initial the document. The application and waiting list follow this general procedure:

0. An application is taken to place the applicant on the waiting list.
0. When the applicant's name reaches the top of the waiting list, the Contractor will contact the applicant for an initial briefing, take a personal declaration from the applicant, and verify the information provided on the application and personal declaration.
3. If the applicant passes the verification process, the Contractor will contact the applicant for the Housing Voucher briefing, and the applicant will then look for housing.

##### **B. OPENING/CLOSING OF WAITING LIST**

Any opening of the waiting list is done in accordance with the HUD requirements as outlined in 24 CFR Section 982.206, and/or any waiver to Section 982.203 that HUD may have granted for special allocations through memorandum and notice from the HUD Central Office. Any such determination by the Contractor shall be publicly announced in the same manner as provided in 24 CFR Section 982.206. The following are suggested methods for notice:

0. Notice in newspaper of general circulation
0. Posting a notice in plain view in the Contractor's office
0. Notice published in minority media publications in the Contractor's jurisdiction
0. Posting notices in Community Centers or other areas where families may congregate
0. Radio advertising

Closing the waiting list follows the same notice process that was used when the list was opened. A waiting list may not be closed unless there are enough Preference holders to fill the Housing Voucher openings, which are expected to occur during the next 12-month period. The waiting list may not be closed if it would have a discriminatory effect inconsistent with applicable civil rights laws.

##### **C. APPLICATION PROCEDURES**

The purpose of the application is to permit the Contractor to preliminarily assess initial family eligibility or ineligibility, to determine placement on the waiting list, and to assist as a comparison tool for the family composition and income and asset history for the final eligibility determination. The application requests the following types of information:

Name, age and sex of all household members  
Social Security numbers

Information if Head of Household or spouse is elderly or disabled.

Addresses and telephone numbers

Amount and source of all income and assets

Information related to application selection criteria

The information on the form **will not** be verified until the applicant has been selected from the waiting list for eligibility determination. Final eligibility will be determined after all information is verified.

**D. NOTIFICATION OF WAITING LIST STATUS**

Based on the information on the application, the family will be informed in person when the application is dropped off, or in writing, if they are preliminarily determined eligible or ineligible for the program. If the applicant is determined to be ineligible, a letter will be sent to the family stating the reason why and advise them of their rights to an informal review regarding the decision.

**The Contractor's communication will in no way lead applicants to believe that the estimated date of Housing Voucher issuance is exact, and will stress that the estimated date of Housing Voucher issuance is subject to factors that are often beyond the Contractor's control.**

Applicants are responsible for letting the Contractor know of change in address, and are responsible for responding to requests from the Contractor to update applications. Failure to provide requested information may result in the applicant being removed from the waiting list. When applicants are notified in writing that their application has been removed, the Contractor will advise the applicant of their right to an informal review.

**E. MAINTAINING THE WAITING LIST**

After the preliminary eligibility determination has been made, applicants are placed on the waiting list by date and time of application, and in order of preference. The Contractor will maintain an accurate waiting list; which conforms to HUD requirements. The waiting list will provide the following information on apparently eligible households who have an active application, so that contractors can find and give preference to those at 30% and 50% of AMI or less:

Date and time the application was received	Name of Head of Household
Funding size required	Preference status codes
Elderly/Disability status	Minority status
% Of Area Median Income (AMI)	

**F. UPDATING THE WAITING LIST**

The Contractor will periodically update the waiting list to ensure that it is current and accurate. The Contractor will mail a letter to the applicant's last known address, requesting information regarding the applicant's continued interest in maintaining a place on the waiting list. If the applicant did not notify the Contractor of a move, as required, the Contractor will not be responsible for the applicant's failure to receive the update request.

The application update/continued interest letter includes a date by which the applicant must contact the Contractor, by mail or in person. Applicants will be given 15 business days to return the notice (no telephone calls) of continued interest. The Contractor does not accept responsibility for mail delays.

If the letter is returned by the Post Office, with the forwarding address noted, the Contractor will extend the deadline date, and resend the letter. If there is no response within 15 business days,

the Contractor will send an application termination notice to the applicant at the last known address with an opportunity for an informal review. If there still is no response, the applicant's name will be removed from the waiting list. The Contractor will always comply with reasonable accommodation requirements with regards to maintaining the waiting list.

#### **G. COMPLETION OF A FULL APPLICATION**

Applicants on the waiting list will be mailed a personal declaration form and Items To Bring list when the Contractor estimates that a Housing Voucher can be issued within 60 days. The personal declaration will be completed in the applicant's handwriting whenever possible. If the applicant is unable to complete the personal declaration form, the Contractor will interview the applicant by asking the questions and will complete the personal declaration form for them.

The applicant will provide information on family composition, income, assets, eligibility criteria, allowances and deductions, and other factors relating to eligibility determination verification before the applicant is issued a Housing Voucher. All family members 18 years old and older must sign the Authorization for the Release of Information (Forms 9886 and 9886-A) and Applicant Certification Form in order for the application to be considered complete.

#### **H. FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY**

The household is not eligible for a Housing Voucher until final eligibility determination is made, even though they have preliminarily been determined eligible. After the verification process is complete, the Contractor makes a final determination of eligibility with verified data. Only one Housing Voucher will be issued per application.

Because HUD can make changes in rules and regulations during the review process, which affect an applicant's eligibility, it is necessary to make a final eligibility determination. Also, family circumstances may have changed between initial eligibility interview and final eligibility determination.



## **5. VERIFICATION PROCEDURES**

### **A. GENERAL POLICY**

Applicants and program participants will be required to furnish proof of their family composition and income whenever required by the PHA and its Contractors.

Applicants and participants are required to sign an Authorization For Release of Information form for further verification of income. Additionally, families may be required to provide copies of their most recent federal income tax statements. Random referrals to the IRS may be made for confirmation of income statements. Where reasonable doubt regarding income exists, a referral to the IRS for confirmation will be made on a case-by-case basis.

For initial participation, the verifications must not be older than 60 days old prior to the issuance of the Housing Voucher. For annual re-certification, the verifications are good for 120 days from the date of the verification document.

### **B. METHODS OF VERIFICATION**

#### **1. Third-Party Verification**

Third-party written verification is considered to be the most effective means of verifying information provided by the family. It is strongly recommended that verification forms be sent by mail to the appropriate third party with a request that the form be returned via the mail. It is the intent of the PHA that the form shall never pass through the hands of the applicant/participant, except to sign the Authorization of Release of Information.

Many agencies have gone to the use of computer-generated forms in responding to request for third-party written verifications. The Contractor may accept all such computer forms as documentation for third-party written verification.

#### **2. Third-Party Oral Verification**

In the event that third-party written verification is not possible due to unwillingness by the third-party to respond or in the event that the information is not returned within a four-week period, the Contractor will note the file accordingly and proceed with third-party oral verification as the primary source.

Oral verifications may be achieved through telephone calls to the third-party, or in person. When third-party oral verification is used, staff will be required to note the applicant/participant's file on 1) the date of the conversation, 2) who they spoke with, 3) the nature (facts provided) of the conversation and 4) this notation must be signed and dated by the staff person at the Contractor's office.

#### **3. Review of Documents**

In the event that neither the third-party's written or oral verification is possible, staff will request the applicant/participant to bring in actual documents. All such documents will be photocopied, as allowed by law, and retained in the applicant/participant file.

#### **4. Applicant Certification/Self-Declaration**

When verification cannot be obtained either from third-party verification or by review of documents, the applicant/participant will be required to submit a notarized statement certifying their source of income and the expected amount for the next twelve months. Notarized statements are only to be used as a last resort, when the other forms of verification are impossible to obtain.

When reasonable effort is being made by the family to obtain documents needed for verification of allowances and deductions, a notarized statement may be used for

allowances and deductions. Where there is no reasonable effort being made, the allowance or deduction will be disallowed.

A family cannot self-certify disability status.

**C. RELEASE OF INFORMATION**

At initial eligibility and at each re-certification, families will be asked to sign appropriate verification forms, as well as a blanket authorization Form 9886. Each adult family member signing consent to the release of information form will be provided copies of the appropriate forms for their review if they request them.

Each and every verification form will contain the appropriate family members' signature as proof of:

- 1.Consent to the third party for release of specified information; and
- 2.Evidence of their understanding of the type/nature of information being sought.

Family refusal to cooperate with the HUD prescribed verification system will result in the termination of the household's application or program participant and will result in ineligibility status.

**D. COMPUTER VERIFICATION**

Where allowed by HUD and/or other State or local agencies, computer matching will be done. This is generally done through the State of Colorado Department of Labor (CUBS) and through the Social Services Department (COIN) systems.

Where computer card or computer printouts are a feasible method of verification, those sources will be utilized.

**E. ITEMS TO BE VERIFIED**

The following is a non-exclusive list of typical items to be verified:

- 1.Citizenship Status
- 2.Waiting List Selection Criteria
- 3.Colorado Bureau of Investigation
- 4.Family Composition
- 5.Income
- 6.Assets
- 7.Expenses
- 8.Elderly/Disability Status
- 9.Deductions

## 6. ELIGIBILITY CRITERIA

To be eligible for participation in the Voucher Program, an applicant must meet HUD's and the PHA eligibility criteria:

- A. Family Composition
- B. Maximum Gross Income Limits
- C. Mandatory Eligible Immigration Status
- D. Mandatory Social Security Numbers
- E. Mandatory CBI Reports
- F. Selection Preference Criteria
- G. Other Criteria For Admission

**The Family's placement on the waiting list is determined by the date and time of receipt of the application, the Family's gross income as reported on the application, and whether the Family claims a preference or not. The actual gross income, and other selection criteria factors will not be verified until selection from the waiting list is made.**

### A. **FAMILY COMPOSITION**

A family is a single or two or more person household sharing residency, whose income and resources are available to meet the family's needs, and who are either related by blood, marriage, or operation of law, or who evidence a stable family relationship.

The Head of Household is the person who assumes financial responsibility for the household, and is listed on the application as Head of Household. A family may not designate an elderly family member as Head of Household solely to qualify the family as an Elderly Household.

The family will need to declare, in writing, changes in family composition. This includes family members permanently or temporarily absent, and when the household gains a member. The Contractor will advise the family at that time, or at reexamination, what the options are, and how the change affects the Total Tenant Payment and Housing Voucher size.

The following types of verification will be accepted to document the applicant or participants' family composition.

#### **1. Adults**

Adults are family members 18 years old, and older. Emancipated minors may also be considered adults.

##### Verification for Adult Family Members

Certificate of Birth, naturalization papers	Church issued baptismal certificate
Legal driver's license	US military discharge
US passport	Voter's registration
Company ID	Health and Human Services ID
Hospital records	Emancipation papers for minors
Social Security ID	Department of Motor Vehicles Identification Card

##### Verification of Marriage

Certificate of marriage

##### Verification of a Separation

Copy of court-ordered maintenance

##### Verification of Divorce

Divorce decree signed by a Court Officer

## **2. Stable Family Relationship**

This includes singles that have lived together for a period of six months or more, whose income and resources are available to meet the household's needs.

### Verification of Stable Family Relationship

Joint bank accounts, purchases, loans, tax returns, and insurance policies  
Prior or current lease or rental agreements showing cohabitation  
Credit report showing residence and joint financial activity

## **3. Minors**

Minors are persons 17 years old, and younger.

### Verification for Minors

Birth Certificate	Adoption papers
Custody agreement	Health and Human Services ID
School records	

### Verification of Joint Custody of Children

Children who are subject to a joint custody agreement, but live with one parent at least 51 percent of the time will be considered members of the household. Fifty-one percent of the time is defined as 183 days of the year, which do not have to run consecutively.

When both parents are assisted under subsidized rental assistance programs, the parent whose address is listed in the school or daycare records will be allowed to claim the school-age child as a dependent. If the child is not in school or daycare, one parent will need to prove that the child lives with them at least 183 days of the year in order to claim them as a family member.

### Verification of Guardianship

Court-ordered assignment	Notarized declaration of parent
Verification from social services agency	School records

## **4. Permanent and Temporarily Absent Spouse/Other Adults**

If an adult leaves the household, the family must report the change in family composition to the Contractor, stating the family member is permanently or temporarily absent. Persons reporting that a family member has left the household must provide adequate proof of absence if the family member is to be considered permanently absent. Generally, 90 days absence is considered permanently absent. The 90-day period starts from the time the Head of Household reports the change in family composition, or the family member actually left the unit, whichever is earlier and can be verified. If the family member leaves the household and the period of time is less than 90 days, the absent family member may be determined temporarily absent.

### Verification of Absent Spouse/Other Adult

The family member is determined permanently absent if the Head of Household declares, in writing, that the family member has been gone for at least 90 days and declares the family member is permanently absent. Adequate proof of absence include:

Order of protection	Husband or wife institutes legal separation
Adult child entering military	Husband or wife institutes divorce action



If the family member is incarcerated, a document from the Court or prison or a statement from their attorney or Probation Officer must be obtained showing how long they will be incarcerated.

Proof that the family member is living in another location such as utility bills, lease and canceled rent checks, or drivers license address change. If one of these cannot be provided, the Contractor will consider statements from other agencies such as the Human Services Department.

An adult student (other than husband or wife) who attends school away from home but lives with the family during school recesses may be considered permanently absent (income not counted, not on lease, not counted for Housing Voucher funding size) or temporarily absent (income counted, on lease, counted for Housing Voucher size) at the family's option.

### **5. Permanent and Temporarily Absent Minor Child**

If the child (ren) is projected to be out of the home for more than six months from the initial removal date, the Housing Voucher size may be reduced. If the parent(s) has no other children in the home, the parent will retain his/her eligibility as a remaining member of the tenant family.

#### Verification of Absent Minor Child

If the family includes a child who is temporarily absent from the home due to foster care, the person(s) contributing to the decision as to whether and when the child may be returned to the family will be consulted. If the consultant confirms, in writing, that the child will be returned to the household within the next 90 days, to the best of his/her knowledge, the family will retain the Housing Voucher size issued. If the consultant does not make this confirmation, the situation will be reevaluated after 90 days. The 90-day period specified in this section starts from the earliest of the time the family reported the change in family composition, or the Contractor learns of the change

### **6. Absent Sole Member of Household**

If the sole member of the household has to leave the household for more than three months, the unit will not be considered to be his/her principal place of residence and their Voucher assistance will be terminated unless the participant requests an extension by submitting documentation from a reliable medical source that s/he will return within a maximum of six months (an additional three months.)

#### Verification of Sole Member's Absence

If the sole member of the household has to leave the household to go to the hospital or nursing home, advice from a reliable medical source will be obtained as to the likelihood and timing of his/her return. If the medical source feels the individual will be permanently confined to a nursing home, they will be considered permanently absent. If they are temporarily confined, they will not be considered permanently absent. In no event, however, will the unit be considered their principal place of residence when they are out of the household for more than 180 days.

If the sole member of the household is incarcerated, the Contractor will initiate proceedings to terminate the participant from the program.

Also, see regulations regarding principal place of residence, and vacated unit in Chapter 15. C. Sections 7. And 14.

### **7. Remaining Member of Tenant Family**

There may be instances where all family members move out of the unit but one. The one left is defined as the remaining member. Minor child (ren) will not be allowed to retain the status of remaining family member(s) unless:

- a. The court has awarded emancipated minor status to the minor or upon recommendation of a qualified case worker or social services representative; or
- b. The parent(s) must leave the household (for any reason other than incarceration) and the Department of Social Services and/or the Juvenile Court has determined that another eligible adult is to be brought into the assisted unit to care for the children.

If the parent(s) have not returned to the home within 180 days the Contractor will determine whether court-awarded custody or legal guardianship has been granted to the program eligible caretaker. If so, the Housing Voucher may be transferred to the eligible caretaker.

If custody, or legal guardianship, has not been awarded by the court, but the action is in process, the Contractor will secure verification from the human services staff or attorney as to the status. The caretaker will be allowed to remain in the unit until a determination of custody is made.

This process does not preclude the fact that the landlord may choose not to allow the new adult caretaker. The Contractor will work with the appropriate service agencies and the landlord to provide a smooth transition of the process (es) involved in these cases.

## 8.Visitors

Visitors are allowed to stay up to 30 days under a typical lease. Any visitor staying longer than the lease allows, must get written permission from the landlord, with a copy to the Contractor, in order to continue staying at the unit. Visitors are not family members. If a person is a visitor, they must be able to provide proof that the assisted unit is not their principal place of residence. The PHA considers visitors who are in the unit more than 30 days in a 12-month period to be a household member.

### Verification of Visitor Status

Proof that the visitor lives in another location such as a lease in their name at another location and canceled rent checks, utility bills, drivers license, employment verification showing their home address, or school records for minors.

## 9.Live-in Attendants

A live in attendant has been determined by the Contractor to be essential to the care and well being of the elderly or disabled family member. The live-in attendant must not be obligated for the support of the elderly or disabled family member, and would not be living in the unit except to provide care for the elderly or disabled family member. The live-in attendant's income will not be counted for purposes of determining eligibility or tenant rent, and they may not be considered a remaining member of the tenant family.

Relatives are not automatically excluded from being live-in attendants, but must meet the definition described above. The live-in attendant's family members may also reside in the unit, providing that doing so does not increase the need for additional bedrooms, or overcrowd the unit.

### Verification of Live-in Attendant

To determine whether a live-in attendant is essential to the care and well being of the elderly or disabled person, the Contractor will request third-party verification from a reliable

medical source familiar with the needs of the applicant. The request will seek precise information as to the services and time required from the live-in attendant.

**B. MAXIMUM GROSS INCOME LIMITATIONS**

Annual Income for admission shall not exceed the extremely low and very-low income limits established by HUD. The participant must be income eligible in the area where they are first assisted. The PHA is targeting 85 percent of all new admissions to the Voucher program to families at or below 30 percent of the area median income (AMI), and the remaining 15 percent of new admissions to families at or below 50 percent of the AMI.

An easy way for contractors to determine how many units to lease to families at 30 percent of the AMI, is for the contractor to determine the average annual turnover for their program and multiply this by 85 percent. Example: Contractor determines that the average annual turnover of the program is 11 families a year.  $11 \times 85\% = 9.35$  units. The contractor will round up at 50 and down at 49 so the contractor should lease at least 9 units to families at 30 percent of AMI and 2 units to families at 50 percent of AMI.

For Verification of Income see **Chapter 7**.

**C. MANDATORY VERIFICATION OF ELIGIBLE IMMIGRATION STATUS**

In order for a family to be eligible to receive full Voucher housing assistance, all family members must be United States citizens, nationals, or certain categories of eligible non-citizens. Once an applicant reaches the top of the waiting list, the initial screening of the applicant and their family will include declaration or verification of citizenship or eligible immigration status.

To qualify for 100 percent subsidy under this requirement, when the applicant reaches the top of the waiting list all family members must declare citizenship, submit evidence of citizenship, or eligible immigration status to the Contractor.

If an applicant family does not declare citizenship or provide proof of eligible immigration status, housing assistance will be denied to that applicant. If there are members of the family who do not contend to be citizens or have eligible immigration status, then that family's housing assistance payment will be pro-rated to assist only those citizens, nationals, and eligible non-citizens. At any time in the future the family composition changes, proof of citizenship or eligible immigrant status must be provided.

Verification of Eligible Immigration Status

The following types of verification will be acceptable as methods to document applicants' citizenship or eligible immigration status:

1. For citizens and non-citizens claiming eligible immigration status:

A signed declaration of U.S. citizenship

2. For non-citizens 62 years of age or older and who are receiving assistance on June 19, 1995:

A signed declaration, of eligible immigration status, and Proof of age

3. For all other non-citizens:

A signed declaration of eligible immigration status; and  
Acceptable INS documents; and  
A signed verification consent form.

The touch-tone telephone method for verification of immigration status of non-citizen applicants for housing assistance has been replaced by the use of a personal computer (PC) method. The PC method provides automated status verification when the information is contained in the database in 3-5 seconds. It also automates the paper secondary verification process, which eliminates in most

instances the completion of the paper Form G-845. The US Immigration and Naturalization Service (INS) has sent most housing authorities a compact disk (CD) containing the software to install to enable agencies to obtain verification information through their PC. If your agency did not receive the CD you may request this software by dialing 1-800-467-0375. If your PC does not have a CD drive and Windows, you will be unable to verify immigration status electronically. It will be necessary for you to verify immigration status using the paper process.

#### Paper Process Procedures

Complete a Document Verification Request Form G-845, and attach fully readable photocopies of both sides of the non-citizen's immigration documentation. Mail the completed form and the photocopies of the immigration documentation to your local INS office. Detailed instructions for the paper process are contained in Section 4 in the SAVE Manual. If you need a SAVE Manual please contact the INS SAVE Program Office at (202) 514-2317 or at [WWW.INS.USDOJ.GOV](http://WWW.INS.USDOJ.GOV).

Send verification consent form to the Immigration Status Verifier for secondary verification:

Immigration and Naturalization Service  
Immigration Status Verifier  
4730 Paris Street  
Denver, CO 80239

#### **PRO-RATED ASSISTANCE**

A mixed family may be provided pro-rated assistance if they are not receiving continued assistance, or temporary deferral of assistance, or upon request, if the other options are not utilized. The pro-ration calculation is based on the HAP amount being divided by the total number of family members, and multiplied by the number of eligible housing members.

