



**Administrative Plan  
for the  
Pensacola Housing Department  
Housing Choice Voucher Program**

*~~December~~February 2022~~1~~*

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## Notice

This Administrative Plan was most recently approved by Pensacola City Council on [\[DATE\]December 16, 2021](#).

The most recent prior versions of this plan had been approved on [December 16, 2021 and December 14, 2017](#).

Where there may be a conflict between this document and any Department of Housing and Urban Development (HUD) regulations concerning administration of the Housing Choice Voucher program, including any regulations adopted after the approval of this plan, the HUD regulations, including those defined in HUD's Public and Indian Housing (PIH) Notices, shall automatically supersede any section or part of this Administrative Plan.

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## **1.0 Program Overview**

The Housing Choice Voucher Program (HCV) is a federal housing assistance program managed by the U.S. Department of Housing and Urban Development (HUD) and administered at the local level by public housing agencies (PHAs), including the City of Pensacola Housing Department (Pensacola Housing). The HCV program allows very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. It is frequently referred to as the Section 8 program, in reference to the portion of the U.S. Housing and Community Development Act of 1974 under which the original subsidy program was authorized. The United States Code covers this program in Title 42, Chapter 8, Section 1437f.

Pensacola Housing administers the housing choice voucher program throughout Escambia County, Florida.

### **1.1 Goals of the Pensacola Housing Department**

The mission of the Pensacola Housing Department is to support development of a diverse, viable community that provides decent, safe housing and a suitable living environment for Escambia County residents. This is accomplished by aiding in the delivery of a sufficient volume and variety of affordable housing options; assisting in the elimination of slum and blighting influences; preventing the deterioration of property; and maintaining viable neighborhoods that enhance the quality of life for the residents.

As opportunities arise, Pensacola Housing Department will partner with area social service and affordable housing providers to meet the needs of the community.

In addition, Pensacola Housing is committed to helping low-income Escambia County residents achieve the dream of homeownership.

### **1.2 Summary of the HCV Program**

Pensacola Housing utilizes the HCV program to assist very low and extremely low income households in securing decent, safe and sanitary housing within affordable limits.

Under Pensacola Housing's HCV program, households that are determined eligible are issued a voucher with which to find and lease a suitable unit in the private sector. Both the family and Pensacola Housing will pay a portion of the contract rent. For most households, the tenant portion of the rent will be 30% of the adjusted annual household income. (Adjusted annual income is total household income minus qualified deductions.) The remainder of the contract rent, over the tenant portion, is paid by Pensacola Housing directly to the landlord.

Pensacola Housing maintains a waiting list of applicants for the HCV program. Families who are interested in the HCV program must first apply to be placed on the waiting list.

### **1.3 Special Purpose Voucher Programs**

In addition to funding the general HCV program, Congress has earmarked funds for special purpose voucher programs such as the Veterans Affairs Supportive Housing Program (VASH), the Family Unification Program (FUP), the Family Self Sufficiency Program (FSS), the Tenant Based Rental Assistance Program (TBRA), and the Emergency Housing Voucher Program (EHV). Depending on funding, Pensacola Housing may have one or more of these special purpose voucher types available. When voucher are available, families who are eligible for and interested in the VASH, FUP, TBRA, or other special purpose voucher programs will be referred to the Housing Department by the appropriate local agency.

Pensacola Housing also has vouchers that are allocated to serve non-elderly disabled households (NED), and will administer those vouchers in accordance with HUD Notice PIH 2013-19.

#### **1.3.1 HCV Homeownership Program**

The Housing Choice Voucher (HCV) Homeownership Program was created by HUD to assist low-income, first-time homebuyers in purchasing homes. Through the Homeownership option, a PHA may provide voucher assistance for an eligible family that purchases a dwelling unit for residence by the family. The program is funded by HUD and administered by participating local Public Housing Authorities (PHAs). In addition to HUD's regulations, the PHAs may also adopt additional requirements, including lender qualifications or terms of financing.

In keeping with the goal of helping low-income Escambia County residents achieve the dream of homeownership, Pensacola Housing may develop an HCV Homeownership Program for qualified voucher-holders.

### **1.4 Purpose of the Administrative Plan**

The purpose of this Administrative Plan is to define the policies and procedures of Pensacola Housing's HCV programs.

### **1.5 Adherence to the PHA Plan**

In accordance with HUD regulations, each PHA must adopt a PHA Plan, consisting of a Strategic Plan, updated every five years, and an Annual Plan, updated annually. Both the Strategic Plan and the Annual Plan must be approved by HUD.

It is always the intent of Pensacola Housing to adhere to the mission, goals, and objectives outlined in its five-year strategic plan. The plan, however, may be modified and re-

submitted to HUD should a substantial deviation from program goals and objectives occur. Pensacola Housing defines substantial deviations as:

- Any change in the planned or actual use of federal funds for activities that would prohibit or redirect Pensacola Housing's strategic goal of increasing the availability of decent, safe, and affordable housing for the citizens of Escambia County.
- Any single or cumulative annual change in the planned or actual use of federal funds as identified in the five-year plan that exceeds 25% of Pensacola Housing's annual program budget for voucher program activities.
- A need to respond immediately to an incident, emergency or disaster beyond the control of Pensacola Housing, such as hurricanes, tornadoes, or other unforeseen events.
- Mandates from local government officials, specifically the governing body of Pensacola Housing, to modify, revise, or delete its long-range goals and objectives.

A substantial deviation does not include changes to HUD's rules and regulations.

A significant amendment or modification to the Annual Plan and Five-Year Strategic Plan is defined as changes of a significant nature to the Minimum Total Tenant Payment, to admission policies, or to the organization of the waiting list.

## **1.6 Funding of Operating Expenses**

The cost of administering the HCV program is paid for by HUD through administrative fees, which are updated and allocated annually to each PHA.

Pensacola Housing's HCV Administrative Reserve is intended to fund voucher program administrative expenses in excess of fees earned during the current fiscal year. Other uses may be approved, subject to limitations established by HUD regulations. The Administrative Reserve is separate from any HAP Reserve, which can be used to fund HAP payments in excess of subsidies received in the current fiscal year.

Operating expenses for Pensacola Housing's HCV program are controlled through the Housing Department's annual operating budget, as submitted by the Housing Administrator and approved by the Mayor and City Council.

Occasionally it may be necessary for Pensacola Housing to spend money from its HCV Administrative Fee Reserve to meet unseen or extraordinary expenditures, or for other housing-related purposes consistent with state law.

Pensacola City Council has authorized the Housing Administrator to expend without prior approval up to \$10,000.00 for authorized expenditures. Any item or items exceeding \$10,000.00 will require prior Pensacola City Council approval before any charge is made against the HCV Administrative Fee Reserve.



## 1.7 Use of CARES Act Waivers as a Response to COVID-19

The Coronavirus Aid, Relief and Economic Security (CARES) Act offered waivers for numerous statutory and regulatory requirements for the U.S. Department of Housing and Urban Development (HUD), Section 8 Housing Choice Voucher (HCV) program. The waivers were intended to allow administrative flexibility to housing agencies in response to the COVID-19 emergency.

Effective April 10, 2020, the City of Pensacola Housing Department adopted some of the permitted waivers to keep the Section 8 HCV program operational to the extent practicable. These waivers remain in effect until December 31, 2021, unless HUD extends their permitted usage beyond that date.

Pensacola Housing utilized the following waivers:

- Self-certification of a participant's income was allowed for both annual recertifications and interim exams. Program participants and landlords were not required to complete the Request for Tenancy Continuation (RTC) form.
- The mandatory Enterprise Income Verification (EIV) requirements were waived; however, Pensacola Housing continued to utilize EIV Family Income Reports and agency reports to the extent practicable.
- For waiting list openings and closures, HUD providing alternative public notice methods, to include a voicemail message on the PHA general information telephone number and through the PHA website. (Note: Pensacola Housing's waiting list did not close during the HUD waiver period.)
- Timeframes to complete biennial inspections were extended for families impacted by the COVID-19 pandemic. All delayed biennial inspections will be completed as soon as reasonably possible but no later than one year after the date the biennial inspection would have been required absent the waiver. Pensacola Housing may rely on the owner's certification that no life-threatening conditions exist in the unit. Delayed biennial inspections must be conducted as soon as reasonably possible but no later December 31, 2022.
- Reasonable alternative methods to confirm that repairs were completed, to include photographs and other documentation, were permitted for deficiencies cited during New Unit, Annual, Biennial, Tenant Request, Owner Request, and Special Request Inspections.
- Housing Quality Standard Quality Control Inspections were suspended through October 1, 2021.

- Maximum occupancy standards were waived if household composition for an assisted family changed because of the COVID-19 emergency.
- The requirement to formally adopt revisions to the Section 8 HCV program Administrative Plan was waived through December 31, 2021.
- The requirement to conduct an oral Eligibility Briefing was waived. Eligibility Briefings were conducted by issuing an expanded information packet.
- Upon request, Pensacola Housing extended the term of applicant and participant vouchers in 30-day increments.
- Up to 120 days was permitted for the execution of a Housing Assistance Payment Contract.
- Participants were permitted to be absent from the assisted unit beyond 180 days for extenuating circumstances such as hospitalization, extended stays at nursing homes, or caring for family members, without requiring termination of the HAP contract.
- For families reaching self-sufficiency, the Housing Assistance Payment contract could be extended beyond the 180 day automatic termination date.
- Pensacola Housing had the option to apply an increased payment standard to calculate the monthly housing assistance payment for a family at any time, without being required to wait until the family's annual reexamination date. (Pensacola Housing utilized this waiver program-wide on July 1, 2020.)
- A delay in reviewing and updating the utility allowance schedules was permitted, as long as it was completed on or before December 31, 2021. (Pensacola Housing adopted new utility allowance schedules on December 1, 2020 and again on December 1, 2021.)

## **1.8 Emergency Housing Voucher (EHV) Service Fees**

In May 2021, Pensacola Housing received an allocation of 35 Emergency Housing Vouchers (EHVs) to provide assistance to individuals and families who are homeless; at risk of homelessness; fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; recently homeless and for whom providing rental assistance will prevent the family's homelessness; or having high risk of housing instability.

In accordance with federal regulations, Pensacola Housing contracted with the local Continuum of Care (CoC), Opening Doors Northwest Florida, to receive qualified referrals and provide required services under the EHV program.

The EHVs may be used throughout Escambia County Florida and are eligible for portability.

The EHV allocation included a budget of \$122,500.00, to cover the term of August 1, 2021 – September 30, 2023 to provide support services and case management for the EHV Program. \$100,000 shall be made available to the CoC to provide the following services, and \$22,500 shall be made available to assist the CoC in providing housing search assistance to eligible program participants.

The CoC's eligible uses for the EHV services fees are as follows:

1. Support individuals and families in completing applications and obtaining necessary supporting documentation to support referrals and applications for assistance.
2. Aid households in addressing barriers.
3. Coordinate with the Housing Department to ensure appointment notifications are received and appointments kept by eligible individuals and families.
4. Assist eligible households to obtain and complete documents for participation in the EHV Program.
5. Provide housing search assistance, to include transportation, for eligible individuals and families.
6. Provide counseling on compliance with rental lease requirements.
7. Assist individuals and families with payment of security deposits, utility arrearages, utility deposits, application fees, obtaining identification, and addressing other barriers encountered by the applicants.
8. Assess and refer individuals and families to benefits and supportive services, where applicable.
9. Designate and maintain a lead EHV liaison to communicate with the Housing Department.
10. Refer eligible individuals and families to the Housing Department using the coordinated entry system.
11. Attend EHV participant briefings when needed.
12. Assess all households referred for EHV for mainstream benefits and supportive services available to support eligible individuals and families through their transition.
13. Assure and make available supportive services to the EHV families, where desired.

14. Assist individuals and families with moving expenses when they initially lease a unit, if required.
15. Assist individuals and families with the cost of acquiring essential household items such as tableware, bedding, and basic furnishings.

## 2.0 Applicant Eligibility

This chapter defines the criteria that have been established by HUD and by Pensacola Housing for admission, and for denial of admission, to Pensacola Housing's HCV program. Additional admission criteria may apply to special voucher programs such as VASH, FUP, FSS, and TBRA.

Pensacola Housing's policy is to apply these criteria objectively and consistently to all applications received, and to give applicants every opportunity to demonstrate their eligibility.

Applicants will be provided the opportunity to explain their circumstances, to furnish additional information, if needed, and to receive an explanation for any decision made by Pensacola Housing regarding their eligibility.

Please see Chapter 3, "Fair Housing and Equal Opportunity," for additional information on program access and eligibility.