#### **TERMINATION OR DENIAL OF ASSISTANCE**

Assistance to an applicant shall be denied, and a participant's assistance shall be terminated in accordance with the following:

4.Evidence or declaration of citizenship or eligible immigration status is not submitted as required at the time of eligibility qualification, or by the expiration of any extension granted to the family for pursuit of eligible status;

5.Evidence of citizenship and eligible immigration status was submitted on a timely basis, but neither the Contractor's primary or secondary verification procedures verified eligible immigration status of a family member; and

- a. The family elected not to pursue informal hearing rights
- b. Informal hearing rights are pursued but the hearing decisions are decided against the family member

If the Contractor decides to terminate assistance to a family, the Contractor must follow the process outlined in Chapter 15.

#### **RETAIN INS DOCUMENTS**

The Contractor must retain the following documents that may have been submitted to the Contractor by the family, or provided to the Contractor as part of the INS appeal, or the informal hearing process for a minimum of five years:

0. Application for financial housing assistance
0. Form completed by the family for income reexamination
0. Photocopies of any original documents (front and back)

- 0. Signed verification consent form
- 0. INS verification results
- 0. Request for an INS appeal
- 0. Final INS determination
- 0. Request for an informal hearing
- 0. The final Contractor informal hearing decision.

**D. MANDATORY SOCIAL SECURITY NUMBERS**

Families are required to provide Social Security cards for all family members age six and older prior to admission, if they were issued a number by the Social Security Administration. Any new family members, age six and older will be required to produce their Social Security card at the time of their admission.

Verification of Social Security Number

- 1. Submit a valid Social Security card; or
- 2. Sign a certification that they have never been issued a Social Security Number. If the family member is under the age of 18 at the time of admission, his or her parent or guardian can execute the certification. For any family member who obtains a Social Security Number after admission, they shall submit the information at the next regularly scheduled reexamination.

**E. MANDATORY COLORADO BUREAU OF INVESTIGATION REPORTS**

No Family member may engage in substance abuse related criminal activity, or violent criminal activity. Screening can be comprised of routine inquiries of any family member 18 years old or older through the Colorado Bureau of Investigation (CBI) and other information provided to the Contractors. The Colorado Division of Housing reserves the right to **waive** the CBI check when administering vouchers concerning Voucher Project-Based multi-family apartments in which the owner has decided to opt out of the ACC with HUD.

Substance abuse related criminal activity is defined as the felonious (a “felony” not a “misdemeanor”) manufacture, sale or distribution, or the possession with intent to manufacture, sell or distribute, a controlled substance. Substance abuse related criminal activity does not include the use or possession of a controlled substance, if the Family member can demonstrate that s/he:

- 1. Has an addiction to a controlled substance, has a record of such an impairment, or is regarded as having such an impairment, and
- 2. Has recovered from such addiction and does not currently use or possess controlled substances.

Violent criminal activity includes any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

Verification of Substance Abuse Related Criminal Activity, or Violent Criminal Activity

If the CBI report demonstrates instances of substance abuse related criminal activity, or violent criminal activity the Contractor will be required to further research the incidence shown on the report to determine the disposition and details of the case. Contractors may also use other sources such as local police department records to research applicants if they have reason to believe that the family or any family member is engaged in substance abuse related criminal activity or violent criminal activity. As a measure to determine whether the person has violated this family obligation, one of the following situations must be present:

- 1.They have been convicted of any felonious substance abuse related criminal activity or felonious violent criminal activity within the past 36 months.
- 2.They have been convicted of any drug-related criminal activity within the past 36 months.
- 3.They have been arrested within the past 36 months for felonious criminal or drug-related activity, and resolution of the case is still pending. (A denial of participation until a final resolution of the case.)
- 4.They are currently using drugs.

The Contractor shall have discretion to consider all of the circumstances in each case, including the seriousness of the offense, the extent of participation by the family member(s), and the affect that denial or termination would have on family members not involved in the criminal activity.

In appropriate cases, the Contractor may permit the remaining family members to continue receiving assistance, and may impose the condition that family members determined to have engaged in the criminal activities will not reside in the unit. If the convicted felon is a minor, the Contractor may consider individual circumstances with the advice and counsel of Juvenile Court officials.

Other Criminal Behavior That Would Result in Denial

If an applicant’s criminal background check comes back with any of the following information, or if any of the following behaviors are exhibited, their application is denied:

- 1) Sex offenders required to register for a lifetime with a state program.
- 2) Persons currently involved in illegal drug activity- currently meaning they are still using illegal drugs,
- 3) Persons convicted of manufacturing methaphetamines (a meth lab) on federally assisted housing premises
- 4) Persons evicted from housing for drug-related activity less than three years ago UNLESS the tenant successfully completes an approved rehabilitation program or the circumstances for the eviction no longer exist (convicted family member no longer part of household – prison, died, etc).

Retention of Criminal or Drug Use Related Information from the Application

If an applicant or household’s application is approved for receipt of a VOUCHER, the criminal background checks received must be destroyed immediately. If an applicant or household’s application is denied, however, due to information received on the background check, the background information must be kept in a separate file (not with the rest of the application) for a year, the expiration of the Colorado statute of limitations for civil action challenging a denial. These files must be kept in a locked location with very limited access to even office staff.

Sharing of Information With Landlord

In Colorado’s Voucher Program, the State Contractor determines eligibility for the applicant to participate in the Voucher Program. The information for making this decision is not to be shared with a landlord or anyone else inquiring as to why an applicant was not approved. Our “consent” form does not cover these individuals.

**F. WAITING LIST SELECTION PREFERENCES**

At the time of application, initial determination of an applicant's entitlement to an application selection preference will be made on the basis of the applicant's certification for that preference. Before selection is made, the Contractor must verify this preference.

During the eligibility process, all applicants will be given the opportunity to show that they qualify for a selection preference. Applicants meeting application selection criteria are entitled to a preference in qualifying for a Housing Voucher.

Applicant circumstances may change while waiting for a Housing Voucher. These changes may affect entitlement to a preference. Applicants are required to notify the Contractor in writing when their circumstances change. If an applicant that had not claimed a preference contacts the Contractor and claims a preference, they will be reordered on the waiting list by the date and time of their original application.

To receive the selection preference, applicants must meet their preference category cited at the time a Housing Voucher is expected to be available, and a full application is completed. If the applicant's preference cannot be verified, the applicant will be notified of the preference denial in writing, and given the opportunity for an informal review. The person conducting the review may be an officer or an employee of the Contractor, including the person who made or reviewed the determination. If the selection preference cannot be verified, the applicant will be reordered on the waiting list by the date and time of the original application, without the selection preference.

## **G. APPLICATION SELECTION PREFERENCES**

### **1. Victims of Violence, Natural Disaster or Government Action**

- c. Victims of domestic violence have actual or threatened physical violence directed against them by a spouse or other household member, or the applicant lives in a housing unit with such an individual who engages in such violence. The actual or threatened violence must have occurred recently, or be of a continuing nature. An applicant who lives in a violent neighborhood, or is fearful of other violence outside the household is not considered involuntarily displaced unless the applicant is the victim of hate crimes.
- d. Victims of natural disaster are applicants who have vacated housing as a result of a natural disaster such as a fire or a flood.
- e. Federal, state or local government action related to code enforcement, public improvement, or development.
- f. Witness relocation to avoid reprisal when the family provides crime information to the police or other law enforcement agency, and moving is recommended.
- g. The family displaced due to hate crimes of actual or threatened physical violence or intimidation based on race, color, religion, sex, sexual orientation, national origin, disability, or familial status.
- h. If any member of the family cannot use critical elements of the unit due to mobility impairment, or the family is displaced by inaccessibility of the unit in that they cannot successfully live in the unit because of mobility impairment.
- i. The family is displaced because of a HUD disposition of a multifamily project.

Applicants who are victims of domestic violence or natural disaster must not be living in standard permanent replacement housing, which is defined as housing that is decent, safe and sanitary, that is adequate for the family size according the HQS, and that the family is occupying pursuant to a lease or subsidy agreement.

Standard replacement housing does not include transient facilities, hotels, motels, temporary shelters, and in the case of victims of domestic violence, does not include housing in which the applicant lives with the individual who engages in such violence.

### Verification of Victims of Violence, Natural Disasters or Government Action

- b. Certification from local police, social service agency, court, clergy, physician, public or private shelter, or counseling facility concerning displacement due to domestic violence.
- c. The Family must certify that the person inflicting the violence will not rejoin the family without advance written Contractor approval. Violation of this certification is grounds for termination from the program.
- d. Certification from police concerning displacement due to witness protection or hate crimes.
- e. Certification from a unit of government concerning displacement due to disaster.
- f. Certification from a unit of government concerning displacement due to code enforcement, public improvement or development.
- g. Contractor HQS inspection, or other appropriate agency's certification concerning displacement due to lack of use of critical elements because of mobility impairment.

**2. Homelessness**

An applicant is considered homeless if the individual or family lacks a fixed, regular, adequate nighttime residence or has a primary nighttime residence that is a supervised public or private shelter or transitional housing facility providing temporary accommodations, or an institution providing temporary residence for individuals intended to be institutionalized, or a public/private place not ordinarily used as a sleeping accommodation for human beings. Homelessness does not include any individual imprisoned or detained pursuant to State Law or an Act of Congress.

Verification of Homelessness

Certification of this status can be from a public or private facility providing shelter to the family, or from local police or a social service agency.

**3. Those currently enrolled in educational, training or upward mobility programs**

These are applicants that are currently working towards self-sufficiency by being enrolled in school, or working with a job-training program.

Verification of Those Currently Enrolled in Educational, Training or Upward Mobility Programs

School schedule that reflects courses for a degree  
 Certification from job training provider  
 Personal goal plan verified by case manager

**4. Those previously enrolled in educational, training or upward mobility programs and who are executing their goals**

These are applicants that have completed their schooling or job-training program, and that program prepared them for entering or reentering the job market.

Verification of Those Previously Enrolled in Educational, Training or Upward Mobility Programs, and who are Executing Their Goals

Copy of graduation certificate  
 Certification from job training provider  
 Personal goal plan verified by case manager

**5. Those who are currently working**



These are applicants who are currently working families.

Verification of those who are currently working

Employment verification

**6. Families currently participating in one of the DOH Tenant Based Rental Assistance (TBRA) Pilot Programs.**

Beginning in fiscal year 2004, DOH will fund three pilot TBRA programs targeted toward working poor households earning less than 30% of AMI, many of whom reside in area homeless shelters. The pilot TBRA program is designed to provide rental assistance to families for up to two years. Within this same two years families are expected to apply for permanent housing through housing authorities to stabilize their housing situation in the future.

**7. Elderly and Disabled Families**

Families whose head of household or spouse are 1) elderly (at least 62 years of age), 2) disabled individuals with a physical impairment which is expected to be of long continued and indefinite duration, which substantially impedes but does not prohibit his/her ability to live independently, and is of such nature that such ability could be improved by more suitable housing conditions, or 3) disabled individuals within the meaning of Section 223 of the Social Security Act or Section 102(b)(7) of the Developmentally Disabled Act.

Verification of Elderly or Disabled Head of Household or Spouse

Driver's license  
Doctor's statement

**H. ORDER OF SELECTION**

Selection from the waiting list will be made without regard to race, color, creed, religion, sex, disability, national origin, familial status, marital status, or source of income.

DOH program admission order is prioritized by an A1" that represents our first preference, a A2" representing our second preference, and an A3" representing our third preference.

- 1 **Victims of Homelessness**
- 1 **Victims of Violence, Natural Disaster or Government Action**
- 2 **Those currently enrolled in educational, training or upward mobility programs**
- 2 **Those previously enrolled in educational, training or upward mobility programs and who are executing their goals**
- 2 **Families currently working**
- 2 **Families currently participating in one of the DOH TBRA Pilot Programs.**
- 2 **Elderly or Disabled**
- 3 **Date and time of application**

Example: The family has a number A1" (Homelessness), and a A3" (Date and time of application) and another family has a A2" (currently enrolled in educational, training or upward mobility program), and a A3" (Date and time of application) the Contractor will process the application with

the preference numbers A1" and A3", even if the application with the numbers A2" and A3" was received first.

DOH also gives equal weight to the preferences, which means that having more than one preference does not boost a family higher on the list.

Example: If a family qualifies for more than one selection preference, ex. a A1" (Homelessness), a A2" (currently enrolled in educational, training or upward mobility program), and a A3" (Date and time of application), and another family has a number A1" (Homelessness), and a A3" (Date and time of application), the Contractor looks to see whose application was received first, and will process that application before the other.

## **I. PROJECT ELIGIBILITY CRITERIA**

Project eligibility criteria are preferences used in selecting among applicants that qualify for a special population preference. The Colorado Division of Housing has established several project eligibility preferences. These preferences apply to specific geographical areas of the state, with distinctive Contractors, in order to serve special populations. No more than 10 percent of the PHA Housing Voucher funding is designated for this purpose. The following project eligibility criteria have been established:

### **1. Individuals with an AIDS Diagnosis or the HIV Disease**

This project criteria was created for the purpose of determining policy for funding specific to individuals with an AIDS diagnosis or the HIV disease. DOH has 30 units of funding set-aside to serve this population. The funding is administered by, the Colorado Health Network (a.k.a. Colorado AIDS Project), a non-profit organization located in the Denver Metro area.

All families receiving rental assistance from this project must meet the additional selection criteria of receiving counseling and other supportive services provided by the Colorado Health Network, and having an AIDS diagnosis or be HIV positive.

Verification must include the following documentation

Verification must be made by a doctor or clinic able to diagnose these diseases. Self-certifications will not be accepted. Verification must be presented at the time of final eligibility determination. If an individual does not meet this criteria, at the time of application, they will not be allowed on the waiting list.

### **2. Families Living in Emergency Shelters or Transitional Housing**

This project criteria, was created for the purpose of assisting families living in emergency shelters or transitional housing and who are "immediately ready for permanent housing." DOH has 40 units of funding set-aside to serve this population. Local housing authorities in conjunction with emergency shelter agencies administer the Housing Vouchers. All families receiving rental assistance from this project must meet the additional selection criteria that the family must be living in transitional housing or an emergency shelter and is "immediately ready for permanent housing".

In order to be immediately ready for permanent housing, a family shall have needs that are appropriately addressed through transitional housing programs, have needs that can be addressed by receiving appropriate service/treatment in permanent housing and shall have the life skills needed to succeed in the rental assistance program. If the contractors listed below do not have families who meet the guidelines for this project criteria preference, they may qualify families from their regular Voucher Program waiting list.

- Pueblo Housing Authority/Pueblo County Dept. of Health and Human Resources (20 Housing Vouchers)

- Grand Junction Housing Authority/The Resource Center (15 Housing Vouchers)
- Loveland Housing Authority (5 Housing Vouchers)

Verification must include the following documentation

Written certification from the emergency shelter agency working with the housing authority that the family is receiving housing counseling and other needed supportive services, and that the family is ready for permanent housing.

**J. OTHER CRITERIA FOR ADMISSION**

The following is a non-exclusive list of other criteria that must be met in order for an applicant to be determined eligible for assistance under the Voucher Rental Assistance Program:

1.The family's rent and utility contribution must be equal to or less than 40 percent of their adjusted gross income when entering into a lease if the gross rent of the unit is greater than the applicable payment standard.

2.At application, the family must pay in full any money owed to a PHA in order to be considered eligible for issuance of a Housing Voucher. A Repayment Agreement will be accepted during the waiting period, and the amount owed must be paid in full prior to final eligibility determination.

The PHA reserves the right, in the case of extreme hardship, to amend the Repayment Agreement or to waive the above. Full documentation of the hardship will be required to be in the applicant's file. Hardship cases or families with extenuating circumstances will not have the monies owed forgiven. The repayment agreement will be in accordance with Chapter 15 of the Administrative Plan.

3.The Voucher program must be able to make a subsidy payment to the Landlord when the family initially joins the program.

4.The family will be denied participation if their income goes over the maximum income limit between final eligibility determination and HAP contract execution.

5.If the head or spouse loses their disability status, which was necessary to establish eligibility, between final eligibility determination and HAP contract execution they will be placed back on the waiting list according to the date and time of their application and any other selection criteria that they may have.

Timely written notice, and an opportunity for an informal review will be granted in accordance with procedures outlined in Chapter 15. If any situation occurs which could impact the applicant's participation in the program.



## **7. INCOME, EXPENSES, AND DEDUCTIONS**

### **A. GENERAL POLICY**

Income and allowable expenses are calculated according to 24 CFR SUBPART F 5.601 through 5.617. Gross annual income determines whether the family is initially eligible within the extremely low and very-low income limits. The Contractor must compute all income of every family member who is a part of the family, including those who are temporarily absent. In addition, the Contractor must count the income of the spouse of the head of the household if that person is temporarily absent, even if that person is not living at home. Income of persons permanently absent will not be counted.

When applicable deductions are made from annual income, the result is adjusted income. Annual income is defined as the gross amount of income anticipated to be received by the family during the 12 months after certification or re-certification. Income is defined in HUD regulations and is further interpreted in HUD Notices, Memos and Addendum.

### **B. ANNUAL INCOME CALCULATION METHODS**

There are two ways to figure anticipated income for a year. The first, annualizing, is used when the family's income is generally stable, and changes are not expected. The second method, averaging, is used when the family's income is sporadic, with periods of income, and then no income. Averaging income allows the family to budget their monthly housing expense. The Contractor will choose the most logical income calculation method.

1. Annualize current income (and subsequently conduct an interim reexamination if income changes);

2. Average known sources of income that vary to compute an annual income (no interim adjustment if annual income remains basically what was calculated).

### **C. INCOME**

Listed below are acceptable verifications for income:

#### **1. Employment**

- a. Employment verification form completed by the employer specifying the amount and frequency of pay, the effective date of the last pay increase, and the probability of, and effective date of any increase during the next 12 months.
- b. At least 3 consecutive check stubs or earning statements showing employee's gross pay per pay period, and frequency of pay.
- c. W-2 forms if family has had the same job for at least two years and pay increases can be accurately projected.
- d. Notarized statements, affidavits or income tax returns signed by the applicant describing income from tips and other gratuities.

#### **2. Social Security, Pensions, Supplementary Security Income (SSI)**

- a. Benefit verification form completed by agency providing the benefits.
- b. Award or benefit notification letters prepared and signed by the authorizing agency. Since checks or bank deposit slips show only net amounts remaining after deducting SSI or Medicare, they may be used only when award letters cannot be obtained and must be followed up with telephone verification to assess the gross and net amounts of the benefit.

c. Public Assistance

Human Services' statement showing the type and net amount of assistance the family is receiving, and any expected changes in assistance during the next 12 months.

4. Child Support and Alimony Payments

- a. A copy of the separation agreement, settlement agreement or a divorce decree stating amount and type of support and payment schedules, or
- b. A notarized certification from the person responsible for making payments, along with documentation showing the past three months of payments may be used as verification, or
- c. At least three copies of the most recent checks, or
- d. If using bank statements, the Contractor must record the date, amount, check number, and from whom the check was received.
- e. Family's notarized statement or affidavit of the amount received.

If the support is not received on a regular basis, the Contractor must count the amount of support in the divorce decree or separation agreement unless the Contractor verifies that the income is not received.

In order to calculate amounts other than shown in the award, the Contractor must obtain a certification from the participant on how much is received on an annual basis. The family must also file with the agency responsible for enforcing support payments. When the printout is received (from the District Attorney's office or Child Support Enforcement Division, for example), the Contractor will use the amount received over the last 12 months.

5. Self Employment

The Contractor must consult with family and use the **prior years' data to estimate income for the next 12 months.**

- a. IRS Tax Return, Form 1040, including;  
Schedule C (Small Business)  
Schedule E (Rental Property Income)  
Schedule F (Farm Income)
- b. An accountant's calculation of depreciation expense, computed using straight-line depreciation rules. (Required when accelerated depreciation was used on the tax return or financial statement.)
- c. Audited or unaudited financial statement(s) of the business.
- d. Loan Application listing income derived from the business during the previous 12 months.
- e. Documents such as manifests, appointment books, cashbooks, bank statements, and receipts will be used as a guide for the prior six months (or lesser period if not in business for six months) to project income for the next 12 months. The family will be advised to maintain these documents in the future if they are not now available.
- f. Family's notarized statement or affidavit as to net income realized from the business during previous years.

6. Child Care Business

If a family is operating a licensed day care business and has been operating as a business, income will be verified as with any other business.

However, if the family is operating a "cash and carry" operation (which may or may not be licensed) the Contractor will require that the family complete a form that shows: name of person whose child is being cared for, phone number, number of hours child is being cared for, method of payment (check/cash), with the signature of person(s) certifying to the amount they pay for child care.

If the family has filed a tax return, the family will be required to provide it.

#### **7.Unemployment Compensation**

- a. Verification form completed by the unemployment compensation agency.
- b. Records from unemployment office stating amount, and payment start and end dates.