To be eligible for participation in Pensacola Housing's voucher programs, an applicant must:

1. Be a "family," as defined below, which must have a head of household, spouse, or co-head who is at least 18 years of age or an emancipated minor;
2. Be within the applicable income limit as established annually by HUD;
3. Furnish verification of Social Security Numbers for all family members, if they have been assigned a Social Security Number;
4. Be a United States Citizen or Eligible Non-Citizen;
5. Not owe money to Pensacola Housing or other PHAs;
6. Complete the application process, and provide truthful and verifiable information about income and personal circumstances;
7. Cooperate in the verification process while the application is reviewed and processed;
8. Meet Pensacola Housing's criminal history standards; and
9. Meet Pensacola Housing's participant history standards (if the applicant is a former participant of the program).

The eligibility criteria are defined further below.

### 2.1 Definition of Family

For the purposes of this program, the definition of family includes, but is not limited to, the following:

1. An individual, who may be an elderly person, a near-elderly person, a disabled person, a displaced person, or any other individual who is at least 18 years of age or an emancipated minor;
2. A woman who is pregnant;
3. A group of persons residing together. Examples of such groups include, but are not limited to:
  - a. A family with children. Note that a child who is temporarily away from the home because of placement in foster care is considered a member of the family for the purposes of this program;
  - b. A family without children;
  - c. An elderly family, meaning a family whose head of household, spouse, co-head, or sole member is a person who is at least 62 years of age. An elderly family 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;
  - d. A near-elderly family, meaning a family whose head of household, spouse, co-head, or sole member is a person who is at least 50 years of age but below the age of 62. A near-elderly family may include two or more persons who are at least 50 years of age but below the age of 62 living together, or one or more persons at least 50 years of age but below the age of 62 living with one or more live-in aides;
  - e. A disabled family, meaning a family whose head of household, spouse, co-head, or sole member is a person with a disability. A disabled family 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;
  - f. A displaced family, meaning a family in which the members have been displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws; or
  - g. The remaining member or members of a participant family who remain in the assisted unit when other members of the household have left the unit.

## 2.2 Definition of Disabled Person

For the purpose of Pensacola Housing's voucher programs, a person with a disability is defined as an individual who permanently or temporarily:

1. Has a disability as defined in Section 223 of the Social Security Act; or
2. Has a developmental disability as defined in Section 102 of the Developmental Disabilities Assistance and Bill of Rights Act; or
3. Is determined to have a physical, mental, or emotional impairment, as defined by the Americans with Disabilities Act (ADA), that substantially limits one or more major life activities; or has a history or record of such impairment; or is perceived by others as having such an impairment; or
4. Is receiving Social Security Disability or SSI benefits based on a determination of disability by the Social Security Administration.

5. This definition does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome.
6. In accordance with 24 CFR Part 5.403, individuals are not considered disabled for eligibility purposes solely on the basis of any drug or alcohol dependence.

Pensacola Housing will verify a person's disability only to the extent necessary to ensure that applicants are qualified for deductions used in determining adjusted income; that applicants are entitled to any preference they may claim; and that applicants who have requested a reasonable accommodation have a need for the requested accommodation.

It is a violation of Section 504 of the Americans with Disabilities Act and of the Fair Housing Act for Pensacola Housing, or any PHA, to inquire whether an applicant or participant is capable of living independently.

### **2.3 Definition of Head of Household**

The head of household is the adult member of the household who:

1. Has the legal capacity to enter into a lease under state and local law;
2. Will be issued the voucher;
3. Will sign the lease;
4. Will maintain utility accounts for the assisted unit; and
5. Will be responsible for ensuring family obligations under the lease and the Housing Choice Voucher agreement are met.

**Note:** An emancipated minor may be a head of household.

### **2.4 Spouse of Head of Household**

The spouse is the husband or wife of the head of household.

### **2.5 Co-Head of Household**

A co-head of household is an individual who signs the lease and voucher agreement and who is equally responsible, with the head of household, for lease and Housing Choice Voucher agreement obligations. A household may have a spouse or a co-head, but not both. A co-head cannot be a dependent.

### **2.6 Live-In Aide**

A live-in aide is a person who resides in the household and who meets the requirements for a live-in aide described in Chapter 3.

### **2.7 Multiple Families in the Same Household**

Two families living together (for example, a married couple, their adult child, and that adult child's spouse and/or children) may be treated as single voucher household, as long as the household meets program eligibility requirements.

## 2.8 Joint Custody of Children

The following guidelines will be used to determine voucher program eligibility of children who are subject to a joint custody agreement:

1. If custody is split unevenly, children will be considered a household member of the parent with whom they primarily reside (51 percent of the time or more).
2. If custody is split evenly (50/50), the parent wishing to include the child in a voucher household will be required to certify, and provide supporting documentation to establish, that the child resides primarily with the applicant or participant. Examples of supporting documentation include tax returns showing the child claimed as a dependent, or the child's school records.
3. Any family with children in a joint custody or temporary guardianship arrangement wishing to include those children in a voucher household will be required to certify that the child is not listed as a household member in any other unit receiving a subsidy from a federal, state or local housing program.
4. If a child is included in a voucher household administered by Pensacola Housing and subsequently appears on the Multiple Subsidy Report in HUD's EIV system, Pensacola Housing may open an investigation. If it is determined that the criteria defined above have not been met, the child will be removed from the voucher household for the purposes of HUD reporting; and, if appropriate based on remaining household composition, the payment standard for the family will be reduced at the next reexamination.

## 2.9 Eligibility of Students

On December 30, 2005, HUD published a final rule implementing a new law pertaining to the eligibility of students for Section 8 housing. HUD guidance was published in a notice in the April 10, 2006 Federal Register and is available at <http://www.gpo.gov/fdsys/pkg/FR-2006-04-10/pdf/06-3365.pdf>.

Under this rule, a person is not eligible to separately receive Section 8 assistance who:

- Is enrolled as a student at an institution of higher education (a detailed definition of this term is provided in the April 10, 2006 Federal Register notice, pages 18149-18150); and
- Is under the age of 24; and
- Is not a veteran of the United States military; and
- Is unmarried; and
- Does not have a dependent child; and
- Is individually ineligible for Section 8 assistance; and



- Has parents who are, individually or jointly, ineligible for assistance.

In summary, the Federal Register states: *“If a student is enrolled at an institution of higher education, is under the age of 24, is not a veteran, is unmarried and does not have a dependent child, is individually ineligible for Section 8 assistance, or the student’s parents are, individually or jointly, ineligible for assistance, no Section 8 can be provided to the student. Unless the student is determined independent from his or her parents, as discussed in this guidance, the eligibility of a student seeking Section 8 assistance will be based on both the student and the parents being determined income eligible for Section 8 assistance.”*

Note: HUD’s April 10, 2006 guidance on student eligibility does not apply to a student residing in a Section 8 assisted unit with his or her parent or parents, or to a student residing with his or her parent or parents who are applying to receive Section 8 assistance.

The rule also provides that, in determination of student income, financial assistance in excess of tuition assistance received by the student will be included in annual income for determination of eligibility for Section 8 assistance. However, if student loans are part of the financial assistance package, the loan proceeds will not be included as annual income.

## 2.10 Income Eligibility

To be income eligible, the applicant family shall, at the time the family initially receives the Housing Choice Voucher, be a family that is:

1. An extremely low-income or a very low-income family. “Extremely low-income” means a household whose gross annual income does not exceed the higher of the Federal Poverty Level or 30 percent of the area median income established annually by HUD for Escambia County. “Very low-income” means a household whose gross annual income does not exceed 50 percent of the area median income established annually by HUD for Escambia County; or
2. A family that has been continuously assisted under the 1937 Housing Act. (An applicant is continuously assisted if the family has received assistance under any 1937 Housing Act program within 120 days of voucher issuance); or
3. A family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract under 24 CFR 248.165.

Families whose annual income exceeds the very low income limit for their family size will be denied.

In accordance with HUD requirements, Pensacola Housing will ensure that at least 75% of households leased up as new admissions in a fiscal year shall be extremely low-income. If Pensacola Housing determines that it’s in danger of missing this goal, it may suspend issuing vouchers to applicants at the very low income level for a period of time, until the target percentage of extremely low income households has been met. Households at the very low income level will retain their position on the waiting list during this time.

Income limits apply only at admission and are not applicable for continued assistance, even for families who opt to move to a different unit within Pensacola Housing's jurisdiction, or to exercise portability. However, as income increases, the HAP will decrease.

### **2.11 Income Eligibility for Families Exercising Portability**

The applicable income limit for admission to the program is the income limit for the area in which the family is initially assisted in the program.

For families who apply to the program through Pensacola Housing, this means the applicable income limit for issuance of a Housing Choice Voucher is the income limit for Escambia County, except for families who request to exercise the portability option as an applicant. Families who request to port out without first leasing up in Escambia County must meet the income limit requirements for the receiving PHA's jurisdiction.

Families who are moving into Pensacola Housing's jurisdiction under portability, and have the status of applicant rather than of participant at their initial PHA, must meet Escambia County's very low-income limit in order to be issued a Housing Choice Voucher in this jurisdiction.

Families who are moving into Pensacola Housing's jurisdiction under portability and are currently program participants at the initiating PHA do not have to meet the income eligibility requirements for Pensacola Housing's jurisdiction.

### **2.12 Mandatory Social Security Numbers**

Prior to admission, all applicants are required to provide verification of Social Security Numbers for all family members six months of age and older who have been assigned a Social Security Number. This requirement also applies to persons joining the family after the family has been admitted to the program, except for the addition of individuals under the age of six who do not have an assigned Social Security Number. For such individuals, verification of a newly assigned Social Security Number must be provided within 90 days of being added to the household.

Persons who provide Social Security Numbers, but cannot provide verification, can retain their place on Pensacola Housing's waiting list for a period of 90 days, but cannot be admitted to the program until verification is provided.

Failure to provide verification of Social Security Numbers is grounds for denial or termination of assistance.

### **2.13 Exemptions from Social Security Number Disclosure**

Individuals who were program participants as of January 31, 2010, who are 62 years of age or older, and who had not previously disclosed a valid Social Security Number are exempt from disclosure, even if the individual moves to a new assisted unit.

Persons who have not been assigned a Social Security Number must certify that they have never been assigned a Social Security Number and can only be included in an applicant household if they do not contend to have eligible immigration status and are part of a “mixed” family, under 24 CFR 5.216(a), 5.516, 5.518, 5.520.

## **2.14 Citizenship/Eligible Non-Citizen Status**

Applicants must provide verification of eligibility based on citizenship or immigrant status at admission to the program.

The status of each member of the household is considered individually for the citizenship/eligible immigrant requirement before the family’s status is defined.

Only those family members who are U.S. citizens or eligible immigrants may receive benefits from the HCV program. Eligible immigrants are persons who are in one of the immigrant categories set forth in 42 U.S.C. Section 1436(a).

Despite the ineligibility of one or more family members, a mixed family may be eligible for partial assistance. See Section 2.14.1, Mixed Families, below.

A family without any eligible members that was receiving assistance as of June 19, 1995, may be eligible for temporary deferral of termination of assistance.

### **2.14.1 Mixed Families**

A mixed family is a family that includes at least one member with citizenship or eligible immigrant status and another member or members without citizenship or eligible immigrant status. A mixed family is eligible for assistance as long as at least one member is a citizen or eligible immigrant. Assistance for such families will be pro-rated according to the number of residents who are citizens or have eligible immigrant status.

### **2.14.2 Ineligible Families**

Ineligible families are those families in which no members are eligible for assistance.

### **2.14.3 Appeals**

Applicants who are denied admission because of immigrant status are entitled to an informal hearing, as provided in Chapter 21 of this Administrative Plan.

## **2.15 Criminal History Requirements [24 CFR 982.553]**

Pensacola Housing will conduct criminal background checks on all adult household members, including live-in aides. If the individual has lived in the local jurisdiction for the past five years, this check will be made through state or local law enforcement or clerk of court records. If the individual has lived outside the local area, Pensacola Housing may contact law enforcement agencies where the individual has lived previously, or request a

check through the FBI's National Crime Information Center (NCIC).

The Housing Department will deny assistance to any adult household member who has one or more drug related or violent-crime-related felony convictions within the past three years.

Applicants who were incarcerated for a drug or violent-crime-related felony become eligible for HCV program assistance three years after their release from incarceration.

Pensacola Housing will prohibit admission to the program if any member of the household is subject to a lifetime registration requirement under a State sex offender registration program. In accordance with HUD notice PIH 2012-28, Pensacola Housing will use the the Dru Sjodin National Sex Offender Database, an online, searchable database hosted by the Department of Justice, to conduct this background screening.