#### **8.Regular Contributions and Gifts**

The Contractor must count as income regular contributions and gifts from persons outside the household. The Contractor should employ good interviewing techniques and common sense to determine if the family could be receiving regular contributions.

- a. Family's notarized statement or affidavit that provides the required information.
- b. Notarized statement or affidavit signed by the person providing the assistance. Must give the purpose, dates and value of the gifts.

#### **9.Rental Property**

Contractors must adjust these amounts for changes expected during the next 12 months.

- a. IRS Form 1040 with Schedule E (Rental Income).
- b. Copies of the lease, utility bills paid by the family, and receipts for rent received.
- c. Documentation of family's income and expenses in renting the property (tax statements, insurance premiums, receipts for reasonable maintenance and utilities, bank statements or amortization schedules showing monthly interest expense).
- d. Tenant's written statement identifying monthly payments paid to the family, and the family's affidavit to net income realized.

#### **10.Interest Income from an Installment Land Contract, or Similar Arrangement**

1.A letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating the interest payable to the family for next 12 months. A copy of the check paid by the buyer to the family is not sufficient since the breakdown of interest and principal are not included.

2.Amortization schedule showing interest for the 12 months following the effective date of the certification or re-certification.

#### **11.Minimum/Zero Income**

There is no minimum income requirement, but the Contractor's staff should use good interviewing skills to determine whether there actually is income that is not being reported. Families will not be required to apply for Public Assistance, but it may be suggested to them.

If the family reports zero income, the Contractor will have the family sign release of information request forms from the Department of Social Services, unemployment, CUBS and COIN inquiry, the IRS, the Social Security Administration, and a credit reporting agency to verify that no income is being provided.

Families who report zero income will be required to fill out the Survival Statement and certification every thirty days to determine if there is any money being paid on behalf of the household on a regularly recurring basis that should be included as income for TTP determination purposes.

## 12. Family Members Permanently Confined to a Nursing Home

If a family member is permanently confined to the hospital or nursing home, and there are remaining family members, the Contractor will calculate the TTP, using the following methods to determine what best benefits the family.

- a. Exclude the income of the person permanently confined to the nursing home and give the tenant no medical deductions paid on behalf of the confined family member;
- b. Include the income of the person permanently confined to the nursing home and give the tenant the medical deductions allowable on behalf of the person in the nursing home.

## 13. Temporarily Absent Family Members

Income of temporarily absent family members is counted. If the spouse or Head of Household is temporarily absent, his/her entire income is counted, whether or not s/he is on the lease. The decision as to whether the person is considered temporarily absent will be made in accordance with Chapter 6. A.

If the spouse is temporarily absent and in the military, all military pay and allowances (except exceptions to military pay HUD may promulgate) is counted as income.

## 14. Lump Sum Receipts

Lump-sum payments of Social Security Income (SSI) and Social Security benefits are not counted.

Lump-sum payments caused by delays in processing periodic payments (unemployment or Public Assistance) are counted as income. Treatment of accumulated periodic payments because the income was deferred due to a dispute is handled no differently than periodic payments, which are deferred because of processing problems.

Attorney fees the family has incurred to obtain a lump sum payment may be deducted from lump-sum payment when computing annual income when the attorney's efforts have recovered a lump-sum compensation for the wrongful reduction or denial of a periodic payment, and the recovery does not include an additional amount in full satisfaction of the attorney fees.

The Contractor will calculate retroactively or prospectively, depending upon how timely the payment was reported, and the Contractor gets the full rent out of it.

- a. Prospective Calculation Methodology

If the lump-sum amount is received and reported so that it results in an interim adjustment, the entire lump-sum payment will be added to the rest of the annual income at the interim. The Contractor will determine the percent of the year the interim represented. Example: There are three months left in this certification period, this equals 25 percent of the year remaining, leaving 75 percent to be counted next year. At the next annual re-certification, the Contractor will take 75 percent of the lump sum and add it into the annual income.



b. Retroactive Calculation Methodology

If the family did not report the receipt of the lump-sum payment in a timely manner (within thirty days of receipt of the lump sum) the Contractor will retroactively calculate the rent due, going back to the date the lump-sum payment should have been considered, as long as that date is not prior to program participation. The Contractor will determine the amount of income for each year and recalculate the rent for each year and determine the rent due to the Contractor.

The family is expected to pay the overpayment to the Contractor all at once, or at the Contractor's option, the Contractor may enter into a Repayment Agreement with the family. The family owes this money to the Contractor whether or not they choose to continue to reside in any of the Contractor's housing programs.

**15.Grants and Scholarships**

Educational scholarships include various educational entitlements, and no portion of this assistance should be used to determine eligibility or calculate rent.

Student loans are not considered income even if part of the loan is being used for general living expenses.

**D. ASSETS**

There is no maximum asset limitation. The greater of the actual income from the asset, or HUD's imputed income will determine what is included in the family's gross income. The Contractor will follow the Asset Income Worksheet to assist in calculating the correct amount for gross family income.

Lump-sum additions to the family, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses are treated as assets.

**1.Savings Accounts and Dividends**

- a. Account statements, passbooks, certificates of deposit, etc., if they show enough information and are signed by the financial institution.
- b. Broker's quarterly statements showing value of stocks or bonds and the earnings credited the applicant/participant.
- c. If the Contractor accepts an IRS Form 1099 from the financial institution, the Contractor must adjust the information to project earnings expected for the next 12 months.

**2.Current Assets**

- a. Verification forms, letters, or documents from a financial institution, broker, etc.
- b. Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker.
- c. Quotes from a stockbroker or Real Estate agent for the net amount the family would receive if they liquidated their securities or real estate.
- d. Real estate tax statements if tax authority uses approximate market value.
- e. Copies of closing documents showing the selling price, the distribution of the sales proceeds and the net amount to the Voucher family.

- f. Appraisals of personal property held as an investment.
- g. Family's notarized statements or signed affidavits describing assets or cash.
- h. For non-liquid assets, collect enough information to determine the current cash value, and the net amount the family would receive if the asset were converted to cash.

### 3.Assets Disposed of for Less than Fair Market Value

The Contractor must count assets disposed of for less than fair market value during the two years preceding examination or reexamination. The Contractor will count the difference between the market value and the actual payment received.

Assets disposed of as a result of foreclosure or bankruptcy are not considered assets disposed of for less than fair market value, and generally assets disposed of as a result of a divorce or separation are not considered disposed of for less than fair market value.

The PHA's minimum threshold for counting assets disposed of for less than Fair Market value is \$1000. Assets of \$1,000 or less disposed of within a one-year period will not be considered. If the assets disposed of within a one-year period are more than \$1000, all assets disposed of for less than Fair Market value will be counted as assets, for two years from the date the asset was disposed of.

- a. At every certification, the Contractor will obtain the family's certification whether any member has disposed of assets for less than fair market value during the past two years.
- b. If the family certifies they disposed of assets for less than fair market value showing all assets disposed of for less than fair market value, the date they disposed of the assets, the amount the family received; and the asset's market value at the time of disposition. A calculation method similar to that shown in paragraph D. 14. above, will be used to assess the income to include in the family's gross income.

## E. DEDUCTIONS

### 1.Child Care Expense

Child care deduction will be allowed for children under 13 years of age, if the child care expense enables the family member to work, look for employment, or go to school. Childcare expenses cannot be allowed as a deduction if there is a suitable adult household member capable of caring for the children. The family must decide whether the adult family member is suitable or capable to care for the children. Examples of adult members who would not be considered suitable or capable include 1) an adult member in a documented child abuse situation, or 2) an elderly or disabled family member unable to care for a small child.

The following standards are used for child-care expenses. If the Contractor feels the amount of child-care expense being claimed is unreasonable according to this standard, the standard may be used as the maximum expense deduction.

- a. Child care to work

The maximum child-care allowed would be based on the amount earned by the person enabled to work. The "person enabled to work" will be the adult member of the household who earns the least amount of income from working.

- b. Child care for school

The Contractor will compare the number of hours the family member is attending school and base the reasonableness standard on the number of hours attending school (with the addition of one hour travel time to and from school) versus the number of hours claimed for child care.

c. Rate of Expense

The Contractor will survey the local day care providers in the area or community to determine a reasonableness standard.

1. Written verification from the person who receives the payments. If the child care provider is an individual, they must provide 1) their name, 2) address, 3) telephone number, 4) and social security number, 5) the names of the children cared for, 6) the ages of the children cared for, 7) and the rate of pay, including school and vacation periods.

2. Applicant/participant's certification as to whether any of those payments have been or will be paid or reimbursed by outside sources.

2. Medical Expense

Only families who are elderly or disabled are allowed medical expense deductions. The expense paid out of pocket by the family must be greater than three percent of the family's gross income in order to be considered. Once a family is considered elderly or disabled, the whole family's medical expenses may be counted. IRS Publication 502 will be used as a guide to determine medical expense deductions. Contact your DOH Housing Specialist for helpful worksheets to calculate medical expenses.

A. Family certification as to whether any of those expenses have been or will be paid or reimbursed by outside sources.

B. Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, etc., of:

1. The estimated medical costs to be incurred by the family and of regular payments due on medical bills; and

2. Extent to which those expenses will be reimbursed by insurance or a government agency.

C. Social Security Administration's written confirmation of Medicare premiums to be paid by the family over the next 12 months.

D. The insurance company or employer's written confirmation of health insurance premiums paid by the family.

E. Receipts, canceled checks, or pay stubs that indicate health insurance premium costs etc., that verify medical costs and insurance expenses likely to be incurred in the next 12 months.

F. Copies of payment agreements with medical facilities or canceled checks that verify payments made on outstanding medical bills that will continue over all or part of the next 12 months.

G. Receipts or other medical expense records incurred during the past 12 months that can be used to anticipate future medical expenses. The Contractor may use this approach for "general medical expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not for one-time, nonrecurring expenses from the previous year.

H. Medical insurance deductible amounts may be used as a medical expense if the total medical expenses exceed this deductible amount.

G. The Contractor will use mileage (at the IRS rate or mileage at the rate approved by PHA) or cab receipts or bus fare itemization with to/from addresses listed for verification of the cost of transportation directly related to medical treatment.

### 3.Attendant Care

- A. Doctor's certification that the assistance of an attendant is medically necessary.
- B. Attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family or agency (or copies of canceled checks the family used to make those payments).
- C. Applicant's certification as to whether any of those payments have been or will be reimbursed by outside sources.

### 4.Disability Expense

All cases require the written certification from a doctor or a rehabilitation agency that the disabled person requires the services of an attendant or the use of auxiliary apparatus to permit the disabled person to be employed or to function sufficiently independently to enable another family member to be employed.

- A. Auxiliary Apparatus
  - 1.Receipts for purchases of, or evidence of monthly payments for, auxiliary apparatus.
  - 2. In the case where the disabled person is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

**8. FAMILY SUBSIDY STANDARD AND CONTRACTOR PAYMENT STANDARD**

**A. SUBSIDY/PAYMENT STANDARDS**

DOH has established the Contractor's Payment Standard (PS) at the current Fair Market Rent (FMR) in the Contractor's jurisdiction.

**B. HOUSING VOUCHER FUNDING SIZE ISSUED**

HUD guidelines require that the PHA establish standards to determine the Housing Voucher funding size to be issued. Such standards should provide a minimum commitment of subsidy, while avoiding overcrowding. The Housing Voucher funding size should meet the minimum requirements of HUD's Housing Quality Standards.

The unit size on the Housing Voucher remains the same as long as the family composition remains the same, regardless of the actual unit size rented. If the family selects a unit size smaller than the funding, the unit size serves as the basis for determining the maximum subsidy that the family is eligible for.

The following subsidy standards are recommended when issuing vouchers to individuals and families. If the family qualifies for more than one bedroom size, then the family will be given a choice to determine the size of the Voucher provided. These recommendations are provided on the basis that there should be at least one bedroom or living room/sleeping room for each two persons in the family.

<b>Voucher</b>	<b>Minimum Persons</b>	<b>Maximum Persons</b>
<b>0 Bedroom</b>	<b>1</b>	<b>2</b>
<b>1 Bedroom</b>	<b>1</b>	<b>4</b>
<b>2 Bedroom</b>	<b>2</b>	<b>6</b>
<b>3 Bedroom</b>	<b>3</b>	<b>8</b>
<b>4 Bedroom</b>	<b>5</b>	<b>10</b>
<b>5 Bedroom</b>	<b>7</b>	<b>12</b>

- Persons with verifiable medical needs or other extenuating circumstances may be provided a larger unit;
- Foster children will be included in determining unit size;
- Live-in attendants will generally be provided a separate bedroom;
- Space may be provided for a child who is away at school but who lives with the family during school recesses;
- Units will be assigned so that a minimum of one person will occupy each bedroom;
- A child is defined as a person under the age of 18 who is neither the Head of Household nor the spouse.

**C. CHANGE IN HOUSING VOUCHER SIZE**

If there has been a change in family composition and the family requires a larger funding size, the Housing Voucher funding size will be adjusted at the next annual certification. The subsidy will be

adjusted when the family is in a unit that has at least as many bedrooms as authorized on the Housing Voucher.

If there has been a change in family composition and the family requires a smaller funding size, the funding will be adjusted at the next annual certification. The bedroom-family size ratios in this section should be used as a guide to determine when the funding size needs to be changed

**D. UNIT SIZE SELECTED**

The family may select a different size dwelling than that listed on the Housing Voucher. The following criteria will be considered when the family selects their home:

1. Subsidy Limitation

The Contractor will subsidize the family with the lowest of 1) the Payment Standard for the Housing Voucher size approved for the family, or 2) the Payment Standard for the unit size the family selected if the unit is smaller than the funding size issued, or 3) the gross rent for the unit.

2. Utility Allowance

The utility allowance used to calculate the gross rent is based on the actual size of the unit, regardless of the funding size on the family's Housing Voucher.

3. Housing Quality Standards

HQS Standards allow two persons per living/sleeping room and permits a minimum subsidy standard as shown in the table on page 8-1, assuming that the living room is used as a living/sleeping area.

**E. AFFORDABILITY ADJUSTMENTS- CHANGE IN THE PAYMENT STANDARD**

Affordability adjustments are made to provide additional rental subsidy to families to keep rents affordable. The Voucher program is designed to afford rents at only the 40<sup>th</sup> percentile of the area rents. If the Contractor needs to increase the PS up to 110 percent of the FMR they must justify the request in the following manner:

1. Obtain rental market data

- a. The written request must include rental market data for the Contractor's area that will justify the request. Rental market data can include a survey of apartments, single-family homes, duplexes, four-plexes, and mobile homes, listing one, two, three and four bedroom rents. The rent reasonableness information gathered from the classified ad listings is a good place to obtain this information.
- b. If your community has recently conducted a housing needs survey, you may be able to use this resource.
- c. The DOH does a multi-family housing vacancy and rental survey for the following communities that you may obtain from the PHA:

Aspen	Colorado Springs
Durango	Eagle County
Fort Collins/Loveland	Fort Morgan/Sterling
Grand Junction	Glenwood Springs
Greeley	Lake County
Pueblo	Summit County

- d. If the Contractor has a metropolitan jurisdiction, the Contractor may use the local Housing Authority's data.

- e. If the Contractor operates a voucher program funded directly from HUD, DOH will accept their Housing Authority Board Resolution adopting 110% of the FMR.

2. Research the current program participant's rent burdens. Review how much the families are paying above 30 percent of their adjusted income, by bedroom size, and what is the average contract rent for the participants.

3. Obtain vacancy statistics for the jurisdiction, and how many units are available within the jurisdiction.

4. Send a written request to the PHA requesting 110 percent of the FMR as your PS.

#### **F. Payment Standard for Reasonable Accommodation**

Division of Housing will provide 110% FMR for reasonable accommodation. If more funds are needed, Division of Housing will submit a request to HUD for 120% FMR

#### **Is it Financially Feasible?**

Once the Contractor has submitted the payment standard request to the PHA, the PHA will review the budget, the project reserve, and the impact various projected subsidy increases would have on the funding available for the program.

In order to make this determination, the PHA will compare the average Gross Rent paid by the families paying more than 45 percent of their income for rent (from the Contractor's figures) to the current Payment Standard and the current FMR.

The PHA will also take into consideration legislative changes that have or have not been implemented, which will affect tenant contribution.

Based on these factors, the PHA will authorize an increase if warranted.

If the number of families served will have to be reduced, the Contractor will make a decision as to whether to:

1. Reduce the number of families served as Housing Vouchers turn over;
2. Grant a smaller increase than originally projected;
3. Grant no increase at this time;
4. Grant an increase only for certain unit sizes.

#### **F. MINIMUM RENT - HARDSHIP WAIVER**

The Division of Housing has set its minimum rent at \$50 effective 10/1/2004.

If after verifying the family's income and assets, the contractor finds that the family does not have the ability to pay the minimum rent, the family may request a waiver concerning this requirement. The Contractor must request documentation of the hardship from the family and make a determination if the hardship is temporary or long term. If the hardship is deemed temporary, the family must report on the status of their income every 30 days. Please refer to HUD's federal guidelines on "Exceptions from the Minimum Rent requirement." Hardship determinations are subject to the State's informal hearing process.





## **9. UTILITY ALLOWANCES**

The Colorado Division of Housing and the Supportive Housing Homeless Program has contracted with the NELROD Corporation to provide Statewide utility allowances effective 10/1/2004. Contractors will be required to use these updated utility allowances unless they request to conduct their own survey within the community they are serving. If a contractor wishes to develop and or revise its utility allowance schedule, the following instructions can help Contractors make the utility allowance revisions.

- First determine your service area. This will make a difference on how many utility companies that must be contacted.
- Use the telephone book for the community that needs its utility schedule created/updated. On separate pages write down the utility supplier's company name and telephone number for the following utility types: Electric, Propane, Natural Gas. Contact each utility supplier and identify your housing organization, let each supplier know that you are doing a utility cost survey for a specific area, otherwise they may think that you are the competition checking up on their rates.
- Ask them for the residential rate charged per unit of energy and record this number. If there are multiple service providers, compute the average costs charged for of each of the utilities.
- Once the service area for the utility schedule is decided, obtain the Monthly Station Normals of Temperature, Precipitation, and Heating and Cooling Degree Days booklet. The communities hosting weather collection stations are listed in this booklet. The booklet is updated every ten years and can be obtained from the University of Northern Colorado climate center.
- This information can also be obtained at the following Internet website <http://www.hpccsun.unl.edu>
  1. Select "Climate Data" then select "Monthly Station Normals". At the next screen, choose Heating Degree Days – Normal 1961-1990
  2. Go to the Heating Degree Day Normals and look up a community that is located in the area you are researching.
  3. The 30-year degree average is in the far right column titled ANN. Write down the annual average.
- Next, get the DOH Microsoft Excel spreadsheet program developed by The State of Colorado Supportive Housing and Homeless Program. This can be obtained through your asset manager, or through the Division of Housing web site. Choose the table that most closely corresponds to the ANN in your location. The tables are available in the following degree increments: 5500, 6500, and 8500. You will only need to download the spreadsheet that fits the ANN of your service area.
- In the top left corner of the spreadsheet, you will enter the numeric value of the price per unit of energy for the following sources: Natural Gas, Electric, and Propane. Once this number is entered, the utility allowances will automatically be calculated for the following types of housing structures: Single Family, Duplex, 3 Stories or Less, and 4 Stories or more. This can be seen by scrolling to the right; while in the spreadsheet.
- To complete the utility allowance and the HUD 52667, you must enter your locality on each of the four forms, and add the appropriate date. This is done by scrolling to the right through the spreadsheet.
- Save the spreadsheet to your computer system for future reference.
- The schedules are now ready to be sent to DOH. If you should need help with this process, please contact your asset manager.
- In the case of non-standard energy sources, contractors may continue to compute their utility allowances based on their specific situations. The following chart is provided for contractor's reference when contacting utility providers.