In addition, Pensacola Housing will permanently prohibit admission to any applicant or participant who has been convicted of the manufacture or production of methamphetamine on the premises of any federally-assisted housing.

#### **2.15.1 Criminal Screening for Emergency Housing Voucher (EHV) Program**

For the EHV program, Pensacola Housing will use the required federal criminal screening criteria to deny or terminate assistance from the program, as follows:

- Pensacola Housing will prohibit admission to the program if any member of the household is subject to a lifetime registration requirement under a State sex offender registration program. In accordance with HUD notice PIH 2012-28, Pensacola Housing will use the the Dru Sjodin National Sex Offender Database, an online, searchable database hosted by the Department of Justice, to conduct this background screening; and
- Pensacola Housing will permanently prohibit admission to any applicant or participant who has been convicted of the manufacture or production of methamphetamine on the premises of any federally-assisted housing.

#### **2.16 Consent Authorization Forms**

Each member of the family who is at least 18 years of age, and each head of household and co-head or spouse, regardless of age, shall sign one or more consent forms. The consent forms will include, at minimum, the following:

1. A provision authorizing Pensacola Housing to obtain from State Wage Information Collection Agencies (SWICAs) any information or materials necessary to complete or verify the application for initial eligibility or for continued participation.

2. A provision authorizing Pensacola Housing to request income information from the Internal Revenue Service, the Social Security Administration, the Department of Children and Families, Child Support Services, credit reporting agencies, other PHAs, and other sources, for the sole purpose of verifying income and asset information pertinent to the family's eligibility for assistance and level of benefit.
3. A provision authorizing Pensacola Housing to request information regarding utility accounts.

### **2.17 HUD-Required Denial for Failure to Submit Consent Forms**

Pensacola Housing will not admit a family if any adult member of the family fails to sign and submit consent forms for obtaining information required by Pensacola Housing. This denial is required pursuant to 24 CFR 982.552(b, 3).

### **2.18 Other Requirements**

In addition to denial of admission for the reasons outlined above, Pensacola Housing may deny admission to a family if any family member:

1. Was previously assisted under the program and was terminated for violating any family obligation in the last 3 years;
2. Was evicted from federally-assisted housing in the last 3 years;
3. Has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program, or unlawfully manipulated the application process in any way, in the last 3 years;
4. Currently has a debt with Pensacola Housing or any other PHA. Note that applicants who have a debt with Pensacola Housing based on prior program participation and who have stayed current on a payment plan may request an exception to this requirement, to be reviewed on a case-by-case basis;
5. Has participated in the Family Self-Sufficiency (FSS) program and has failed to comply with the family's FSS contract of participation;
6. Has ever engaged in or threatened abusive or violent behavior toward Pensacola Housing or other housing authority personnel, in the last 3 years, as follows:
  - a) "Abusive or violent behavior" includes verbal as well as physical abuse or violence. Use of expletives that are generally considered profane, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be cause for denial.
  - b) "Threatening" refers to oral or written threats, or physical gestures, that communicate intent to abuse or commit violence.

### **2.19 Screening for Port-In Families**

Pensacola Housing shall use the criminal history requirements, HUD-required denials, and other requirements described above to screen families seeking to port into Pensacola Housing's HCV program, as per 24 CFR 982.355(c, 10).

## **2.20 Notice of Standards to Applicants and Participants**

Pensacola Housing shall give every applicant and participant a written description of:

1. Family obligations under the program;
2. The grounds under which Pensacola Housing may deny or terminate assistance because of family action or failure to act; and
3. Pensacola Housing's informal review procedures for denial of admission to the program and informal hearing procedures for terminating program participation for applicants.

## **2.21 Notice to Owners Regarding Additional Tenant Screening**

Pensacola Housing shall screen applicants for satisfaction of the program admission criteria only. Pensacola Housing does not screen for suitability for tenancy. Screening for suitability is the property owner's responsibility. Pensacola Housing has no responsibility for the family's behavior or conduct as tenants, and has no liability to property owners or others for the acts of HCV program tenants.

## **2.22 Information Provided to Owners**

Upon request, Pensacola Housing will provide to a prospective landlord:

- The name and address, if known to Pensacola Housing, of the prospective tenant's current and immediately prior landlords; and
- The current and immediately prior address of the prospective tenant, as listed in Pensacola Housing records.

### **3.0 Fair Housing and Equal Opportunity**

It is the policy of Pensacola Housing to comply fully with all federal, state, and local nondiscrimination laws and with the rules and regulations governing Fair Housing, Equal Access, and Equal Opportunity in housing and employment.

#### **3.1 Affirmatively Furthering Fair Housing**

Pensacola Housing shall not deny any family or individual the equal opportunity to apply for or receive assistance under the HCV program on the basis of race, color, religion, sex, disability, familial status, national origin, or marital status.

To further its commitment to full compliance with applicable civil rights laws, Pensacola Housing will provide information on federal, state, and local regulations and ordinances to applicants and voucher holders regarding unlawful discrimination and any recourse available to families who believe they are victims of a discriminatory act. The information will include the names of government offices that take complaints and perform investigations, including HUD's Office of Fair Housing and Equal Opportunity, HUD's Southeast/Caribbean Fair Housing Hub, the Florida Commission on Human Relations, and the Escambia-Pensacola Human Relations Commission. This information will be reviewed during the eligibility briefing session. Fair Housing information and discrimination complaint forms will be part of the voucher holder's eligibility briefing packet and available upon request anytime at the Pensacola Housing Department.

Fair Housing posters are displayed at the Pensacola Housing Department, including in the lobby and meeting room, and the equal opportunity logo is used on all outreach materials.

Pensacola Housing staff will receive training about the importance of affirmatively furthering Fair Housing and providing equal opportunity to all families, including providing reasonable accommodations to persons with disabilities, as part of the overall commitment to quality customer service. Whenever possible, Pensacola Housing staff will attend local Fair Housing training sponsored by HUD and other industry organizations to keep current with new developments.

#### **3.2 Assistance to Families Claiming Discrimination**

Pensacola Housing will assist any family that believes it has suffered illegal discrimination by providing copies of the housing discrimination form. Housing Department staff will assist in completing the form, if requested, and will provide contact information for the nearest HUD Office of Fair Housing and Equal Opportunity.

Pensacola Housing will advise families about how to file a complaint if they believe they have been discriminated against by an owner. Housing staff will advise the participant to make a Fair Housing complaint. Pensacola Housing may also report the owner to HUD (Fair

Housing/Equal Opportunity) or to the local Fair Housing organization, the Escambia-Pensacola Human Relations Commission.

### **3.3 Role of Advocates and Translators**

All applicants and participants, whether or not they are persons with a disability, may bring a family member, a case-manager, or an advocate with them to all appointments with Pensacola Housing, including initial interviews, eligibility briefings, and recertification appointments.

With the permission of the applicant or participant, an advocate may be allowed to provide some information on the applicant's or participant's behalf.

Applicants who wish to have case managers, advocates or other intermediaries act on their behalf must sign a release of information form authorizing Pensacola Housing staff to discuss their application information with the intermediary.

Pensacola Housing staff may assume that advocates and translators, including adult family members, who accompany applicants and participants in person have the applicant's or participant's permission to witness confidential conversations and documents.

Pensacola Housing staff may assume that advocates and translators who telephone on behalf of an applicant or participant and represent that the applicant or participant is there with them at the time of the telephone call, have the applicant's or participant's permission to conduct the conversation. However, staff will exercise caution in conducting such conversations on the telephone, and may request additional personal identifiers from the caller to verify that he or she is in fact present in the room with the applicant or participant; or, staff may refrain from disclosing highly sensitive information (for instance, denial based on a criminal record, or response to a request for an accommodation based on the presence of a disability), offering instead to send a letter with the requested information to the applicant or participant directly.

Pensacola Housing staff will not discuss personal information about an applicant or participant with an advocate or family member when the applicant or participant is not present without a written, signed and dated request by the applicant or participant giving Pensacola Housing permission to do so. The written request shall identify the specific persons or agency with whom the personal information may be discussed.

Pensacola Housing staff shall exercise caution in conducting personal conversations on the telephone with advocates, and may take such steps as are reasonably necessary to confirm the identity of the advocate.

### **3.4 The Violence Against Women Act (VAWA)**

In compliance with the Violence against Women and Department of Justice Reauthorization Act of 2005 (VAWA), as well as the Violence Against Women Reauthorization Act of 2013



(VAWA 2013), Pensacola Housing will not deny admission to the HCV program to any applicant who has been a victim of domestic violence, dating violence, stalking, or sexual assault, provided they have met the other admission requirements.

In addition, Pensacola Housing will adhere to the following guidelines when administering the HCV program to applicants or participants who are victims of domestic abuse:

1. Being a victim of domestic violence, dating violence, stalking, or sexual assault (collectively known as “abuse”) is not a basis for denial of assistance to HCV programs.
2. Incidents or threats of abuse will not be regarded as “serious or repeated violations of the lease” for termination of assistance, tenancy, or occupancy rights of a victim of abuse.
3. Criminal activity directly relating to abuse, engaged in by a member of a tenant’s household or any guest or other person under the tenant’s control, shall not be a cause for termination of assistance, tenancy, or occupancy rights if the tenant or an affiliated individual of the tenant is the victim or threatened victim of that abuse. VAWA 2013 defines an affiliated individual as a spouse, parent, brother, sister, or child of that individual; or an individual to whom that individual stands *in loco parentis*; or any individual, tenant, or lawful occupant living in the household of that individual.
4. The Housing Department or owner/manager may remove a household member from the voucher or from a lease without regard to whether the household member is a signatory to the lease, in order to evict, remove, terminate occupancy rights, or terminate assistance to any individual who is a lawful tenant or lawful occupant and who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking against an affiliated individual or other individual, without evicting, removing, terminating assistance, or otherwise penalizing the victim of such activity, who is also a tenant or lawful occupant.
5. Such eviction, removal, termination of occupancy rights, or termination of assistance shall be effected in accordance with the procedures prescribed by federal, state, or local law for termination of leases or assistance. This federal statute authority takes precedence over any federal, state, or local law to the contrary; however, any eviction or removal or termination of assistance must be in accordance with procedures prescribed by federal, state, and local law (for example, the Landlord-Tenant Act, or HCV program regulations).
6. The family may request to move or port, in violation of the lease, if the family has met all other requirements and has moved out of the assisted unit to protect the health or safety of an individual who was the victim of abuse and who reasonably believed he or she was imminently threatened by further abuse if he or she remained in the unit.

In order to protect their ongoing assistance, participants who are victims of abuse may be asked to certify that incidences of abuse are bona fide. Form HUD-5382 may be used for this purpose. The certification must contain the name of the perpetrator, but only if the

name of the perpetrator is known to the victim, and the name can be provided safely. Certification must be provided within 14 business days after Pensacola Housing's request for it. If the certification is not provided within this timeframe, Pensacola Housing may terminate assistance.

In lieu of the tenant completing form HUD-5382, Pensacola Housing will also accept documentation signed by an employee, agent, or volunteer of a victim service provider, an attorney, a medical professional, or a mental health professional, or a record from an administrative agency from which the victim has sought assistance, in which the professional or agency official attests under penalty of perjury that the incident(s) are bona fide. Federal, state, tribal, territorial or local police or court records will also be acceptable.

All information provided by the victim is confidential. Applicants and program participants will be informed of their rights under VAWA and VAWA 2013 at admission, during eligibility and recertification meetings, and in notifications informing them that assistance has been denied or terminated.

### **3.5 Accessibility to Persons with Disabilities**

The Pensacola Housing Department is accessible to persons with disabilities. Accessibility for the hearing impaired is available via TDD/TTY at (850) 595-0102.

Except as otherwise provided in 24 CFR 8.21(c, 1), 24 CFR 8.24(a), 24 CFR 8.25, and 24 CFR 8.31, no individual with disabilities shall be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination because Pensacola Housing's facilities are inaccessible to, or unusable by, persons with disabilities.

Pensacola Housing shall operate each service, program, and activity so that when viewed in its entirety, each service, program, and activity is readily accessible to and usable by individuals with disabilities.

### **3.6 Reasonable Accommodation Policy**

In housing, a reasonable accommodation is an exception or change to one or more rules, policies, practices, services, or regulations that will allow an applicant or participant with a disability to have full access to the housing program or dwelling unit. As per 24 CFR 100.202, Pensacola Housing will provide reasonable accommodations, upon request, to ensure that otherwise qualified persons with disabilities are not excluded from participation in Pensacola Housing's voucher programs.

This reasonable accommodation policy is applicable to all situations described in this Administrative Plan, including when a family initiates contact with Pensacola Housing, when Pensacola Housing initiates contact with a family, and when Pensacola Housing schedules or reschedules appointments of any kind.