UTILITY	DOCUMENTATION NEEDED
Natural Gas	Contact all companies in the service area. Ask for the residential cost of gas per cubic foot. Ask if there is a base charge per month. Ask if there are any expected increases/decreases, and when this is expected. Do not use this amount unless the change has a definite effective date. If there may be a change, keep this information in next year's file to verify.
Electric	Contact all companies in the service area. Ask for the residential cost of electricity per KWH. Ask if there is a base charge per month. Ask if there are any expected increases/decreases, and when this is expected. Do not use this amount unless the change has a definite effective date. If there may be a change, keep this information in next year's file to verify.
Propane	Try to contact at a minimum three companies. Look for the companies that do residential service, not tourist suppliers. Ask them the cost per gallon during the summer and winter. Ask them approximately how many months each season lasts. Ask if there are any expected increases/decreases, and when this is expected. Do not use this amount unless the change has a definite effective date. If there may be a change, keep this information in next year's file to verify.
Wood	Try to contact at a minimum three suppliers. If not listed in the telephone book, contact the local agency and ask them to research some local suppliers. The type of wood will depend upon what is available that year. The ideal mixture is something close to 60 percent pine because it is cheap, 30 percent oak because it is long burning and 10 percent aspen because it helps keep the chimney clean. Based on an efficient user, a one bedroom unit = 7 cords/year, two bedroom unit = 8 cords/year, three bedroom unit = 10 cords/year, and a four bedroom unit = 12 cords/year.
Water	When contacting the water suppliers, find out their service area. Sometimes a supplier will be in an area that a Voucher client could not afford, or it is not part of PHA service area. If this is the case, do not include this company in your average. If the water is metered, ask what the minimum base charge is for residential usage, and how many gallons that includes. Then the supplier will give you a cost per thousand gallons over the minimum. Often as the usage meets a certain plateau there will be another increase in the cost per thousand gallons. Based on efficient users, and including lawn watering, a one bedroom unit = 8,000 gals/mo, two bedroom unit = 12,000 gals/mo, three bedroom unit = 14,000 gals/mo, four bedroom unit = 16,000 gals/mo, five bedroom unit = 18,000 gals/mo. Ask if there are any expected increase/decrease due in the next year. If our estimate is less than the minimum charge on a one-bedroom unit, be sure to use the minimum base charge.
Sewer	Usually the sewer charge is included with the water billing. Remember to ask the water company what they charge for sewer.
Trash	Often trash pick-up is supplied by the local town. If doing a county schedule, be sure to find out who serves the rural area. They may burn the trash outside of town. If burning is not allowed, and no company supplies trash service, find out what the dump fee is. This utility is speculative, and needs your best judgment in order to get an accurate utility expense. Ask if there are any apartment buildings where the tenants receive a bill from their company.
Range and Refrigerator	The allowance of \$5/month is calculated by making the assumption that the appliance costs \$600 new. The estimated life of the appliance is 10 years. \$600 divided by 120 months averages to \$5/month

## **10. PROGRAM BRIEFING AND HOUSING VOUCHER ISSUANCE**

### **A. BRIEFINGS**

The purpose of the briefing is to go over the Housing Voucher holder's packet and fully explain the program. Applicants are required to attend briefing sessions conducted in either groups or individually before a Housing Voucher is issued.

#### **1. Briefing Format**

Housing Voucher briefings, are conducted by Contractor staff. Applicants are given opportunities to ask questions. The information provided to Housing Voucher holders is always consistent. At the close of the briefing session, each household is issued a Housing Voucher; which authorizes them to begin their search for housing.

The Housing Voucher holder is provided a packet containing items required by Section 982.301 of the regulations.

#### **2. Assistance to Housing Voucher Holders**

The Contractor will assist families with negotiations with Landlords, and provide other recommendations relative to the family's housing needs.

#### **3. Household Obligations Under the Voucher Rental Assistance Program**

Generally, under the Voucher Rental Assistance Program, the relationship between tenant and landlord is the same as in the private housing market. However, once a household receives a Voucher Housing Voucher, s/he has additional obligations, as described in the Housing Voucher and in CFR 982.551 and 982.552.

### **B. HOUSING VOUCHER ISSUANCE**

The number of Housing Vouchers issued must ensure that the Contractor maintain a 100 percent utilization of their Housing Vouchers. Therefore, the Contractor will maintain a Monthly Lease Status report to determine when Housing Vouchers need to be issued or if applications should be taken.

The Contractor, with instruction from the PHA may over-issue Housing Vouchers only if necessary to meet PHA leasing goals. All Housing Vouchers, which are over-issued, will be honored as contracts, if the applicant meets program requirements. When the PHA instructs a Contractor to over-lease, the Contractor will go under contract for the amount of Housing Voucher slots now authorized. As families leave the program, the Contractor will discontinue issuing Housing Vouchers until the Contractor is back down to 100 percent leased.

#### **1. Expiration and Extension**

The Housing Voucher is valid for a period of 60 calendar days from the date of issuance. Prior to expiration, the family may ask the Contractor for help in locating suitable housing. The family must submit a Request for Lease Approval and Lease within the 60-day period unless the Contractor has granted an extension. Extension requests must be received prior to the expiration date of the Housing Voucher. Unless approved by the PHA, the Contractor may only approve two extensions of 30 days or less, and never for a total of more than 120 days.

Extensions are permissible at the discretion of the Contractor primarily for these reasons:

- a. Verified cases of extenuating circumstances such as hospitalization or a family emergency for an extended period of time, which has affected the family's ability to find a unit within the initial 60-day period.

- b. The Contractor is satisfied that the family has made a reasonable effort to locate a unit, including seeking the assistance of a housing counselor, throughout the initial 60-day period.
- c. The family turned in a Request for Lease Approval prior to the expiration of the 60-day period, and the unit never passed Housing Quality Standards, and the family needs more than the remaining time to locate housing.
- d. The family provides proof that there were barriers in locating an accessible unit or other reasonable accommodation issues.
- e. The family holds a Housing Voucher for a bedroom size, which the Contractor determines is difficult to locate.
- f. Reasonable accommodation issues.

**C. PORTABILITY**

**1. Outgoing Housing Vouchers**

HUD form 52665, Family Portability Information, will be sent to the receiving housing agency for all out going families. A cover letter stating that the Colorado Division of Housing needs to be contacted for billing should be included. Receiving agencies are eligible for eighty percent (80%) of the Colorado consolidated HUD fee schedule. DOH retains the remaining twenty percent (20%) of the fees. DOH contractors cannot reissue the voucher without permission from DOH.

If there is more than one housing agency in the jurisdiction that the family wishes to move into the Contractor, with guidance from the PHA, will choose the receiving PHA. The Contractor shall allow families to move to another locality and continue their rental assistance as long as

- a. The family takes responsibility to locate the receiving housing agency
- b. They currently live in the Contractor's jurisdiction and hold a valid Housing Voucher; or
- c. The family was a resident of, or working in the Contractor's jurisdiction when they applied for the Voucher program, or
- d. If the family did not reside or work in the Contractor's jurisdiction when they applied, the family must lease, using their Housing Voucher, in the Contractor's jurisdiction for 12 months before they may move outside of the Contractor's jurisdiction, and
- e. If the family is moving outside of the State of Colorado, there must be a receiving housing agency administering the Voucher program in the new locality. If there is no housing agency in an area inside the State of Colorado, the PHA will arrange for administration of the subsidy, and
- f. The family is income eligible in the area where the family wants to lease a unit, if they have never been under contract before.
- g. The family has not violated any of their Family Obligations.
- h. The family is not moving to a jurisdiction with higher costs (payment standard for rent or administrative fees)

**2. Incoming Housing Vouchers**

The Colorado DOH is a state public housing agency, and is required to administer any portable family moving into the state where a housing agency administering the Voucher Program does not exist. The PHA will pay the closest housing agency mileage for HQS

inspections when a portable family picks a home where the PHA does not have a Contractor. The mileage reimbursement is paid in accordance with C.R.S. 24-9-104, and is \$.28 a mile (7/99).

The family must have valid Voucher Program subsidy from the other jurisdiction and the receiving Contractor has had contact with the initial housing agency. If this is the family's initial lease-up with the program, and their income exceeds the income limit available in the Contractor's jurisdiction, the family will be denied assistance.

All incoming portable families will be given a copy of the briefing package. The briefing should be scheduled as close to ten business days after the Contractor receives the portability documents. The Contractor will re-certify the family composition, income and conduct a CBI check, but in order not to delay the family's assistance, the Contractor may use the initial housing agency's Family Report for HAP determination. If the family's income is such that a \$0 subsidy is determined prior to lease up in the Contractor's jurisdiction, the Contractor will refuse to enter into a contract on behalf of the family at \$0 assistance. If the CBI report indicates that the family is not eligible, voucher assistance will be denied.

At the time of lease up and HAP contract execution the Contractor will absorb the family into their program by issuing a Housing Voucher from their allocation.



## **11. LOCATING SUITABLE HOUSING**

### **A. RESPONSIBILITY FOR LOCATING HOUSING**

Once a Housing Voucher has been issued, it is the family's responsibility to locate suitable housing within the jurisdiction of the Contractor, unless they are planning to go portable. Suitable housing means that the unit must be within the family's rent limitations, meet HQS, and minimum bedroom size requirements.

### **B. ELIGIBLE TYPES OF HOUSING**

The following types of housing may be utilized in the Housing Voucher program:

1.All structure types can be utilized, including but not limited to single family houses, duplexes, triplexes, four-plexes, garden apartments, townhouses, high-rises, and mobile homes

2.Manufactured homes where the family owns the mobile home and leases the pad

3.Single Room Occupancy

4.Shared Housing

Shared Housing allows two or more families to share a single housing unit. One or both of the families sharing the unit may be a Housing Voucher holder. The PHA has chosen to use the individual lease method. In this situation each family leasing from the Landlord will execute and maintain its own lease. Thereby, each family operates independently of the other family's actions.

5.Housing owned by the Contractor. Contact your Housing Specialist for further guidance in this area

6.HOME financed rental housing

### **C. INELIGIBLE TYPES OF HOUSING**

1.Owner occupied housing, except for:

- a. Manufactured homes where the family owns the mobile home and leases the pad space
- b. The family is authorized to use their Housing Voucher in an installment land contract situation
- c. The family is authorized to use their Housing Voucher for a homeownership program
- d. Families may not lease properties owned by relatives, unless there is a documented need to meet reasonable accommodations
- e. Public Housing units
- f. Project-based Voucher assistance under the Voucher New Construction, Substantial Rehabilitation, Moderate Rehabilitation or other project-based assistance program

### **D. REQUEST FOR LEASE APPROVAL AND STOP THE CLOCK PROVISION**

The Request for Lease Approval and a copy of the proposed lease must be submitted to the Contractor prior to the expiration of the Housing Voucher. The Request for Lease Approval; must be signed by both the owner and the Housing Voucher holder. However, the lease must not be

signed until the Contractor has approved it. The Contractor will suspend the time (stop the clock provision) on the Housing Voucher while evaluating the Request for Lease Approval, and during the HQS process. Once the Request for Lease Approval is received, the Contractor has authorization to perform a Housing Quality Standards inspection.

The Contractor will review the documents to determine whether or not they can be approved by:

1. Reviewing the landlord's lease to see that it complies with HUD requirements,
2. Determining if the rent is affordable, if the gross rent is over the family's payment standard only 40 percent of the family's adjusted gross income may be used for housing expenses.
3. Reviewing the security deposit to see if it is normal for the market.
4. The Contractor will assist the family and landlord in fixing any inconsistencies or omission in the RFLA form.
5. The Contractor will try to determine if there are any conflicts of interest in the agreement.
6. The Contractor must ensure the unit meets the rent reasonableness criteria for the unit.
7. The family, owner and unit must continue to be eligible.
8. Owners must complete one W-9, which is good for all of their properties. If there is a change of name or address, a new W-9 must be completed. Documentation must be attached supporting the social security or federal identification number. The Contractor will submit the original W-9 to the PHA.

The Contractor will assist the family in rent and security deposit negotiations. If the owner accepts the offer of a revised rent, the Contractor will continue processing the RFLA and Lease. If the revised rent involves a change in the provision of utilities, the owner and family will submit a revised Request for Lease Approval.

If the owner does not agree on the contract rent or security deposit, after the Contractor has tried and failed to negotiate a revised rent, the Contractor will inform the family and owner that the RFLA is disapproved. If the RFLA is disapproved for other problems, the Contractor will explain the situation to the landlord and the family, and suggest how they may be corrected. The landlord and the family will be provided an opportunity to correct the problem(s) prior to a specific date, which is within 10 business days of the Contractor's written notice to the parties. If the problem(s) is not corrected, the Contractor will send written notice to the landlord and the family that the RFLA is disapproved. The family will need to look for other housing, and the time clock for the 60-day search period starts up again.

#### **E. HOUSING QUALITY STANDARDS (HQS)**

The Contractor is required by HUD regulations to inspect the unit to ensure that it is "decent, safe, and sanitary" according to Housing Quality Standards. The Housing Quality Standards are used to determine whether or not the unit is acceptable so the family can receive financial assistance for the rent. The Contractor will schedule a timely inspection of the unit upon receipt of a Request for Lease Approval and Lease.

The Housing Quality Standards will take precedence over State and/or local housing codes unless approval to apply the more restrictive code(s) has been given in writing by the PHA, and additional standards identified by the Contractor do not inhibit the availability of housing in the Contractor's jurisdiction. The Contractor will give the PHA a written statement of any additional local standards. Efforts will be made at all times to encourage landlords to provide housing quality above HQS minimum standards. Units must continue to meet the Housing Quality Standards for as long as the family remains in the unit with Voucher Program assistance.

There are three types of inspections the Contractor will perform:



### 1.Initial

Initial inspections occur whenever the family moves into a unit.

### 2.Annual

All program units must be inspected at least once within a 12-month period. The Contractor should schedule annual inspections 90 days before the effective date of the annual review. This allows time for fails to be corrected. The Contractor must complete the HQS inspection even if the family has told them they are planning on moving. This ensures that all annual activities are completed by the re-certification date, if the family's situation changes.

### 3.Complaint

If at any time the tenant or owner complains that the unit does not meet HQS, the Contractor will respond promptly to the complaint. A complaint regarding physical condition of the unit may be reported by telephone.

The Contractor is required to inspect only the items about which the tenant or landlord are complaining, but if the Inspector notices additional deficiencies that would cause the unit to fail the HQS, s/he must also note those items and require the owner or family to repair these deficiencies.

## F. FAMILY HQS RESPONSIBILITIES

### 1.Correcting HQS Violations

The Family is responsible for HQS violations caused by the following:

- a. The family fails to pay for tenant-supplied utilities
- b. The family fails to provide and maintain tenant-supplied appliances
- c. Damages caused by the family or a guest of the family to the unit or premises

The family or the landlord must correct life-threatening violations within 24 hours. For other family caused violations, the family must correct the defect within 30 days. A reasonable extension; on this time may be allowed by the Contractor.

The landlord may charge the tenant for repairs made due to tenant neglect or abuse. Local codes or laws may guide what recourse the Owner has in recovering costs of repairs. The Owner may choose to initiate legal action against its tenant.

The Contractor may terminate assistance to the family for the above HQS violations. Families must be given the opportunity for an informal hearing. Until the assistance is terminated, the Contractor must continue paying HAP to the owner or terminate the HAP contract for family caused HQS violations.

### 2.Allowing HQS Inspection

The Contractor must be allowed to inspect the unit at reasonable times with reasonable notice to the family. The family will be sent a letter with a scheduled inspection date and approximate time. If the scheduled time is not convenient, the family must call the Contractor and reschedule the time following the procedures outlined in Chapter 13. F. If the Contractor does not have access to the unit at the scheduled time, this is considered a missed appointment, and the Contractor will follow the missed appointment procedures outlined in Chapter 13. F.

## G. CLEARING HQS DEFICIENCIES

## 1. Initial Inspection

If the unit fails the HQS inspection, the family and landlord will be notified of the results, and advised to notify the Contractor once repairs are completed.

The landlord will generally be given 15 to 30 days to correct the items noted as failing depending on the extent of the repairs that have to be made. The landlord will generally be allowed up to two re-inspections for repair work to be completed, depending on the amount and complexity of the work to be done.

If the repairs have not been completed within the authorized time period, the family should select another unit or, if the family still wants to lease this unit, the family and landlord will need to submit another Request for Lease Approval, explaining how they plan to get the repairs completed in a timely manner.

## 2. Annual or Special Inspection

The landlord and/or family will generally be given 15 to 30 days to correct the items noted as failing depending on the extent of the repairs that have to be made. The Contractor will generally allow up to two re-inspections for repair work to be completed, depending on the amount and complexity of the work to be done. If the items are not corrected by the final inspection, the landlord will be given notice of intent to terminate the HAP Contract and that the HAP will be abated.

If the failed item endangers the family's health or safety, the landlord must correct the violation within 24 hours even if the family caused the fail. The Contractor may give a short extension (not more than 48 additional hours) whenever the landlord cannot be notified or it is impossible to repair within the 24-hour period. The following items are considered life threatening:

Broken lock on doors to unit	Waterlogged ceiling in imminent danger of falling
Major plumbing leaks or flooding	Utilities shut off
Natural gas leaks or fumes	Electrical situation which could result in fire
The furnace is not working	Broken-glass where someone could get cut
No running water	Non-functioning toilet if only toilet in house
Obstacle which prevents tenant's access or exit to or from unit	

In those cases where there is leaking gas or potential for a fire within the notice period and the owner cannot be notified or it is impossible to repair, the Contractor will notify the proper authorities.

If the emergency items are not corrected within 24 hours, or up to 72 hours if an extension is granted, the landlord will be given notice of intent to terminate the HAP Contract and that the Housing Assistance Payment will be abated.

## H. ABATEMENT

When it has been determined that a unit on the program fails to meet HQS and the landlord has been given the opportunity to correct the problem(s) and has not done so, the rent must be abated until the repairs are complete. No retroactive payments will be made to the owner for the period of time the rent was abated, and the family is not responsible to the landlord for the PHA portion of rent that was abated. The Contractor will re-inspect the abated unit within 2 days of the landlord's notice that the work is complete. The abatement will end the first business day following the re-inspection of the unit if no deficiencies are remaining.

**I. HAP CONTRACT TERMINATION FOR HQS VIOLATIONS**

The HAP Contract will be terminated if the owner fails to correct all the items cited within the 30-day abatement period. While the termination notice is running, the abatement will remain in effect. After the termination notice has been given only one more HQS inspection will be conducted.

If repairs are completed before the termination date, and the unit passes HQS, the termination can be rescinded by the Contractor if the family chooses to remain in the unit.

If the contract has ended and the landlord and family agree that the family should remain in the unit, a new Request for Lease Approval and lease must be submitted to the Contractor.

**J. RENT REASONABLENESS DETERMINATION**

Rent reasonableness determinations are made before units are placed under HAP contract and when landlords request annual rent adjustments. In order to determine if a unit's rent is reasonable the Contractor conducts an HQS inspection, and then researches non-subsidized rents with landlords, property managers, from newspapers, Realtors, professional associations, and Apartment Guide information. The Contractor will continually maintain a market comparability notebook for rent comparison testing. At a minimum one comparable unit is allowed.

The Contractor will certify and document on a case-by-case basis that the approved rent does not exceed rents charged by the landlord for comparable unassisted units in the private market, and is reasonable in relation to rents charged by landlords for comparable units in the private market. If necessary, the Contractor may need to assist in negotiating the rent amount.

These features are used in rent reasonableness determination:

Unit Type	Square Footage
Number of Bedrooms	Number of Bathrooms
Location	Quality
Amenities	Facilities
Date Built	Management and Maintenance Services

Once the unit has been selected, the Request for Lease Approval submitted and approved, the unit has passed HQS, and the unit has been determined rent reasonable, the Contractor is ready to have the HAP Contract and the landlord's lease executed.



## **12. LEASE AND CONTRACT EXECUTION**

### **A. HAP CONTRACT EXECUTION**

If the RFLA is approved, the Contractor will prepare the HAP Contract and Lease Addendum. Prior to HAP Contract execution, the Contractor will review the Family Report (50058) and confirm the family's eligibility. If significant changes have occurred, the information will be verified before the TTP is calculated.

To prepare the documents, the Contractor will compute the TTP, Tenant Rent, utility allowance, and the HAP. Once the documents are prepared, the Contractor will have the documents executed by the family, landlord, and the Contractor. The appropriate staff person, designated in writing by the Contractor's CEO, will execute the contract on behalf of the PHA.

If the Contractor is the owner or property manager of the property, then the HAP Contract must be signed by the Contractor's representative at the PHA to avoid conflict of interest.

After final execution of the lease and contract, the landlord will be provided copies, and a copy of the lease will be provided to the family. The Contractor will maintain a complete set in the family's file.

The Contractor may offer the landlord a signature briefing, especially when a new landlord is joining the program, to be attended by the owner and tenant. Responsibilities of both parties will be discussed prior to signing the lease and contract. The documents may be mailed out for signature, as requested, if the owner has previously been briefed on program requirements.

### **B. SECURITY DEPOSIT REQUIREMENTS**

The PHA requests that a maximum of one month's rent be collected as the security deposit, but the landlord may follow local practice in the amount required for deposit. The PHA also requires that the first and last month's rent; are not requested by the landlord when the family enters into the lease. The Voucher program is providing assistance for both the first and last month, and collecting this rent from the family is an overcharge.

The security deposit amount collected must be stated on the lease. If the tenant is leasing-in-place, the amount of the security deposit may remain at whatever deposit was originally collected. If the Landlord wishes to increase the security deposit, a new HAP contract and lease must be executed, using the current subsidy calculations.

When the family moves out of the unit the landlord is subject to state and local law concerning the return of the security deposit. If the security deposit does not cover unpaid rent, damages or other amounts the family owes under the lease, the owner must collect any amounts due from the family. The owner may not claim reimbursement from the PHA for unpaid rent, damages or other amounts owed by the family under lease.

### **C. SEPARATE AGREEMENTS**

Landlords and families may execute agreements for services, pets, furniture, appliances (other than for range and refrigerator) and other items outside those; which are provided under the lease if the agreement is in writing and approved by the Contractor. If the family and landlord have come to an agreement on the amount charged for a specific item, the charges are reasonable and not a substitute for higher rent, they will be allowed. Copies of all agreements for special items or services must be provided to the Contractor.