Information is provided to both applicants and participants of the voucher programs, during the eligibility briefing and during the recertification process, regarding their right to reasonable accommodations. Any notification requesting action by the participant will include information about requesting a reasonable accommodation.

### **3.7 Different Treatment Only on Request**

A participant with a disability must first ask for a specific change to a policy or practice as an accommodation of his or her disability before Pensacola Housing will treat that person differently than anyone else. The option to request an accommodation will be made known by including notices on Pensacola Housing application materials, handbooks, forms and letters and on notices posted throughout the Pensacola Housing Department.

It is a violation of Section 504 of the Americans with Disabilities Act (ADA) and of the Fair Housing Act for Pensacola Housing, or any PHA, to inquire whether an applicant or tenant is capable of living independently.

### **3.8 Identifying and Responding to Requests for Accommodation**

Although Pensacola Housing does not make assumptions about any client or visitor's needs, it is not always necessary for the person making the request to use the term "reasonable accommodation" in order to be granted one. Often, requests for accommodation are first expressed as complaints that a particular program feature or process is inaccessible.

Pensacola Housing staff presented with a complaint about accessibility may make a determination to immediately treat the complaint as a request for a reasonable accommodation and grant it, if the accommodation is customary and relatively simple to do accommodate (for example, conducting a one-on-one eligibility briefing at the Pensacola Housing Department). Otherwise, staff will ask the person complaining if he or she wishes to request an accommodation. If the answer is yes, staff will invite the person requesting the accommodation to put the request in writing for further consideration and formal response. Staff shall provide assistance with the written request if asked to do so.

### **3.9 Verification of the Presence of a Disability**

An individual who requests an accommodation must certify in writing that he or she is a person with a disability according to the definitions of disability that appear in Section 2.2, Definition of Disabled Person, of this Administrative Plan. Most requests require the completion of Pensacola Housing-approved forms, which are used to verify information provided in the request. Pensacola Housing staff will provide these forms at the time of the client's request for an accommodation.

The written request must contain the individual's own certification of the presence of a disability and a description of the requested accommodation, along with any acceptable alternatives the individual may be able to identify in advance. In addition, Pensacola

Housing will require that a professional third party competent to make the assessment provide written verification of the following:

1. The presence of a disability that meets one of the definitions from Section 2.2; and
2. The assertion that the person needs the specific accommodation requested in order to have equal access to the voucher program.

Completed written requests for an accommodation shall be given to the Pensacola Housing staff member working with the client. The staff member will forward the request to his or her supervisor, who will review and respond to the request. Copies of all requests for accommodation shall be kept in the applicant/participant file.

### **3.10 Undue Administrative or Financial Burden**

If Pensacola Housing finds that the requested accommodation creates an undue administrative or financial burden, Pensacola Housing will deny the request and/or present an alternate accommodation that will still meet the need of the person.

An undue administrative burden is one that requires a fundamental alteration of the essential functions of Pensacola Housing (for instance, waiving a family obligation).

A requested accommodation that creates an undue financial burden is one that, when considering the available resources of the agency as a whole, would pose a severe financial hardship to the Pensacola Housing Department.

### **3.11 Responding to a Request for Accommodation**

Pensacola Housing will provide a written decision to the person requesting the accommodation within 30 days of receipt of the individual's written request for the accommodation. The written response shall include information on how to appeal a denial.

### **3.12 Appeal of Denial for an Accommodation**

If a person is denied the accommodation and/or feels that the alternate suggestions are inadequate, he or she may request an informal hearing to review Pensacola Housing's decision by sending a written request to the attention of the Pensacola Housing Department within 30 calendar days of the date of Pensacola Housing's written response to the original request.

### **3.13 Exception Payment Standards as a Reasonable Accommodation**

In accordance with HUD notice PIH 2013-03, Pensacola Housing may approve an exception payment standard of up to 120% of the FMR if required as a reasonable accommodation for a family that includes a person with disabilities.

Units that have been granted an exception payment standard as a reasonable accommodation are still subject to a rent reasonableness determination in accordance with section 8 (o, 10) of the U.S. Housing Act of 1937 and the HCV program regulations. Pensacola Housing will perform the rent reasonableness determination and retain a record of it as part of the participant's file. In addition, Pensacola Housing will maintain documentation that the unit has the feature(s) required to meet the needs of the person with disabilities.

### **3.14 Policy on Live-In Aides**

A live-in aide is a person who resides with one or more elderly persons or persons with disabilities, and who:

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

A family may include a live-in aide provided that such live-in aide:

1. Is determined by Pensacola Housing to be essential to the care and well-being of an elderly person or a person with disabilities;
2. Is not obligated for the financial support of the disabled or elderly person(s);
3. Would not be living in the unit except to provide care for the person(s);
4. Is qualified to serve as a live-in aide (that is, is of an age and level of health capable of carrying out the duties one would expect to be associated with providing personal care to another individual); and
5. Meets Pensacola Housing's requirements regarding criminal history.

Additionally, the following requirements apply to live-in aides:

1. Pensacola Housing may not approve an unidentified live-in aide, nor a larger unit than the family qualifies for under the Pensacola Housing's subsidy standards for an unidentified live-in aide. An additional bedroom for a live-in aide will not be allocated for a family unless a specific person or persons has been approved by Pensacola Housing.
2. Occasional, intermittent, multiple or rotating care givers typically do not reside in the unit and do not qualify as live-in aides.
3. Pensacola Housing may not approve a live-in aide if that person does not keep the subsidized unit as their primary residence.

A live-in aide is treated differently than family members, in that:

1. Income of the live-in aide will not be counted for purposes of determining eligibility or level of benefits;
2. Live-in aides are not subject to non-citizen rule requirements; and

3. Live-in aides may not be considered as a remaining member of the tenant family.

Relatives are not automatically excluded from being live-in aides, but they must meet all elements of the live-in aide definition as described above.

A live-in aide may only reside in the unit with the approval of Pensacola Housing. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or caseworker. The verification provider must certify that a live-in aide is needed for the care of a family member who is elderly or disabled.

Pensacola Housing will approve a live-in aide if needed as a reasonable accommodation to make the program accessible to and usable by a family member with a disability. Approval of a live-in aide for reasonable accommodation will be in accordance with CFR 24 Part 8.