Any appliance, service or other items, which is routinely provided to non-subsidized tenants as part of the lease (such as air conditioning, dishwasher or garage), or is permanently installed in the unit, cannot have an extra charge and must be included in the lease. For there to be a separate agreement, the tenant must have the option of not utilizing the service, furniture, appliance or other item. The PHA is not liable for unpaid items covered in a separate agreement, and nonpayment of these agreements cannot be cause for eviction.



### **13. LANDLORD PAYMENT PROCESS**

#### **A. REQUIREMENT FOR VALID W-9 FORM**

Once the HAP Contract is executed, and the PHA has a valid W-9 from the owner, the payment process is started to the owner. A valid W-9 is one is supplied by the PHA, and is made out in the name of, and signed by the property owner. If the checks should be mailed to a property manager, their name and address is typed in the Remit To section on the W-9.

#### **B. PAYMENT PROCESS**

The PHA attempts to have the HAP to the owner on or about the first of each month, but normal processing could delay the HAP until the 5<sup>th</sup> of the month. The PHA fiscal year close, June 30, always delays delivery of the HAP to the 10<sup>th</sup> through the 15<sup>th</sup> of July. Checks will be mailed to the owners and cannot be picked up at the PHA office.

The Contractor is required to submit a Payment Register and Family Report for all initial, interim and annual certifications. The Contractor will submit a monthly HAP Request showing the payment request status effective the first of the month. The monthly HAP Request must be mailed to the PHA on or before the 15<sup>th</sup> of the month prior to the payment request. Quarterly, the PHA will reconcile the Contractor's HAP Request.

If a mid month lease is executed, the partial payment for the first month, and the full payment for the second month will be paid with the second month's regular HAP. The Contractor may make a request, if an emergency payment is needed for the partial month's rent. If the family has an income reduction, which increases the monthly HAP, and the HAP has already been processed, the additional amount due to the owner will be paid with the next month's HAP.

When a full-month's late payment request is received; the PHA will issue a manual warrant if the request is received before the end of the month when it's due. If the request is received after the end of the month, the payment will be paid with the next month's regularly scheduled HAP, unless the Contractor has made special arrangements with the PHA for an earlier payment.

#### **C. LOST CHECKS**

Checks lost in the mail will not be replaced by a duplicate check until a stop payment and reissue affidavit is filed with the State Accounts and Control office.

#### **D. LATE CHARGES**

PHA policy does not allow for payment of late payment fees.

#### **E. CHANGE IN OWNERSHIP**

The Contractor will process a change of ownership upon the written request of either the old or new landlord with a copy of the recorded deed transferring the property. A copy of the Taxpayer Identification Number or the Social Security number of the new landlord and a W-9 form must be submitted before payment can start to the new landlord. The Contractor may hold HAP until the new W-9 is received if the Contractor knows that an ownership transfer has occurred. All payments that are due will be paid in as timely a manner as possible upon receipt of the required documentation.

The PHA will not be responsible for changing any amounts shown on the IRS 1099 reporting document unless the ex-landlord returns the original PHA payment(s) for the period that they did not own the property. In this case, a check will be issued to the new landlord, and the reportable income will show on the new landlord's 1099 form.





## **14. INTERIM AND ANNUAL RECERTIFICATIONS**

### **A. INTERIM REQUIREMENTS**

The family is required to report to the Contractor when changes occur in their family composition or income. A change that causes a decrease in the family's portion of the rent will be effective the first day of the month following the change, if the change is reported in a timely manner. Changes, which cause the family's portion of the rent to be increased, will be effective the first of the month after a 30-day notice of rent increase is given to the family. When a reported change does not cause any change in the family's portion of the rent, the Contractor will document the family's file to 1. The date notified, 2. What the change is, 3. Who notified the Contractor, and 4. The person taking the information will initial the information.

#### **1. The family must report:**

##### **a. Changes in Family Composition**

All changes in family composition must be reported within ten business days of its occurrence. When the situation requires the issuance of another size Housing Voucher, the Contractor will follow the instructions in Chapter 8. C.

- b. Any increase in gross household income must be reported, but an interim certification will only be conducted if the increase in income exceeds \$320 per month.
- c. Any change in source of income, but an interim will only be conducted if the income went down, or if it increased more than \$320 per month.
- d. Receipt of lump sum payments.

#### **2. The family may report any of the following changes:**

- a. Decrease in income
- b. Increase in allowances or deductions

#### **3. Other Interim Reporting Requirements:**

- a. For families with zero income, an office call is required monthly.
- b. For families whose annual income cannot be projected with any reasonable degree of accuracy, reexamination will be required every 90 days unless the Contractor used the averaging method of annual income calculation.
- c. If the Contractor made a calculation error, the Contractor will perform an interim recalculation; the family will be given their 30-day notice, and will not be charged rent retroactively for the Contractor's error.
- d. For families whose rent has been based on false or incomplete information there will be an interim reexamination performed to determine if termination and/or repayment procedures should be initiated.

### **B. FORMS USED AT INTERIM RECERTIFICATION**

The Contractor will need 1. Release of information authorization, 2. Verification forms, 3. Family Report and family certification, 4. Notice of rent change/informal hearing opportunity letter, and 5. The contract and lease amendment. The amendment and the notice of rent change letter will be sent to the landlord and tenant. Signatures are not required for the contract and lease amendment.

## **C. TIMELY REPORTING**

### **1. Standard for Timely Reporting of Changes**

The standard for reporting changes, other than changes in family composition which is described below, is for the family to report the change no later than at the month in which the change occurred. The family must report the change either in writing or personally to the Contractor. The Contractor should give the family a receipt for personalized visits. The Contractor will verify the changes through the normal verification process.

### **2. Procedures when the Change is Reported in a Timely Manner**

The family will request a meeting with the Contractor to discuss the change, and bring any helpful documentation. If the family is unable to bring documentation, they will be requested to supply it to the Contractor within the next 10 business days. The Contractor will follow normal verification procedures.

The Contractor will notify the family and the landlord of any change in the Housing Assistance Payment. The family is always given a 30-day notice prior to the first of the month, which the change is effective for increases in Tenant Rent. Decreases in the Tenant Rent are effective the first of the month following the month in which the change was reported. No rent adjustments will be processed until the verification process is complete. When necessary, the Contractor will make a retroactive adjustment.

### **3. Procedures when the Change is Not Reported in a Timely Manner**

If the family does not report the change by the end of the month in which the change occurred, the family will be determined to have caused an unreasonable delay in the interim reexamination process.

- a. Increased Tenant Rent: The change will be effective retroactive to the date it would have been effective, had it been reported on a timely basis
- b. Decreased Tenant Rent: The change will be effective on the first of the month following completion of the change by the Contractor

The family will be required to sign a Repayment Agreement for any overpaid housing assistance. Deviation from normal effective dates is justified because of the participant's failure to supply the required report.

### **4. Procedures when the Change is Not Processed by the Contractor in a Timely Manner:**

If the change is not processed in a timely manner through the fault of the contractor, an increase in Tenant Rent will be effective after the required 30-day notice by the Contractor, with no retroactive increase charged to the family.

If the change resulted in a decrease in the Tenant Rent, a retroactive overpayment of Tenant Rent will be calculated to the date it should have been effective and a check will be sent to the family.

### **5. Timing of Next Annual Re-certification**

Interim re-certification will have no effect on the annual re-certification effective date.

## **E. ANNUAL RECERTIFICATION**

There are three activities the Contractor may conduct on an annual basis, and should be coordinated whenever possible:

- Annual re-certification of family composition and income (must)
- Annual HQS inspection (must)

Landlord rent increase (may)

The Contractor will maintain a reexamination tracking system to begin the re-certification process at least 90, and up to 120, days in advance of the scheduled annual reexamination effective date.

Families must provide information on income, assets, allowances and deductions, and family composition, and allow their unit to be inspected at least annually in order to stay in good standing with the program. Annuals for mid-month move-ins will be effective the first of that month, the following year. Income limits are not used as a test for continued eligibility at re-certification.

When the family comes in for their annual re-certification, and reports a change that would have caused an interim re-certification increasing their Tenant Rent, it will be effective retroactively to the scheduled effective date if proper notice had been given. A repayment agreement may need to be signed.

#### 1.Reexamination Notice to the Family

The head of household will be notified by letter that s/he is required to attend a reexamination interview. A Personal Declaration form and Items To Bring list are included with the interview letter. The family will be instructed to fill out the form and bring it, and the documents, which support the information to the interview. The letter will state the date and time for the appointment. The family may call the Contractor and schedule a time that is more convenient for both parties. See Missed Appointment policies in section F. below.

#### 2.Verification of Information Provided

The Contractor will follow Verification Procedures in Chapter 5. Verifications are valid for 120 days from the date of the verification.

#### 3.Change in Tenant Rent

After all the information is analyzed, and all necessary documents are prepared and signed by the tenant, and after all other requirements have been met, the Contractor will recalculate the family's portion of rent. The Contractor will notify both the family and the landlord of the rent to be paid by the family and the PHA.

If there is an increase in the family's rent, the new rent portion will go into effect following a full 30-day notice prior to the first of the month in which the new rent will apply. If the family has been misrepresented, or caused a delay in the reexamination process, there may be a retroactive increase.

If there is a rent decrease, it will be effective on the scheduled reexamination effective date.

### **E. ANNUAL HQS INSPECTION**

The Contractor will conduct an HQS inspection at least annually following the guidelines described in Chapter 10.

### **F. MISSED APPOINTMENTS**

All families are required to attend their scheduled appointments when requested by the Contractor. The appointments are scheduled as the Contractor, the PHA, or HUD, determine to be necessary to enable the family to supply information including certifications, releases of information, documentation submission, and allowing the Contractor or the PHA to complete HQS inspections. If a scheduled meeting is not convenient for the family, it is the family's responsibility to contact the Contractor and reschedule the meeting. If the family fails to appear for their appointment, the Contractor will automatically notify the family in writing of a scheduled second meeting. Two unexcused failures to appear at a scheduled appointment will result in the Contractor mailing either the Notice of Denial or Notice of Termination of Assistance letters.

## 1.Application Denial

The applicant's Notice of Denial letter will state that the application is being withdrawn and that a determination of ineligibility has been reached, and that the applicant has a right to an informal review. The applicant may reapply for assistance unless the informal review determines that a third briefing should be scheduled. The informal review process is explained in Chapter 15.

## 2.Program Termination

The family's Notice of Termination of Assistance letter will state the reason that the family's assistance is being terminated, and that the family has the right to an informal hearing. The informal hearing process is explained in Chapter 15.

## G. LANDLORD RENT INCREASES

### 1.Written Request

Landlords must request a rent increase in writing. After the expiration of the first term of the lease, rent increases may be effective with a 30-day notice to the family, and a copy to the Contractor.

### 2.Rent Reasonableness

The Contractor will conduct the rent reasonableness test for the new rent following guidelines described in Chapter 10 J. **The Contractor will advise the family whether the rent is reasonable and will assist in rent negotiation with the landlord if requested by the family.**

### 3.HQS Requirement

Contract rent increases will not be given until the unit passes the Housing Quality Standards inspection.

### 4. No Settlement on Rent Increase

If the Contractor rejects the landlord's request for rent increase as exceeding rent reasonableness, and the landlord rejects the Contractor's disapproval of rent:

- a. The landlord must institute court action and use this refusal to accept the rent as a cause to terminate tenancy, in accordance with the lease. The Contractor would issue a new Housing Voucher to the family; or
- b. The family may choose to terminate their Voucher Rental Assistance and pay the full amount of Contract Rent to Landlord;
- c. If after the family has begun searching for a new housing unit and/or after court action has been initiated, the landlord may decide to drop legal action and accept the approved rent. If both the landlord and family agree to the existing rent the lease can continue as is, or the landlord may offer a new lease to the tenant for the approved rent amount.

## **15. FAMILY MOVES AND CONTRACT TERMINATION**

### **A. FAMILY MOVES**

A Housing Voucher will be issued every time the family wishes to move. The annual re-certification date will not change unless the Contractor completes a full re-certification. The family must provide the Contractor with written notice prior to moving from the unit in order to keep their assistance. If the family vacates the unit without written notice to the Contractor, it is a violation of a family obligation and the Termination of Assistance procedures will begin. If the family vacates the unit without proper notice to the landlord, the family may be responsible for any rent due until the end of the lease term.

If the family moves to a dwelling unit owned by the same landlord, or within the same building or project, the move still requires a new Housing Voucher, lease and contract.

If the family does not locate a new dwelling unit, and the landlord is willing to rescind the mutual recession of lease, the family may continue living in their current unit. No additional documents are necessary and the landlord continues to be paid.

Families will be authorized to move with continued assistance under the following conditions unless one or both of the below situations are present:

- 0. the family has violated a family obligation in accordance with 24 CFR 982.551 and 982.552
- 0. the family owes the PHA money and refuses to enter into a repayment agreement.

### **B. MUTUAL RESCISSION OF LEASE**

The family may enter into a mutual rescission of the lease with the landlord. The family must provide a copy of the written, executed mutual rescission to the Contractor no less than 30 days prior to the vacate day.

### **C. TERMINATION OF THE LEASE AND CONTRACT BY THE LANDLORD**

The landlord may terminate the lease in accordance with the lease provisions, which also terminates the HAP contract. If this is a mid month termination, the Contractor must prorate the HAP. The landlord must reimburse the PHA for any rent subsidies paid by the PHA for any period after the contract termination date.

If the family continues to occupy the unit after the lease and contract are terminated, the family is responsible for the full amount of the Contract Rent and any other amounts owed as a result of continued occupancy.

### **D. TERMINATION OF CONTRACT BY CONTRACTOR**

The HAP contract terminates automatically when the family moves from the unit, and when 180 calendar days have elapsed since the last HAP to the landlord. If the Contractor terminates the HAP Contract, contractor must give the landlord and family at least a 30-day written notice.

The Contractor may terminate the Contract for the following reasons:

- 1.The Annual Contributions Contract is ending between the PHA and HUD.
- 2.The landlord is not in compliance with the terms of the Contract. Before terminating for this reason, the Contractor must give the landlord the opportunity to take corrective actions.
- 3.The landlord has committed fraud.

If the landlord has committed fraud or misrepresentation, the Contractor will terminate the HAP Contract. The Contractor will review the circumstances and family's involvement to

determine if the family is eligible to relocate to another unit with continuation of assistance. The Contractor will make every effort to recover any overpayment made as a result of landlord fraud or abuse.

If the landlord has committed fraud, the Contractor may restrict the landlord from future participation in the program for a reasonable period of time, commensurate with the seriousness of the offense.

4. The Contractor terminates assistance to the family.
5. The family is required to move from a unit, which is overcrowded.
6. The family has been at \$0 HAP assistance for 180 days.

Families receiving \$0 HAP assistance may remain on the program for 180 days from the effective date they went to \$0 subsidy. When 180 days have elapsed, and the family is still at \$0 assistance, the Landlord will be notified of the termination of the HAP Contract.

During the 180-day period the Contractor must perform all duties and responsibilities as necessary such as reexaminations and HQS inspections. If the landlord wants a rent increase during this 180-day period, and the rent increase would cause the Contractor to resume HAP payments, or if at a reexamination time, the family had a loss of income and there would be a HAP payment, the payments will be resumed. If the family moves to another unit, which required the Contractor to pay HAP, the \$0 assistance provision is no longer in effect. The Contractor cannot execute a HAP contract at \$0 subsidy.

## **E. EVICTIONS**

Landlords are required to follow eviction procedures consistent with Federal, State or local law. Landlords must provide a copy of the eviction notice to the tenant and Contractor and, if the action is finalized in court, the landlord must provide the Contractor with the documentation.

The PHA must continue making housing assistance payments to the landlord during the eviction until the court determination is settled. The family must continue to occupy the unit for assistance payments to continue.

A landlord may terminate tenancy for criminal activity by a family member, a guest or another person under the tenant's control. This criminal activity must threaten the health, safety or right to peaceful enjoyment of premises by other tenants or persons residing in immediate vicinity of the premises. The landlord may also terminate tenancy for any drug crime on or near the premises by a family member, a guest or another person under the tenant's control.

## **F. CONTINUOUSLY ASSISTED**

There may be times when a participating family needs to move from their unit and is not in a position to immediately start a housing search. The family may request, in writing, a deferral of subsidy issuance for a period up to 180 days for medical, educational or employment reasons.

### **1. Reasons for Break in Assistance**

- a. Care of a child, parent, or other relative with a serious health condition, including psychological support.
- b. The head of household's own serious health condition.
- c. A participant family member that has the opportunity to be employed or to receive educational benefits in an area that has no eligible housing opportunities at this time. There must be the possibility of eligible housing available by the end of the 180-day subsidy deferral.

- d. A participating family is residing in a shelter temporarily.

## 2. Family Member Defined for Medical Continued Assistance

For purposes of continued assistance, a family member is defined as daily care as follows and no other family relationship is allowed under continuously assisted.

- a. Child, including biological, adopted, foster, step, an adult child over 18 incapable of self care, legal ward, or child for whom the participant is acting *in loco parentis*.
- b. Spouse, either by marriage or common law as recognized by Colorado state law.
- c. Parent, including a person who acted *in loco parentis* for the participant. *In loco parentis* is defined a daily care and financial support. The Contractor may require documentation of the family relationship.

## 3. Serious Health Condition Defined

A serious health condition is an illness, injury, and impairment, physical or mental condition that meets one of the following tests.

- a. Inpatient care (overnight stay) in a hospital, hospice, or residential care facility, including any subsequent period of incapacity and treatment to recover.
- b. Continuing treatment by, or under the supervision of, a health care provider for the following:

1. A period of incapacity of thirty or more consecutive calendar days along with treatment, including any continuing treatment. Treatment is defined as prescriptive medications or treatment with special equipment. Excluded are routine exams and treatment not requiring initiation by a health care provider, e.g., over-the-counter medications, bed rest, exercise, fluids, etc.

2. A chronic serious health condition that requires periodic visits to a health care provider for treatment, continues over an extended period of time, and may cause episodes of incapacity. Examples include, but are not limited to, migraines, asthma, diabetes, and epilepsy.

3. A permanent, long-term condition for which treatment may not be effective. The patient is under the supervision of a health care provider, but not necessarily receiving active treatment. Examples include, but are not limited to, Alzheimer's disease, severe stroke, and terminal illnesses.

1. Multiple treatments, including the period of recovery, for restorative surgery after an accident or illness or for a condition that would likely result in an incapacity if not treated. Examples include, but are not limited to, radiation, physical therapy, dialysis, and chemotherapy.

Excluded are short-term, minor illnesses, common or routine problems, voluntary or cosmetic treatments that are not medically necessary. Examples include cosmetic surgery, colds, flu, common ear aches/infections, upset stomach, minor ulcers, common headaches, routine dental or orthodontia, periodontal disease, etc. An incapacity of 4 or more consecutive calendar days and/or a regimen of treatment do not convert a minor illness or injury into a serious health condition.

The use of an illegal substance is not protected under continuously assisted. If the participant or eligible family member is under substance abuse treatment that meets the definition of a serious health condition, the treatment is covered under continuously assisted. However, the Contractor may still take termination action against the participant in accordance with this administrative plan's substance

abuse policy and HUD's implementing guidelines. On the other hand, if the participant is using the subsidy abatement for the substance abuse treatment of someone other than them-selves, or a participant family member, no action can be taken against the participant.

#### 4. Health Care Provider Defined

A health care provider includes a medical doctor, osteopathic doctor, dentist, podiatrist, clinical psychologist, optometrist, chiropractor (under certain conditions), nurse practitioner, nurse mid-wife, Christian Science practitioner (listed with the First Church of Christ, Scientist in Boston), and clinical social worker.

#### 5. Participant Requirements

The participant has primary responsibility for requesting a break of assistance and providing the required information or documentation to support the request before they move from the current assisted unit. The participant is expected to request leave in advance and in writing, except in emergencies or other unforeseeable circumstances. Advance notice is typically one month, in accordance with rescission of the lease, or as soon as practical.

Again, the participant is obligated to provide enough information so that the Contractor can designate whether continuance of assistance is applicable or necessary.

#### 6. Contractor Requirements

Normal verification procedures and time frames will be followed in confirming the break in assistance request. For educational and employment requests, verification will include written verification from the educational facility or employer and rental market documentation that eligible housing is not available.

For medical verification a statement from the affected family member's doctor will be required. If the medical certificate is incomplete or deficient, return it to the participant with a reasonable period of time to correct the deficiencies. Do not try to second-guess the health care provider.

If you have reason to doubt the validity of the medical opinion, the Contractor has the right to require a second opinion. The Contractor selects the health care provider. If the second opinion and the original opinion conflict, the Contractor has the right to request a third opinion by a health care provider that the Contractor and the participant select together. The Contractor must pay for second and third opinions.

If the information the participant supplied is still insufficient, the Contractor will start termination of assistance procedures with the right of appeal. Once the Contractor has determined that the requested break in assistance is qualified, written notice will be given within five business days from when the designation was made. If the break has already begun, the notice should be sent to the participant at the last known address by certified mail, return receipt requested.

#### 7. Periodic Check-In

The Contractor and the participant will establish a periodic check-in schedule generally every 30 days. The check-in schedule can include updates on the housing market, or the status of the affected family member.

Additional medical certifications may be required. Typically, such certifications cannot be required more often than every 30 days. Second and third opinions are not allowed for additional medical certifications. A verbal request from the Contractor is acceptable



## **16. TERMINATIONS, APPEALS, AND REPAYMENT AGREEMENTS**

### **A. DENIAL OR TERMINATION OF ASSISTANCE GENERAL POLICIES**

If the family has committed fraud in connection with the Housing Voucher Program, the Contractor may terminate assistance and cancel the Contract.

If the family has misrepresented income, assets, or allowances and deductions, which would have caused them to pay more, the Contractor will make effort to recover any overpayment made as a result of tenant fraud or abuse.

The Contractor may choose not to terminate assistance under the outstanding HAP Contract, or the Contractor may offer to continue assistance on the condition that the family agrees to reimburse the Contractor for the overpayment.

In deciding whether to deny or terminate assistance because of action or failure to act by members of the family, the Contractor has discretion to consider all of the circumstances in each case, including the seriousness of the case, the extent of participation or culpability of individual family members, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure.

### **B. GROUNDS FOR TERMINATION FROM THE PROGRAM**

The applicant or program participant may, at any time, be denied program assistance, or be terminated from the program for any of the following grounds:

0. the family violates any family obligations under the program
0. any member of the family has ever been evicted from public housing
0. If the PHA or one of its Contractors has ever terminated assistance for any member of the family
0. At any time, the Contractor may deny assistance to an applicant, or terminate assistance to a participant family if any member of the family commits drug related criminal activity or violent criminal activity.
0. If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
0. If the applicant currently owes rent or other amounts to any PHA or housing agency in connection with Voucher Program or public housing assistance under the 1937 Act.
0. If the family has not reimbursed any housing agency for amounts paid to a landlord under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.
0. If the family breaches a re-payment agreement with any housing agency to pay amounts owed
0. If a family participating in the FSS program fails to comply, without good cause, with the family's Contract Of Participation.
0. If the family engages in or threatening abusive or violent behavior toward housing agency staff. The family must not commit criminal activity against Contractor property or Contractor employees. If any member of the family commits any criminal activity against the Contractor, the family will be denied assistance or terminated from the program. Substantial evidence must be collected in order to deny or terminate assistance.

- 0. The Contractor must deny or terminate assistance if any member of the family fails to sign and submit consent forms for obtaining needed information.
  - 0. the family must submit required evidence of citizenship or eligible immigration status. The Contractor must deny, terminate or prorate assistance because a family member does not establish citizenship or eligible immigration status
  - 0. Effective January 1, 1996 if any participant family has been evicted from any unit, for any reason two times
- 14.A family who reached zero assistance and has paid all of their rent for 180 days
- 15.Persons convicted of manufacturing methamphetamines (a meth lab) on federally assisted housing premises

**C. OBLIGATIONS OF THE PARTICIPANT**

- 1.Supply required information
- 2.Fix HQS breach caused by family
- 3.Allow HQS inspection
- 4.No lease violations
- 5.Family notice to Contractor and landlord of move or lease termination
- 6.Family notice to Contractor of landlord eviction
- 7.The unit must be the family's only residence

If the family is absent from the unit for less than 180 consecutive days the Contractor will consider the assisted unit the family's principal place of residence unless one or more of these conditions are present:

- a. The family has not declared that the assisted unit is their principal place of residence
- b. Rent is not current
- c. Utilities are not turned on
- d. Household furnishings are not present
- e. The family has been out of the unit for 180 consecutive days.

- 8.The composition of the assisted family residing in the unit; must be approved by the Contractor. The family must promptly inform the Contractor of the birth, adoption or court-awarded custody of a child. The family must request Contractor approval to add any other family member as an occupant of the unit.
- 9.The family must promptly notify the Contractor if any family member no longer resides in the unit.
- 10.The family must obtain the Contractor's approval for a foster child or a live-in aide to reside in the unit.
- 11.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.

12. The family must not sublease the unit.

13. The family must not assign the lease or transfer the unit.

14. The family must not be absent from the unit. Absence from the unit means that no member of the participant family is residing in the unit. The family must promptly notify the Contractor of absence from the unit. The family must supply any information or certification requested by the Contractor to verify that the family is living in the unit, or absent from the unit, including any Contractor requested information or certification on the purpose of the family's absence. The family must cooperate with the Contractor for this purpose otherwise termination of assistance procedures will be started.

The Contractor may request the above information from the participant family by telephone, home visit or by questions to the landlord or neighbors. If the Contractor is unable to contact the head of household or spouse the Contractor will follow-up with a letter to the participant family's last known address stating the results of the inquiry and either request a conference at the Contractor's office or start termination procedures.

The family may be absent from the unit up to 180 continuous days for medical leave reasons and still keep their assistance. The family may also be absent from their unit up to 45 continuous days for vacation and still keep their assistance.

In no case may the family be absent from the unit for reason of incarceration.

During the period of absence, HAP payments will continue normally, which would include changes due to annual or interim certifications.

15. The family must not have any interest in the unit except for:

- a. Mobile home owner leasing pad site
- b. Families using their Housing Voucher with an installment land contract
- c. Families using their Housing Voucher with a homeownership program

16. The members of the family must not commit fraud, bribery or any other corrupt or criminal act in connection with the programs.

17. An assisted family, or members of the family, may not receive Voucher Program tenant-based assistance while receiving any other housing subsidy.

18. The family must not be involved with any substance abuse or violent criminal activity.

#### **D. OTHER CONDITIONS AND PROCEDURES FOR TERMINATION OF ASSISTANCE**

1. If the family did not report an interim change they were required to report, the Contractor would do a calculation to determine how much it owed in past amounts.

2. Whether the family can enter into a Repayment Agreement is determined by whether willful intent to commit fraud was determined by the Contractor.

3. If a family or landlord does not come into the office to sign the new lease and other documents, the lease does not become effective until the documents are signed. The family will be responsible for the full rent until the documents are executed.

4. If a HAP Contract termination is necessary, or assistance is terminated, families and landlords need to be notified of termination of assistance.

5. If the Contractor refuses to issue a Housing Voucher, the family must be notified in writing and offered an opportunity for an Informal Hearing prior to the termination of assistance.

6. In any case where the Contractor decides to terminate assistance to the family, the Contractor must give both the family and the landlord a 30-day written termination notice which states:

- a. The reason for termination
- b. The effective date of the termination
- c. The family's right to request an Informal Hearing to be held before termination of assistance
- d. The family's responsibility to pay the full rent to the landlord if they remain in occupancy.

7. Families who have been at 0 HAP for 180 days will be released from the program.

8. Families that do not declare citizen or eligible immigration status.

#### **E. APPEAL PROCEDURES**

The Informal Review/Hearing shall concern only issues included in the notice the family received. Evidence presented at the Hearing may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

##### **1. Families Have the Right To**

Examine and copy (at the family's expense) relevant documents before the Review/Hearing

Present any or all information pertinent to the issue of the Review/Hearing

Request that Voucher Program staff be available or present at the Review/Hearing to answer questions pertinent to the case

Be represented by legal counsel or other designated representative at his or her own expense (with five days notice to the Contractor of the designated person)

##### **2. Contractors Have the Right To**

Present evidence and all or any information pertinent to the issue of the Review/Hearing;

Examine relevant family documents before the Review/Hearing

Be notified if the family intends to be represented by legal counsel or another party

Have its attorney present; and

Have the staff person familiar with the case present.

#### **F. INFORMAL REVIEW**

The Contractor will provide an applicant the opportunity for an Informal Review if the applicant is denied participation. Informal Reviews are for families that have been issued a Housing Voucher for the first time, and have not gone under contract.

##### **1. Informal Review Procedures**

- a. The applicant will be given written notification of the denial of placement on the waiting list or denial to issue a Housing Voucher, which will state the reason(s) for the denial.

- b. The notice will state that the applicant has a right to request, in writing, within 10 business days of the date of the notification an informal review of the decision.
- c. The informal review will be scheduled within 10 business days of the Family's request.
- d. The Executive Director will select a person who was not involved in the decision to conduct the review.
- e. The applicant may present written or oral arguments relative to the decision.
- f. The agency will notify the applicant of the results of the informal review within 10 business days of the date review.

**G. INFORMAL HEARING**

The Contractor will give a participant of the Housing Voucher Program the right to an Informal Hearing prior to termination, change in the participant's portion of the rent or Voucher subsidy size, under the following circumstances:

- A determination of the family's gross and adjusted income, TTP, or utility allowance
- A determination to reduce, terminate, or deny assistance
- A determination of the subsidy size allocated on the Housing Voucher

**1. Informal Hearing Procedures**

- a. For any decision related to the situations described above, the agency will notify the family of the Contractor's decision, the family's right to an explanation, and their right to request a hearing, in writing, within 10 business days of the notice.
- b. In the case of a family whose assistance is being terminated, and the family is currently living in a unit with a HAP Contract, the agency will provide an opportunity for an Informal Hearing before the actual termination of the HAP contract. A copy of the letter will be mailed to the landlord to notify them of the situation, and the possible termination of the HAP contract.
- c. The Contractor will schedule the hearing within 10 business days from the receipt of the family's written request for a hearing.
- d. The Executive Director will select the Hearing Officer. The Hearing Officer must be someone other than the person who made the original decision or a subordinate of that person. The PHA staff can be available by telephone conference call to be the Hearing Officer.
- e. The procedure for requesting and conducting a hearing will be provided to each family during the Housing Voucher briefing.
- f. If a program violation occurs, the contractor will make a reasonable attempt to contact the family to inform them of their right to an informal hearing or the time of the scheduled hearing. Sending a certified letter is viewed as a standard way of informing a family of the informal hearing. A receipt of delivery should be requested from the US Post Office. The contractor is not responsible in ensuring that the family receives this notice, they can only document the proof of sending such notice. If the family fails to schedule an informal hearing or fails to appear at the scheduled hearing, they waive their right to subsequent hearings unless the contractor chooses to allow for another.

## **H. HEARING OFFICER PROCEDURES**

The Hearing Officer will be responsible to conduct the hearing in accordance with the following guidelines:

1. The participant or the participant's representative will first be given an opportunity to present his/her objections to the decision in question, and only the specific decision pertinent to this hearing. The participant may present evidence or question witnesses at this time.
2. The Contractor or the Contractor's representative will then have an opportunity to explain the decision. The Contractor may present evidence and question witnesses. The participant will have the opportunity to question any agency witnesses at this time also.
3. The Informal Hearing is not intended to duplicate procedures under judicial review so the rules of admissibility under such proceedings will not be applied in the course of the hearing.
4. The Hearing Officer will issue a written decision within 10 business days of the Informal Hearing. Factual decisions related to the individual circumstances of the participant will be based on the evidence presented at the hearing. A copy of the hearing decision will be sent certified mail to the participant. The written decision will contain the following:
  - a. A summary of the decision and reasons for the decision;
  - b. If the decision is based on money owed, the amount owed shall be stated;
  - c. The date the decision goes into effect.
5. The Contractor is Not Bound to Hearing Decisions:
  - a. Concerning a decision that is not identified in the plan as eligible for an Informal Review, Informal Hearing or beyond the authority of the Hearing Officer or procedures.
  - b. Contrary to HUD regulations or requirements, or Federal, State and local law.

## **I. REPAYMENT AGREEMENT GENERAL CONDITIONS**

Repayment Agreements are executed with families who owe the PHA money. The Contractor, as agent for the PHA, will enter into one repayment agreement with the family for each debt. If a repayment agreement has a balance due, the Contractor will not amend the repayment agreement. Any additional money owed will have to be paid in full until the repayment agreement no longer has a balance due.

If a new Housing Assistance Payments Contract has not yet been executed in the family's behalf, a payback agreement will be negotiated with the family before a new contract is executed. If the family refuses to negotiate a payback agreement, no HAP contract will be executed and assistance will be terminated in accordance with program regulations and this Plan.

If a new HAP contract has been executed in the family's behalf, every effort will be made to negotiate a payback agreement. Should the participant refuse to negotiate a payback agreement, they will be refused a new Housing Voucher until the indebtedness is paid. No action will be taken to terminate assistance under the current contract.

Should the family fail to make two consecutive payments as agreed, termination action will be taken following this plan's guidelines.

In addition to the action prescribed in this section, the agency will pursue collection of all debt through the judicial system in order to secure judgment and enhance the potential for collection. This action will be taken on a case-by-case basis when it is deemed most prudent.

**J. REPAYMENT AGREEMENTS FOR FRAUD/NON-REPORTING OF INFORMATION**

If the Contractor determined that the family committed fraud or did not report information which caused an over payment of subsidy, the Contractor may require the family to repay the entire amount in full or enter into a Repayment Agreement. If the Contractor chooses to enter into a Repayment Agreement, use the following schedule:

1. Monthly Payments

If the family is willing to execute a repayment agreement, payments will be established under the following guidelines, depending upon the family's ability to pay:

- a. The entire debt in full
- b. The entire debt is paid in full by the next annual re-certification
- c. Within the next 12 months, or
- d. Within a time frame that affords the family the ability to repay the debt.

The minimum monthly payment will be 5 percent of the monthly-adjusted income, or \$10, whichever is greater. The family has the option to pay more than 5 percent of their adjusted income if they choose to repay the claim at a faster rate.

If the family breaches the repayment agreement, which violates the condition for continuation of assistance, assistance payments under the HAP Contract will be terminated after providing opportunity for an Informal Hearing and proper notice to the landlord.

If the family refuses to sign a repayment agreement for changes they were required to report and did not, it will be considered fraud. In this case, the Contractor will terminate assistance for fraud. If the family's assistance is terminated and repayment has not been made, the money will be considered to be owed, and the Contractor may take action to collect the amounts owed. The Contractor will also forward the case to the Regional Inspector General Office for their notice and records.

The family will be given an opportunity for Informal Hearing prior to the termination of assistance.

Use the Colorado Division of Housing [Administrative Remedies Repayment Agreement](#).

**K. LANDLORD FRAUD AND PROGRAM ABUSE**

When the Contractor determines that the landlord has retained Housing Assistance Payments the landlord was not entitled to, the Contractor may reclaim the Housing Assistance Payment amounts from future Housing Assistance Payments owed the landlord. If the future Housing Assistance Payments owed, are insufficient to reclaim the amounts owed, the additional amount(s) will be referred to the PHA and the State Accounts and Controls Department for collection.





## **17. FAMILY SELF SUFFICIENCY PROGRAMS**

### **A. MISSION STATEMENT AND PURPOSE**

The mission of the Colorado Division of Housing (DOH) Family Self-Sufficiency (FSS) program is to bring low-income families into increased economic self-sufficiency, to foster independence from government, subsidized assistance, and to promote development for a better quality of life.

The minimum program size for the PHA is the number of Voucher Program Rental Assistance slots awarded for Fiscal Years 1991 and 1992 incentive awards, plus the cumulative number of new slots reserved beginning in Fiscal Year 1993 and thereafter, minus the number of program graduates.

The PHA contracts with Voucher Program Contractors throughout the state, hereinafter referred to as Contractor(s). Contractors may be Housing Authorities or non-profit housing agencies that operate Voucher programs within their communities. Contractors are encouraged to develop FSS programs.

The FSS program coordinates with community supportive service agencies and the private sector to provide an innovative program, which enables low-income families to:

1. Achieve economic independence
2. Break the cycle of dependence on government programs
3. Participate in counseling workshops and support groups
4. Work with a case manager to develop and achieve FSS goals
5. Become skilled and reliable employees
6. Retain the emotional and financial support needed during the transition to self-sufficiency
7. Overcome the barriers to self-sufficiency by increasing:
  - a. Affordable, Suitable Child Care
  - b. Adequate Job Training
  - c. Increased Education
  - d. Improved Housing
  - e. Satisfactory Transportation
  - f. Enhanced Life Skills
  - g. Strengthened Self-Esteem

### **B. RESPONSIBILITY OF THE CONTRACTOR**

1. Submit an Action Plan to the PHA, for approval by HUD

Since each of the Contractors is unique, so are the FSS Action Plans and programs. However, each Contractor must Action Plan must contain the following:

- FSS mission statement
- Demographic information
- Estimate of possible participating families

- Minimum program size
- FSS participant selection criteria
- Incentives
- Outreach/notification to applicants and participants
- Activities and supportive services
- Process for needs identification and services rendered
- Policy for informal hearings, review process and termination
- Assurance of non-interference
- Time table for implementation of the program
- CEO certification of support
- Certification letter of support and coordination from local participating agencies
- Certification of nondiscrimination
- Coordinating committee members

## 2. Filling FSS Slots

FSS spaces are filled from any of the units allocated to the Contractor. When the Contractor starts its FSS Program, the Contractor conducts a survey of all existing Voucher Program rental assistance participants to determine interest in participating the FSS program.

After the initial FSS program start-up, FSS families will be selected from interested, current Voucher Program rental assistance participants. These slots will be filled from the FSS waiting list, in order, using the date and time the family expressed an interest in participating in the FSS program. The Contractor will also ask new families when they are admitted to the housing program if they are interested in participating in the FSS program. Families who have not joined will be asked at their next reexamination about joining the FSS Program. Families who have not joined the Program may always notify the Contractor if they change their mind.

If the PHA determines that demand for the FSS program is greater than the available FSS slots, the Contractor may use screening factors to determine which families are motivated to participate and will be selected. Screening factors measure the interest and motivation to participate in the FSS program. Screening tasks will not be based on any family members' educational levels and any disabilities. (Reasonable accommodations will be made for individuals with mobility, manual, sensory, and/or speech impairments, mental or developmental disabilities). Some screening tasks which are allowed could be attendance at FSS orientation sessions or pre-selection interviews, the completion of certain tasks which indicate the family's willingness to undertake the obligations that might be part of the FSS Contract of Participation (COP), such as contacting job training or educational program referrals. If screening is necessary for the Contractor's FSS program, failure of the family to complete these tasks will result in the family not being selected to participate in the FSS program.

The DOH will allow individual Contractors to target, as described in their action plan, up to 50 percent of the FSS slots to be enrolled in, or on the waiting list for, one or more FSS related service programs such as Job Opportunities and Basic Skills Training (JOBS) and the Job Training Partnership Act (JTPA). FSS related service programs provide one or more of the supportive services listed in the regulatory definition of "supportive services".

If the Contractor determines, after consulting with the family, that a missing service is essential to the family's needs, the Contractor will skip this (and other similar families) and offer the FSS slot to the next family for which there are available services. The Contractor will keep a log of unavailable services in order to assess what resources need to be located in order to deliver the missing services. If a family was skipped because supportive services were unavailable, the Contractor may provide the next available FSS slot to that family when the missing service(s) becomes available.

If a family previously participated in the FSS program and was terminated because it did not meet FSS obligations, the coordinator may allow a second chance at participation.

However, first a feasibility review between the family and the FSS coordinator of the family's goals and motivations will be conducted. If there is sufficient family motivation, the family's name will be put on the FSS waiting list for available slots. If the same family is again terminated, and again wants to participate in the FSS program, a formal review of the circumstances, and the changes that have been made in order to correct the problem(s) will be conducted between the family, the Contractor, and the DOH contact person. This decision will then be brought to the Program Coordinating Committee (PCC) for final determination.

FSS participation will be denied to a family if the family owes the DOH or another Housing Authority/Agency money in connection with Voucher Program or public housing assistance, unless they agree to make payment in full, or enter into a repayment agreement with the Contractor and continue to stay in good standing. If the family makes payment in full, or enters into a repayment agreement, they will be placed immediately on the FSS waiting list.

3. Statement of Non-Discrimination

The Contractor will not discriminate in the selection of families with regard to race, color, religion, sex, handicap, familial status, or national origin.

**C. RESPONSIBILITY OF THE FAMILY**

1. Contract of Participation (COP)

The Head of Household must enter into a COP in order to participate in the program. The COP is a goal plan to complete training, obtain services, and a commitment by the Head of Household to enter into the work force. The Contractor may, after consulting with the FSS family, the Contractor may provide individual training and service plans for other family members over 18 years of age, if they want to participate in the FSS program, and if supportive services are available.

Seeking employment is defined as activities such as looking for a job, applying for work, going on job interviews, and otherwise following up on employment opportunities. Verbal progress reports to the FSS coordinator or its designee of the family's activities in this area will be sufficient verification.

Maintaining employment will be defined between the FSS family and coordinator and documented in the family's COP. This would not preclude an FSS participant attending school for four years and obtaining a job in the fifth year. Although there will be exceptions, in most cases FSS families going to school part-time will be required to work part-time, or obtain concurrent job training.

Suitable employment is generally defined as employment in a position that pays more than the minimum wage, unless there is potential for advancement. The definition of suitable employment will be defined in conjunction with the FSS family and the coordinator and documented in the family's COP. This definition must be based on the family's skills, education, and the available job opportunities within the Contractor's jurisdiction.

The COP may be extended up to two additional years because of circumstances beyond the family's control such as serious family illness, which requires the FSS family as the primary care giver, or involuntary loss of employment due to the closing of a major source of employment. The Contractor may also extend the COP to allow families to meet the interim goal of remaining off Public Assistance for at least one year before the expiration of the COP, if this is consistent with the family's training and service plan.

If the FSS family does not complete its COP, the family may continue to receive Voucher Program rental subsidies after termination of participation in the Voucher Program FSS program, unless the reason for non-completion of its COP is due to misrepresentation or fraud by the family. Non payment of rent or other amounts due to the owner under the

lease, failure to seek and maintain employment, or never finding employment during the contract's five year term, are examples of misrepresentation or possible fraud by the family.

#### **D. FSS ESCROW ACCOUNT**

An escrow account is established for the family whenever there is an increase in earned income. All family members earned income are considered in this calculation, not just the member who signed the

COP. The escrow account is held by the PHA, and is disbursed by the PHA when the family has either completed their COP, or the Contractor has authorized a partial payment to the family.

The PHA will notify the Contractor on or about July 10th of each year of the account balance for each FSS family that is receiving an escrow account. This amount will include monthly deposits through the July deposit of that year, and the most recent interest income as received by DOH from the State Treasury Department. The Contractor will then be responsible for notifying, in writing, by the end of July, of the escrow account balance for each FSS family enrolled in the escrow account.

The Annual Escrow Statement to the FSS family will include 1) the beginning account balance, 2) the amount of the family's rent that was credited to the FSS account during the reporting period, 3) the amount of interest earned during the reporting period, 4) any deductions for amounts due the PHA, and 5) the account balance at the end of the reporting period.

Interim disbursements up to a maximum of 50 percent of the escrow account balance are allowed if the Action Plan authorizes early disbursement. Disbursement must be a planned part of the training and service plan, and the PCC has granted approval of the disbursement. Disbursement is allowed in the following situations:

1. Education expenses
2. Child care expenses to enable the adult family member to work or further their education
3. Transportation expenses
4. Business ventures

All other avenues of paying for, or provision for, the above endeavors must have been pursued, with written documentation in the family's FSS file, before submitting the request to the PCC. Early withdrawal from the escrow account must be a planned and thoroughly considered process, with the idea that each person, including the FSS family, is a trustee for this escrow account.

#### **E. PORTABILITY**

FSS families are required to live in the Contractor's jurisdiction at least 12 months from the effective date of the COP.

Any Voucher Program/FSS family that uses a portability to move into a DOH service area will be absorbed into both the Voucher Program rental assistance and the FSS program, if the Contractor supports an FSS program, and the family has found suitable housing.

The escrow account always follows the agency that is paying the HAP. Outgoing portability could result in any of the following situations depending upon the receiving Contractor's administrative plan:

VOUCHER PROGRAM ASSISTANCE	FSS PARTICIPATION	ESCROW ACCOUNT
Family absorbed by receiving agency	Family absorbed in receiving agency's FSS program.	PHA transfers escrow account to receiving agency
Family absorbed by receiving agency. Receiving agency has no FSS program	COP not complete	PHA returns escrow to HAP account. Family forfeits escrow account
Family not absorbed by receiving agency	Family stays in Contractor's FSS program, if feasible.	PHA administering account continues escrow
Family not absorbed by receiving Contractor	Family absorbed in receiving Contractor's FSS program.	PHA administering account continues escrow

If a family is subject to termination in the FSS program because of failure to meet a COP obligation, the family will not be allowed to use a portability move to avoid the consequences of such failure.

**F. COP TERMINATIONS**

FSS participation may be terminated after the family has not complied with the COP three times. For the first two instances of non-compliance, a warning letter will be sent to the family stating the nature of the non-compliance and that the family may be terminated from the FSS program. After the third instance of non-compliance, the Contractor may terminate the COP. Since every COP is different, the Contractor will be responsible for deciding whether the nature of the non-compliance is serious enough to warrant a warning or termination.

If Voucher Program rental assistance is terminated, the COP will terminate as well. The Contractor will follow the Voucher Program guidelines for termination of rental assistance in regards to non-compliance by the family of their COP.

If a portability move is used as a method for not meeting a COP obligation, the Contractor will exercise its authority to terminate the family's Voucher Program rental assistance, due to misrepresentation.

**G. VOUCHER PROGRAM ASSISTANCE TERMINATION FOR FAILURE TO COMPLY WITH COP**

Voucher Program-rental assistance will not be terminated when the family terminates a COP unless the reason for non-completion of a COP is due to misrepresentation or fraud. Some examples of misrepresentation or possible fraud by families are non-payment of rent or other amounts due to the owner under the lease, failure to seek and maintain employment, or never finding employment during the contract's five year term by the family.

**H. WITHHOLDING SUPPORT SERVICES**

It is the policy of the PHA that no support services are withheld until the COP contract is terminated. Withholding of support services will not be used as an incentive for the family to comply with the COP.

**I. HEARING PROCEDURES**

The PHA hearing procedures are listed in Chapter 15. Hearings and reviews for the FSS program will follow the same guidelines.

**J. FSS HOME OWNERSHIP OPPORTUNITIES**

The PHA will work with Contractors to offer FSS participants the opportunity to participate in first time home ownership. Chapter 17 discusses how the Voucher Program home ownership program will work. As part of the FSS program, families who meet home ownership selection criteria will be

encouraged to consider buying their own home. Voucher Program rental assistance participants who want to take part in the home ownership option will be encouraged to participate in an FSS program.

For families who are unsure of participating in the FSS program, demonstrating how an escrow account can be added to Down Payment Assistance to obtain a home within the Voucher Home Ownership Program can be beneficial. The coordinator can use this opportunity to encourage family participation in the FSS program, as well as in the Voucher Home Ownership Program. However, it is important to note that participation in the Voucher Home Ownership Program by either the Contractor or the FSS family is voluntary.





## **18. HOMEOWNERSHIP PLAN**

DOH developed a Homeownership Plan in January of 2001. The plan can be viewed on DOH web site at [www.dola.state.co.us/doh/index.htm](http://www.dola.state.co.us/doh/index.htm). The Colorado State Housing Board approved DOH Homeownership Plan on April 10, 2001 .



## **19. MONITORING PROGRAM PERFORMANCE**

The Colorado Division of Housing retains responsibility for compliance with Voucher Program Existing Housing rules and regulations, accomplishing this through periodic management review of the Contractors. This review covers programmatic areas such as family files, verification procedures, waiting list, and utilization of the Program by the elderly or disabled, reexamination of assisted families, HQS inspections, and general management procedures, as well as fiscal review of budget and expenditures.

The PHA Voucher Program staff monitor monthly statistical reports and 5 percent of the family files and housing units annually. Monitoring review letters will be addressed to the individual who signs the contract with the DOH. In most cases, the signatory on the contract is the chairman of the non-profit or housing authority board. If the signatory of the contract is not the chairman of the board then a board signatory authority certification must be placed in the contract file.

Approximately 30 days will be given to the Contractor to respond to the monitoring review letter. If the Contractor is unable to respond within the 30-day period, the Contractor must request in writing an extension from the PHA. No more than two extensions will be given per annual monitoring review.

In the event that periodic management review produces findings and errors, the PHA Voucher Program staff will arrange a conference between the Contractor's executive officer and the PHA. During the meeting, administrative problem areas will be discussed and necessary corrective actions. The Contractor may be put on probationary status during which the PHA Voucher Program staff will closely monitor program functions. If the Contractor corrects the problem(s) within an established time period, the probation will be lifted.

If the Contractor is unwilling to correct the problem(s), the DOH may terminate its contract with the Contractor for just cause or the administrative fee earned by the Contractor will be withheld or terminated until program compliance is achieved. The DOH reserves the right to terminate a full or partial administrative fee payment to a Contractor.

Under no circumstances will the DOH assume administration of a local Program. If the DOH cannot identify a new agency willing to assume responsibility for the Program within the same county, the units allocated to that county could be assigned to another county.

Changes in approach are initiated on an as-needed basis, subject to program regulations and funding limitations.



## **20. ADMINISTRATIVE FEE RESERVE AND REDUCTION IN ADMINISTRATIVE FEES**

### **ADMINISTRATIVE FEE RESERVE**

The threshold for the amount of expenditure, which may be made from the Administrative Operating Fee Reserve for other housing purposes without prior approval of the Director of Local Affairs, is set at \$10,000.

### **REDUCTION IN ADMINISTRATIVE FEES**

The State reserves the right to withhold any and all administrative fees if the Contractor is not in compliance with the program rules, regulations and requirements (Section 12. Section 8 Housing Choice Voucher Contract).

In order to ensure timely rental assistance payments and allow DOH staff time to process the rental assistance paperwork, DOH will require contractors to submit their HAP reports according to the annual Section 8 Contractors Calendar. Contractor's submitting late paperwork will have their administrative fees reduced by 10% for the month the paperwork was late. DOH reserves the right to implement more strict measures if a contractor continues to submit late paperwork.



## **21. CONFLICT OF INTEREST AND CODE OF ETHICS**

### **Conflict of Interest**

DOH contractors and their employees shall abide by the conflict of interest statement listed in all Housing Assistance Payment (HAP) Contracts. The HAP contract is executed between DOH contractors and owners of the rental housing supplied to the Voucher Program participants. This HAP contract reads as follows:

- a. Prohibited Interest. The following classes of person may not have any direct or indirect interest in the HAP contract:
  - Any present or former member or officer of the PHA (except tenant commissioners);
  - Any employee of the PHA, or any contractor, subcontractor or agent of the PHA who formulates policy or influences decisions with respect to the Voucher Program;
  - Any public official, member of a governing body, or State or local legislator who exercises functions or responsibilities with respect to the Voucher Program; or
  - Any member of Congress of the United States.
- b. When prohibition applies. The prohibition of such interest shall apply during tenure as a member of such classes, and for one year thereafter.
- c. Owner certification. Owner certifies that no person has or will have a prohibited interest, at execution of the HAP contract, or during the HAP contract term.
- d. Disclosure. The owner shall be responsible for assuring that any member of such classes promptly discloses their interest or prospective interest to the PHA and HUD.
- e. Waiver. This conflict of interest prohibition, may be waived by the HUD Field Office for good cause.

A similar conflict of interest statement is contained in the contract between the Division of Housing and its contractor agencies. Note that the following situations listed below often pose as a conflict of interest for DOH contractors:

- An employee of the housing agency would like to receive Voucher Program assistance,
- An employee of the housing agency's family member wants to receive Voucher Program assistance,
- An employee of the housing agency owns rental units and wants to allow Voucher families to live in those units,
- A public official or member of the governing body or State who exercises functions or responsibilities with respect to the Voucher Program and wants to lease their own rental units to families participating in the Voucher Program.

If you encounter any of the above situations, the following steps MUST be followed:

- DOH must be sent written notification regarding the situation.
- Information concerning the specific situation must be disclosed to the agency's housing board and recorded in the meeting minutes.
- Once informed, DOH and HUD may grant a written waiver to the situation.
- Employees of the housing agency who this affects, are not allowed to perform certification, re-certification, HQS inspections or any other function concerning the family member's file or their own.
- An outside agency must perform the above listed functions for the family or the employee. If there is not a housing agency willing to accept this responsibility, then the DOH staff will certify and re-certify the family or employee of the PHA.

### **DIVISION OF HOUSING CODE OF ETHICS**

The following Code of Ethics was adopted in 1999 when Governor Bill Owens took office, DOH has chosen adopt this same code for its rental subsidy program. DOH has included "state contractors" to the list of those required to follow this code.

1. Purpose

Public confidence in the integrity of state government demands that public officials demonstrate the highest ethical standards at all times. Those who serve the people of the State of Colorado as public officials should do so with integrity and honesty, and should discharge their duties in an independent and impartial manner. At the same time, qualified individuals should be encouraged to serve in state government and have reasonable opportunities with all citizens to develop private economic and social interests. This Executive Order strives to accomplish these ends by providing standards by which the conduct of all who serve in the Executive Department of the State of Colorado can be measured.

Code of Ethics All elected officers, appointees, state contractors and employees of the Executive Department:

- (a) Shall serve the public with respect, concern, courtesy and responsiveness;
- (b) Shall demonstrate the highest standards of personal integrity, truthfulness and honesty and shall through personal conduct inspire public confidence and trust in government;
- (c) Shall not use public office to bestow any preferential benefit to anyone related to the officer, appointee or employee by family, business or social relationship;
- (d) Shall not disclose or use or allow others to use confidential information acquired by virtue of state employment for private gain;
- (e) Shall not accept any compensation, gift, payment of expenses or any other thing of value which would influence him or her to depart from the faithful and impartial discharge of his or her duties;
- (f) Shall not accept any compensation, gift, payment of expenses or any other thing of value as a reward for official action taken;
- (g) Shall not engage in outside employment unless: (1) the outside employment is disclosed to the Governor or, in the case of an employee, the employee's immediate supervisor; and (2) the outside employment does not interfere with the performance of state duties;
- (h) Shall not use state time, property, equipment or supplies for private gain;
- (i) Shall not knowingly engage in any activity or business which creates a conflict of interest or has an adverse effect on the confidence of the public in the integrity of government;
- (j) Shall carry out all duties as a public servant by exposing corruption or impropriety in government whenever discovered;
- (k) Shall support equal access and employment opportunities in state government for all citizens of the State of Colorado;
- (l) Shall comply at all times with the standards of conduct set forth in title 24, article 18 of the Colorado Revised Statutes.



## **22. EQUAL HOUSING OPPORTUNITY AND EXPANDING HOUSING OPPORTUNITIES**

The Colorado Division of Housing (DOH) is a Public Housing Agency, which operates a state wide Voucher Program and Moderate Rehabilitation program. The DOH does this by subcontracting with Public Housing Authorities, Non-Profits and Council of Governments. The DOH administers the above-mentioned programs in a non-discriminatory and affirmative manner concerning the selection of participants, employees and the provision of services.

### **OBJECTIVE I - OUTREACH TO ELIGIBLE FAMILIES**

The DOH provides technical assistance and training to its contractors concerning outreach to eligible families. The following actions are taken by DOH contractors in order to ensure proper outreach:

- Public interest articles and public notices are placed in local and minority newspapers.
- Radio stations and community information networks are utilized as another form of information output.
- Groups less likely to apply are identified by comparing the homeless with disabilities, race, ethnicity, age and gender of household heads in need of assistance to the current census data and the Comprehensive Housing Affordability Strategy Plan.
- Special outreach for the groups identified will be done through contractors contacting community organizations, which serve these individuals. Also by providing rental assistance information to churches, employers and establishments where the groups identified may attend.

DOH has two informational brochures on the Voucher Program and the Family Self-Sufficiency Program. These brochures are supplied to DOH contractors for distribution throughout their communities. In addition, DOH contractors post notices in public areas when applications are being taken for the rental assistance programs.

### **OBJECTIVE II - EXPANDING AREA WIDE HOUSING OPPORTUNITIES**

#### **Policy**

DOH has developed this policy in order to encourage owners of rental units, outside of poverty or minority concentrated areas, to rent to voucher holders. DOH provides vouchers in mostly rural areas of the state, but does administer some vouchers in the Denver metropolitan area. Although every area of the state is unique DOH promotes expanding area wide housing opportunities in a variety of ways. The following is a list of actions that DOH contractors are required to perform:

- DOH requires that its contractors contact landlords in person or by telephone in order to explain the benefits of the rental assistance programs. Formal meetings are encouraged to provide information to rental owners, realtors and property managers.
- DOH sends out a newsletter semi annually to owners with their rental subsidy checks. This newsletter keeps owners informed about changes in the Voucher Program and encourages and thanks them for their continued support and participation.
- DOH is within the Department of Local Affairs, which also contains the state Demography Section. DOH has obtained a Denver Metro map from Demography that outlines impoverished areas and DOH has provided this map to its Denver Metro contractors. DOH requires its metro contractors to include this map in the family briefing session to show families where there is a high concentration of impoverished areas and to encourage them to seek rental units outside of these areas.
- DOH contractors routinely provide lists of owners who are willing to work with voucher holders or a list of organizations that are willing to help families find units can also be provided. Also upon request, a map showing the amenities of the area (schools, day cares, stores, transportation, etc.) will be given to the program participants.

- Portability provisions are included in the DOH briefing package so families are sure to be informed about the ability to move throughout the US. Each DOH contractor is also provided a list of Colorado PHA's that can be provided to the family if they choose to port within the state. This briefing package includes the Fair Housing (It's Your Right) brochure and the Housing Discrimination Complaint (HUD-903 or HUD 903A) form.

### **Area Wide Exchange Program**

DOH currently operates the Voucher Program Rental Assistance in 47 counties of the state. DOH administers all portables coming into the state in areas where a housing authority does not exist. DOH requires all of its housing agency contractors to absorb portable families who relocate within the state and has a written policy that requires such. In addition, DOH has worked with the Inspector General's Office to relocate families under the witness protection plan.

### **Administrative Plan Does Not Include a Residency Preference**

DOH hereby certifies that its Voucher Program Administrative Plan and Annual Plan do not include a Residency Preference.

### **Initiatives expanding housing opportunities**

Coordination of supportive services seems to be the key factor to assist families in escaping poverty. Federal agencies such as the Departments of Agriculture, Education, Health and Human Services and Housing and Urban Development are requesting that state departments plan and coordinate their supportive service programs and create a unified plan for requesting a future block grant federal funding. In addition, local governments and non-profits are required to coordinate supportive services in their local areas in order to apply for new program funding. With a coordinated effort of linking job training, education, employment opportunities, child care, transportation, housing and food stamp benefits, it is hoped that poverty stricken families will receive a full benefits' package to assist them in getting up and off the welfare rolls. DOH has been active in participating in this process and with the promotion of Family Self-Sufficiency Programs throughout the state.

Beyond the efforts to improve coordination, the Division has taken the lead in funding programs that can become models for communities throughout Colorado. Because the Division's funding is primarily discretionary, it is used as the catalyst for other supportive housing efforts. The Division of Housing can finance hard assets such as housing construction or rehabilitation, or soft costs such as rental subsidies. The direct impacts of housing development are quality housing and construction jobs for a community.

The Division has initiated a new model program called "Step-Up Housing". Step-Up Housing will provide permanently affordable housing for households at or below 30% of the area median income (AMI). Step-Up Housing can be available to residents on a permanent basis, unlike conventional transitional housing that is limited to two years. Initially, rents are made affordable for 30% AMI families, and as their income increases, so does their rent. When the family is able to pay a market rate for the rental unit the owner makes available another unit for a family at 30% of AMI. In addition, supportive services must be available to the family to further future success. Developers wishing to rehabilitate existing housing for this new program are given a deeper grant subsidy in order to make the rents affordable. This is one type of housing project assisted with DOH funds that promotes the elimination of undue concentrations of poverty and improves the quality of affordable housing projects.

### **Housing Initiatives Coordinator**

Two years ago, DOH employed a Housing Initiatives Coordinator to develop affordable housing statewide strategies. Job duties for this individual include: (1) Coordination of the non-entitlement continuum of care and preparation of the Super NOFA, (2) Preparation of a report for local governments on regulatory barriers in developing affordable housing, (3) State Consolidated Plan preparation, and (4) Coordination of non profit service providers and non profit housing developers to provide housing and supportive service for special populations.

**OBJECTIVE III - ENSURING EQUAL OPPORTUNITY TO APPLICANTS FOR PARTICIPATION IN THE PHA'S EXISTING HOUSING OR MODERATE REHABILITATION PROGRAM AND IN THE SELECTION OF HOUSING VOUCHER HOLDERS OR APPLICANTS TO BE REFERRED TO LANDLORDS OF VACANT MODERATELY REHABILITATED UNITS.**

The following is the method in which the DOH contractors ensure that all applicants are treated fairly when submitting a Voucher Program Existing or Moderate Rehabilitation application:

- Applications are placed on the waiting list in chronological order by date and time.
- Applicants are placed on the waiting list according to preference.
- If an applicant is ineligible, written notice is given with information regarding the right to an informal review.
- Applicants with verified preferences are served first.
- DOH contractors are not allowed to have local preferences.
- Section for placement is based on the DOH order of selection

**D. OBJECTIVE IV - PROVISION OF SERVICES AND ASSISTANCE TO FAMILIES THAT ALLEGE THEY HAVE ENCOUNTERED DISCRIMINATION DURING THEIR HOUSING SEARCH**

The DOH contractors provide a briefing package to program participants. This briefing package includes the Fair Housing (It's Your Right) brochure and the Housing Discrimination Complaint (HUD-903 or HUD 903A) form. Participants are informed of their rights under Federal, State and local law including the right to file a formal complaint under one or more of these laws. If a participant decides to file a complaint, they are given aid in filling out the HUD-903 or HUD 903A form if needed.

**E. OBJECTIVE V - UTILIZATION OF A FAIR HOUSING ORGANIZATIONS AND INDEPENDENT LIVING CENTERS**

If a family with disabilities requests assistance in searching for a housing unit, extra effort is made with regard to the following:

Reading newspaper ads  
Driving neighborhoods to locate available apartments  
Transporting client to apartment interviews  
Advocating for clients with landlords  
Assisting in completing housing applications and leases  
Negotiating security deposits with landlords  
Utilizing non-profits for funds and services needed for initial move-in.

All DOH contractors are required to supply to the following services to the disabled:

- The Colorado Relay Service telephone number - a TDD service for those individuals with hearing and speech disabilities.
- Rental Assistance applications that are enlarged to aid applicants who have visual impairments.
- Providing program information to agencies assisting the disabled (i.e. social service agencies).
- Providing a list of accessible units and securing the participation of landlords of units needing moderate rehabilitation.
- Disabled participants are briefed on the opportunity to lease anywhere they wish to live.
- Disabled participants are given a briefing package, which includes the Fair Housing (It's Your Right) brochure and the Housing Discrimination Complaint (HUD-903 and HUD- 903A) form.
- Disabled participants are informed of their rights under Federal, State and local law including the right to file a formal complaint under one or more of these laws. If a participant decides to file a complaint, they are given aid in filling out the HUD-903 form if needed.

- Providing other advice and assistance to the disabled such as going to their residence in order to fill out needed forms for the rental assistance program.

### **23. HOUSING CONVERSION ACTIONS**

The Department of Housing and Urban Development (HUD) provides funds through the Section 8 Housing Choice Voucher Program (Vouchers) to assist certain residents affected by an owner or HUD housing conversion action. HUD will make Section 8 Vouchers available through an administering Public Housing Authority (PHA) when the following occurs:

- Owner opt-outs of Section 8 project-based contracts;
- Owner prepayment of the mortgage or voluntary termination of the mortgage insurance of a preservation eligible property;
- HUD enforcement actions against the owner (including termination or non-renewal of a Section 8 project-based housing assistance contract) and/or HUD property disposition activities.

HUD will offer Public Housing Authorities Vouchers based on the following order of precedence:

#### Project-based assistance contract currently administered by the PHA

- First Offer – To the PHA currently administering the Section 8 project based assistance contracts covering the property and where the PHA has the legal authority to administer the Voucher Program in the jurisdiction where the property is located. In the case of a PHA – owned project, which is covered by an annual contributions contract (ACC) with another PHA, the PHA-owner would receive the first offer. If that PHA were not interested, then the PHA administering the ACC would receive the offer.
- Second Offer – To the county or multi-county PHA, which has the authority to operate in the area where the property is located and which has the legal authority to administer the Section 8 Voucher Program.
- Third Offer – To a State PHA, which has the authority to operate in the area where the property is located and which has the legal authority to administer the Section 8 Voucher Program.

#### Project-based assistance contracts not currently administered by a PHA

- First Offer – To the PHA established by the municipality where the property and which has the legal authority to administer the Section 8 Voucher Program.
- Second Offer – To the county or multi-county PHA which has the authority to operate in the area where the property is located and which has the legal authority to administer the Section 8 Voucher Program.
- Third Offer – To a State PHA, which has the authority to operate in the area where the property is located and which has the legal authority to administer the Section 8 Voucher Program.

#### Projects where there is no interested PHA with jurisdictional authority

In the event that there is no PHA available to receive and administer Section 8 voucher funds, HUD will take appropriate action under applicable program regulations and procedures.

#### DOH Administration Policy on Vouchers under Housing Conversion Actions

- DOH will assist its contractors to administer Vouchers received through a HUD housing conversion action as needed.
- DOH will apply for the HUD vouchers and enter into an ACC with HUD.
- DOH will retain 25% - 50% of the special fee provided to cover extraordinary costs associated with the conversion action and the fee will be determined on a case-by-case basis.
- DOH will amend or enter into a contract with a local housing provider to administer the vouchers in the future.
- Federal regulations and DOH Administrative Plan Policies will be in through out this process.

ADDENDUM A  
COLORADO DIVISION OF HOUSING  
VOUCHER PROGRAM RENTAL ASSISTANCE FUNDING  
CONTRACTED TO

ARAPAHOE HOUSE

FOR

HOMELESS PERSONS WITH SUBSTANCE ABUSE DISABILITIES

This addendum was created for the purpose of determining policy for funding specific to Homeless Persons with Disabilities. Currently, the PHA has 63 units of Housing Voucher funding to serve this population. This funding was applied for and received under a special HUD "NOFA" (Notice of Funds Available). This addendum applies to that funding only. Arapahoe House, a Colorado non-profit organization, is administering the funding.

TENANT SELECTION

The nature of the set-aside funding requires changes to our family selection policy. All clients served must be both homeless and substance abusers.

In place of the above stricken policy, the following should be used:

HOMELESS DEFINITION

Any individual or family that lacks a fixed, regular, and adequate nighttime residence and has a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations, or an institution that provides temporary residence for individuals intended to be institutionalized, or a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

VERIFICATION OF HOMELESSNESS

For purposes of verification, the applicant must be homeless at the time of application, or sleeping in a shelter for 14 of the past 60 days. The person is considered homeless if living in the conditions described above or living on the streets, in a car, in abandoned buildings.

Verification of homeless status can be made by:

- \* Public or private facility or agency providing shelter.
- \* Living in transitional housing for the mentally ill.
- \* Verification by observation and statement by social worker, case manager or local police.
- \* Self-certifications will not be accepted.

SUBSTANCE ABUSE DEFINITION

A person is considered disabled by substance abuse when he or she has a chronic problem with alcohol, drugs or both, which is expected to be of long-continued and indefinite duration. A maladaptive pattern of substance use leading to significant impairment or distress having been or expected to be long-standing.

VERIFICATION OF SUBSTANCE ABUSE

Verification of substance abuse can be made by:

- \* Public or private organization, which provides or provided direct help, assessment, diagnosis, or treatment such as hospitals, detoxification centers, clinics, or other treatment centers to applicant documenting substance dependency or abuse.

- \* Clinical verification per DSM-IV (Diagnostic and Statistical Manual) of a Psychoactive Substance Dependence or Abuse diagnosis.
- \* Self-certification will not be accepted.

CRIMINAL BACKGROUND CHECK

The Voucher Program participants on Arapahoe House's program must still meet the PHA criminal activity (or lack thereof) requirements.

## **GLOSSARY OF ACRONYMS**

AAF	Annual Adjustment Factor
ACC	Annual Contributions Contract
AM	Asset Manager
BR	Bedroom
CDBG	Community Development Block Grant
CFR	Code of Federal Regulations
CPA	Certified Public Accountant
CPI	Consumer Price Index
CR	Contract Rent
EOHP	Equal Opportunity Housing Plan
FDIC	Federal Deposit Insurance Corporation
FHA	Federal Housing Administration
FICA	Federal Insurance Contributions Act - Social Security taxes
FMR	Fair Market Rent
FY	Fiscal Year
GAO	Government Accounting Office
GR	Gross Rent
HAP	Housing Assistance Payment
HCDA	Housing and Community Development Amendments of 1981
HMS	Housing Management Specialist (in a HUD field office)
HQS	Housing Quality Standards
HUD	Department of Housing and Urban Development
HURRA	Housing and Urban/Rural Recovery Act of 1983
IG	Inspector General
IGR	Independent Group Residence
IRA	Individual Retirement Account
MSA	Metropolitan Statistical Area established by the U.S. Census Bureau
PMSA	Primary Metropolitan Statistical Area established by the U.S. Census Bureau
PS	Payment Standard
RAD	Regional (HUD) Accounting Division

RFLA	Request for Lease Approval
RFP	Request for Proposals
RIGI	Regional Inspector General for Investigation
SRO	Single Room Occupancy
TR	Tenant Rent
TTP	Total Tenant Payment
UA	Utility Allowance
URP	Utility Reimbursement Payment



## **GLOSSARY OF TERMS IN SUBSIDIZED HOUSING**

**ASSISTANCE FOR PERSON WITH A DISABILITY.** Anticipated costs for care attendants and auxiliary apparatus for disabled family members, which enable a family member (including the disabled family member) to work.

**ADJUSTED INCOME.** Annual income, less allowable HUD deductions.

**ANNUAL CONTRIBUTIONS CONTRACT (ACC).** A written agreement, between HUD and a Contractor, to provide annual contributions to cover Housing Assistance Payments and other expenses pursuant to the Act. If there is a State Agency administering the Voucher Program, for example, there is usually an ACC between the State Agency and HUD.

**ANNUAL INCOME.** The anticipated total Annual Income of an eligible family from all sources for the 12-month period following the date of determination of income, computed in accordance with the regulations.

**ANNUALIZATION OF INCOME.** If it is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income), or the HA believes that past income is the best available indicator of expected future income, the HA may annualize the income anticipated for a shorter period, subject to a re-determination at the end of the shorter period.

**"AS-PAID" STATES.** States where the Public Assistance agency adjusts the shelter and utility component of the Public Assistance grant in accordance with actual housing costs.

**ASSETS.** Value of equity in savings, checking, IRA and Keogh accounts, real property, stocks, bonds, and other forms of capital investment. The value of necessary items of personal property such as furniture and automobiles is excluded from the definition. In cases where a trust fund has been established and the trust is not revocable by, or under the control of any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust.

**ASSISTED TENANT.** A tenant who pays less than the market rent as defined in the regulations. Includes tenants receiving rent supplement, Rental Assistance Payments, or Voucher assistance and all other 236 and 221 (d)(3) BMIR tenants, except those paying the 236 market rent or 120% of the BMIR rent, respectively.

**CERTIFICATE OF FAMILY PARTICIPATION.** A formally used Voucher Existing Rental Assistance Program housing subsidy format.

**CHILD CARE EXPENSES.** Amounts paid by the family for the care of minors under 13 years of age where such care is necessary to enable a family member to be employed or for an adult to further his/her education.

**CONTRACT.** (See Housing Assistance Payments Contract.)

**CONTRACT RENT.** The total rent paid to the landlord, including the tenant payment and the HAP payment from the Contractor.

**COVERED FAMILY.** Families who receive Public Assistance or other public assistance benefits (Public Assistance benefits@) from a State or public agency (A Public Assistance agency@) under a program for which Federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance.

**DEPENDENT.** A member of the family household (excluding foster children) other than the family head or spouse, who is under 18 years of age or is a disabled person, or is a full-time student 18 years of age or over.

**DISABLED FAMILY.** A family whose head, spouse, or sole member is a person with disabilities. It may include two or more persons with disabilities living together, or one or more persons with disabilities living with one or more live-in aides.

**DISPLACED FAMILY.** Involuntarily displaced applicants are applicants who have or will (within no more than six months from the date of certification or verification) vacate housing as a result of:

1. A disaster (fire, flood, etc.)
2. Federal, state or local government action related to code enforcement, or public improvement or development
3. Actual or threatened physical violence directed against the applicant, or one or more members of the applicant's family, by a spouse or other member of the applicant's household, or the applicant lives in a housing unit with such an individual who engages in such violence. The actual or threatened physical violence must be of a recent or continuing nature.

**ECONOMIC SELF-SUFFICIENCY PROGRAM.** Any program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work for such families. These programs include programs for job training, employment counseling, work placement, apprenticeship, and any program necessary to ready a participant for work (including a substance abuse or mental health treatment program), or other work activities.

**ELDERLY FAMILY.** A family whose head or spouse or whose sole member is at least 62 years of age. It may include two or more persons who are at least 62 years of age living together, or one or more persons who are at least 62 years of age living with one or more live-in aides.

**ELDERLY PERSON.** One who is at least 62 years old.

**EXTREMELY LOW-INCOME FAMILY.** A family whose annual income does not exceed 30 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 30 percent of the median income for the area if HUD finds that such variations are necessary because of unusually high or low family incomes.

**FAIR MARKET RENT.** The rent limit, published annually October 1 in the Federal Register, for Voucher Rental Assistance, which includes the landlord's rent and tenant paid utilities and tenant supplied range and refrigerator.

**FAMILY.** The applicant must qualify as a family as defined by the Contractor.

**FOSTER CHILD CARE PAYMENT.** Payment to eligible households by state, local, or private agencies appointed by the State, to administer payments for the care of foster children.

**FULL-TIME STUDENT.** A person who is carrying a subject load that is considered full time for day students under the standards and practices of the educational institution attended. Educational institutions include vocational schools with a diploma or certificate program, as well as an institution offering a college degree.

**GROSS RENT.** The total of Contract Rent and the family's utility allowance. If there is no utility allowance, Contract Rent equals Gross Rent.

**HCDA.** The Housing and Community Development Act of 1974, in which the U.S. Housing Act of 1937 (sometimes referred to as the Act) was re-codified, and which added the Voucher Programs.

**HEAD OF HOUSEHOLD.** The head of household is the person who assumes legal and financial responsibility for the household and is listed on the application as head.

**HOUSING AGENCY.** Any state, county, municipality, or other governmental entity or public body (or agency or instrumentality thereof), which is authorized to engage in or assist in the development or operation of housing for low-income families.

**HOUSING ASSISTANCE PAYMENT.** The payment made by the Contractor to the landlord of a unit under lease by an eligible family, as provided in the HAP Contract.

**HOUSING ASSISTANCE PAYMENTS CONTRACT (Contract).** The contract executed between the Contractor and the Landlord pursuant to which the Contractor makes HAP Payments on behalf of an eligible family.

**HOUSING ASSISTANCE PLAN.** (1) A Housing Assistance Plan submitted by a local government participating in the Community Development Block Program as part of the block grant application, in accordance with the requirements of 570.3038 submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD. (2) A Housing Assistance Plan meeting the requirements of 570.3038 submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD.

**HUD.** The Department of Housing and Urban Development or its designee.

**HURRA.** The Housing and Urban/Rural Recovery Act of 1983 legislation that resulted in most of the 1984 HUD Regulation changes to the definition of income, allowances, and rent calculations.

**IMPUTED ASSET.** Asset disposed of for less than Fair Market Value during two years preceding examination or reexamination.

**IMPUTED INCOME.** HUD passbook rate x total cash value of assets. Calculation used when assets exceed \$5,000.

**IMPUTED Public Assistance INCOME.** A family's annual income includes the amount of imputed Public Assistance income (because of a specified Public Assistance benefits reduction, as specified in notice to the HA by the Public Assistance agency), plus the total amount of other annual income as determined in accordance with '5.609.

**INCOME.** Income from all sources of each member of the household as determined in accordance with criteria established by HUD.

**LANDLORD.** This term means either the owner of the property or his/her representative, or the managing agent or his/her representative, as designated by the owner having the legal right to lease the housing.

**LEASE.** A written agreement between the landlord and a family to lease a housing unit. The Voucher Housing Voucher program has a Lease Addendum that has mandatory language, which must be incorporated into every lease.

**LOW-INCOME FAMILY.** A family whose income does not exceed 80 percent of the median income for the area as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 30 percent of the median income for the area if HUD finds that such variations are necessary because of unusually high or low family incomes.

**MARKET RENT.** The rent HUD authorizes the landlord of FHA insured/subsidized multi-family housing to collect from families ineligible for assistance. For unsubsidized units in an FHA-insured multi-family project in which a portion of the total units receive project-based rental assistance, under the Rental Supplement or Section 202/Voucher Programs, the Market Rate Rent is that rent approved by HUD and is the Contract Rent for a Voucher holder. For BMIR units, Market Rent varies by whether the project is a rental or cooperative.

**MEDICAL EXPENSES.** Those medical expenses, including medical insurance premiums, that are anticipated during the period for which Annual Income is computed, and that are paid out of pocket by the elderly or disabled household. The medical expense allowance is given when calculating adjusted income.

**MINIMUM RENT.** A HUD required charge to the family of up to \$50, except for those families that claim financial hardship, for payment to utilities and rent.

**MINOR.** A member of the family household other than the Head of Household or spouse who is under 18 years of age.

**MONTHLY-ADJUSTED INCOME.** 1/12 of the Annual Income after allowances and deductions.

**MONTHLY INCOME.** 1/12 of the Annual Income.

**PARTICIPANT.** A family becomes a participant in the Voucher Rental Assistance Program when the first HAP Contract between the Contractor and a landlord is effective.

**PAYMENT STANDARD.** The amount used to calculate the subsidy a family will receive in the Housing Voucher Program.

**PERSON WITH DISABILITIES. This is a person who:**

- 1.Has a disability, as defined in 42 U.S.C. 423;
- 2.Is determined, pursuant to HUD regulations, to have a physical, mental, or emotional impairment that:
  - 1.Is expected to be of long-continued and indefinite duration;
  - 2.Substantially impedes his or her ability to live independently, and
  - 3.Is of such a nature that the ability to live independently could be improved by more suitable housing conditions; or
- 2.Has a developmental disability as defined in 42 U.S.C. 6001;
- 3.Does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome;
- 4.For purposes of qualifying for low-income housing, does not include a person whose disability is based solely on any drug or alcohol dependence; and
- 5.Mean an individual with handicaps@, as defined in ' 8.3 of this title, for purposes of reasonable accommodation and program accessibility for persons with disabilities.

**PUBLIC ASSISTANCE.** Public Assistance or other payments to families or individuals based on need, which are made under programs funded, separately or jointly, by Federal, state, or local governments.

**PUBLIC HOUSING AGENCY.** Any state, county, municipality, or other governmental entity or public body, which is designated by the Secretary of State as a PHA.

**RECERTIFICATION.** Sometimes called reexamination. The process of securing documentation of family composition and income used to determine the rent the tenant will pay for the next 12 months if there are no additional changes to be reported. There is annual and interim re-certification.

**REMAINING MEMBER OF TENANT FAMILY.** The only person left in assisted housing who may or may not normally qualify for assistance on own circumstances (i.e., an elderly spouse dies, leaving widow age 47 who is not disabled.)

**RENT TO OWNER.** It is the total amount of rent payable to the landlord by the family and the Contractor for the assisted unit.

**RESIDENT ASSISTANT.** A person who lives in an Independent Group Residence and provides on a daily basis some or all of the necessary services to elderly or disabled individuals receiving Voucher housing assistance and who is essential to these individuals' care or well-being. A Resident Assistant shall not be related by blood, marriage or operation of law to individuals receiving Voucher assistance nor contribute to a portion of his/her income or resources towards the expenses of these individuals.

**SECRETARY.** The Secretary of Housing and Urban Development.

**SECURITY DEPOSIT.** An amount of money from the tenant, which the landlord holds from the beginning of the lease, which may be used for unpaid rent or damages upon termination of the lease.

**SINGLE PERSON.** A person living alone, or intending to live alone.

**SPECIFIED Public Assistance BENEFIT REDUCTION.** A reduction of Public Assistance benefits by the Public Assistance agency, in whole or in part, for a family member, as determined by the Public Assistance agency, because of fraud by a family member in connection with the Public Assistance program; or because of Public Assistance agency sanction against a family member for noncompliance with a Public Assistance agency requirement to participate in an economic self sufficiency program. A specified Public Assistance benefit reduction is not applicable if the Public Assistance reduction is a result of the expiration of a lifetime limit on receiving benefits, or if the family has complied with requirements but cannot find a job or if the sanction is due to family noncompliance with other Public Assistance agency requirements.

**SPOUSE.** The husband, or wife, of the head of the household

**SUBSIDIZED PROJECT.** A multi-family housing project (with the exception of a project owned by a cooperative housing mortgage corporation or association), which receives the benefit of subsidy in the form of:

1. Below-market interest rates pursuant to Section 221(d)(3) and (5) or interest reduction payments pursuant to Section 236 of the National Housing Act; or
2. Rent supplement payments under Section 101 of the Housing and Urban Development Act of 1965; or
3. Direct loans pursuant to Section 202 of the Housing Act of 1959; or
4. Payments under the Section 23 Housing Assistance Payments Program pursuant to Section 23 of the United States Housing Act of 1937 prior to amendment by the Housing and Community Development Act of 1974;
5. Payments under the Voucher Housing Assistance Payments Program pursuant to Voucher of the United States Housing Act after amendment by the Housing and Community Development Act unless a Public Housing Agency owns the project.
6. A Public Housing Project.

**TENANT RENT.** The amount payable monthly by the family as rent to the unit owner (Voucher owner or PHA in public housing). (This term is not used in the Voucher program.)

**TOTAL TENANT PAYMENT (TTP).** The total amount the HUD rent formula requires the tenant to pay toward rent and utilities.

**UNIT.** Residential space for the private use of a family. The size of a unit is based on the number of bedrooms contained within the unit and generally ranges from zero (0) bedrooms to six (6) bedrooms.

**UTILITIES.** Utilities means water, electricity, gas, other heating, and refrigeration, cooking fuels, trash collection and sewage services. Telephone service is not included as a utility.

**UTILITY ALLOWANCE.** The amount, if any, by which the utility allowances for a unit, if applicable, exceeds the total tenant payment for the family occupying the unit. (This definition is not used in the Voucher program, or for a public housing family that is paying a flat rent.)

**UTILITY REIMBURSEMENT PAYMENT.** The amount, if any, by which the Utility Allowance for the unit, if applicable, exceeds the Total Tenant Payment for the family occupying the unit.

**VACANCY LOSS PAYMENTS.** The amount of HAP from the day the family moved from the unit with no notice to the end of that month.

**VERY LOW-INCOME FAMILY.** A Very Low-Income Family's annual income does not exceed 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families,

except that HUD may establish income ceilings higher or lower than 30 percent of the median income for the area if HUD finds that such variations are necessary because of unusually high or low family incomes.

WORK ACTIVITIES. See definition at section 407(d) of the Social Security Act (42 U.S.C. 607(D)).