At any time, Pensacola Housing may refuse to approve a particular person as a live-in aide or may withdraw such approval if the person:

1. Commits fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program; or
2. Commits drug-related criminal activity or violent criminal activity; or
3. Is a sex offender subject to a registration requirement; or
4. Currently owes a debt to Pensacola Housing or to another PHA, and is not current on the repayment agreement.

Pensacola Housing shall conduct a criminal background check for live-in aides proposed by applicants and participants, and shall deny approval if the review of criminal history discloses a record of activity that would cause denial of an application if the live-in aide applied for housing assistance on his or her own behalf.

### **3.15 Alternate Forms of Communication**

When Pensacola Housing has initial contact with an applicant, Housing Department staff shall ask whether the individual requires an alternate form of communication. Examples of alternative forms of communication might include, but are not limited to: the provision of a qualified sign language interpreter; having written materials explained orally by staff either in person or by telephone; provision of written materials in large/bold font; permitting applicants to submit paperwork by mail; and providing alternative sites for the individual to conduct business, for example, home visits.

Pensacola Housing may never require an applicant to provide, or pay for, his or her own alternative forms of communication, including a sign language interpreter. It is always Pensacola Housing's responsibility to provide a qualified sign language interpreter; however, an applicant may choose to have a friend, relative, or other advocate assist in conducting business with Pensacola Housing.

### **3.16 Services for Non-English Speaking Applicants and Participants**

In compliance with Executive Order 13166, Pensacola Housing provides meaningful access to the HCV programs by minimizing language barriers faced by persons who have limited English proficiency.

Upon request, Pensacola Housing will provide a professional interpreter, whether in person or through a service such as Language Line Services, to interpret a document that pertains to admissions and/or the receipt of housing assistance, except in cases where a professional interpreter is not available in the chosen language. During the meeting with the professional interpreter, the applicant or participant may request staff to be excused for a portion of the time in order to privately review the document.

### **3.17 Reasonable Accommodation or Modification Requests to Landlords**

Reasonable accommodation requests made directly to Pensacola Housing cover access to the Pensacola Housing Department's office and other resources, and the ability to use the voucher. However, because Pensacola Housing is not a housing provider, requests for reasonable accommodations or modifications regarding rental applications, lease requirements, the location and features of a rental unit and its surroundings, or other matters concerning a specific landlord or unit, cannot be made directly to Pensacola Housing. Instead, such requests must be made to the landlord. However, Pensacola Housing staff will be available as a resource to assist applicants and participants with this process, including assisting with Fair Housing complaints when reasonable accommodation or modification requests are unlawfully denied.

## 4.0 Responsibilities and Obligations

This chapter outlines the responsibilities and obligations of the Pensacola Housing Department, participating property owners and landlords, and participating families.

### 4.1 Pensacola Housing Department Responsibilities

Pensacola Housing will comply with the consolidated Annual Contributions Contract (ACC), HUD regulations, City of Pensacola ordinances and policies, Escambia County ordinances, Pensacola Housing's PHA Plan, and this Administrative Plan.

In administering the program, Pensacola Housing must:

1. Publish and disseminate information about the availability and nature of housing assistance under the program;
2. Explain the program to families and owners;
3. Seek expanded opportunities for assisted families to locate housing outside areas of poverty or racial concentration;
4. Encourage owners to make units available for leasing under the program, including owners of suitable units located outside areas of poverty or racial concentration and units accessible to persons with disabilities;
5. Encourage participation by owners having accessible units;
6. Make efforts to assist persons with disabilities to find satisfactory housing pursuant to 24 CFR 8.28; and
7. Affirmatively further fair housing goals and comply with equal opportunity requirements.

In addition, Pensacola Housing shall:

1. Receive applications from families, determine eligibility, maintain the waiting list, select applicants, issue a voucher to each selected family, and provide housing information to families selected;
2. Determine who can live in the assisted unit at admission and during the family's participation in the program;
3. Obtain and verify evidence of citizenship and eligible immigration status in accordance with 24 CFR Part 5;
4. Review the family's Request for Tenancy Approval (RTA) and the owner's lease, including the HUD-required tenancy addendum;
5. Inspect the unit before the assisted occupancy begins and at least biennially during the assisted tenancy;
6. Determine the maximum rent to the owner and whether the rent is reasonable;
7. Determine the housing assistance payment for the family;
8. Make timely housing assistance payments to the owner in accordance with the HAP contract;



9. Examine and verify family income and household composition at admission and at least annually during the family's participation in the program;
10. Establish and adjust the utility estimate schedule;
11. Annually review Fair Market Rents (FMRs) for Escambia County published by HUD, and make adjustments to the payment standards as necessary;
12. Administer and enforce the HAP contract with the owner, including taking appropriate action if the owner defaults (for example, by leaving HQS violations uncorrected);
13. Determine whether to terminate assistance to a participant family for violation of family obligations;
14. Conduct informal reviews of Pensacola Housing decisions concerning applicants for participation in the program;
15. Conduct informal hearings on Pensacola Housing decisions concerning participant families;
16. Provide sound financial management of the program, including engaging an independent public accountant to conduct audits; and
17. Administer an FSS program (as applicable).

#### **4.2 Owner Responsibilities**

The owner is responsible for performing all owner obligations under the HAP contract and the lease. In addition, the owner is responsible for:

1. Performing all management and rental functions for the assisted unit, including selecting a voucher holder to lease the unit, and deciding if the family is suitable for tenancy of the unit;
2. Maintaining the unit in accordance with Housing Quality Standards, including performance of ordinary and extraordinary maintenance;
3. Complying with Fair Housing requirements;
4. Preparing and furnishing to Pensacola Housing information required under the HAP contract;
5. Providing Pensacola Housing with information required to set the owner up as a City of Pensacola vendor, including direct deposit authorization, in a timely manner, so HAP payments can be made;
6. Ensuring that there is no delinquent state or local tax owed on the rental property while under HAP contract;
7. Collecting from the family any security deposit required under the lease;
8. Collecting the tenant rent (the portion of the contract rent not covered by the HAP);
9. Collecting any charges for unit damage by the family;
10. Enforcing tenant obligations under the lease;
11. Paying for utilities and services (unless paid by the family under the lease); and
12. Notifying Pensacola Housing and the family in writing at least sixty (60) days prior to any requested rent increase.

For provisions on reasonable modifications to a dwelling unit occupied or to be occupied by a person with disabilities, see 24 CFR 100.203.

### **4.3 Family Obligations**

This section states the obligations of participant families under the program.

#### **4.3.1. Supply Required Information**

The family must supply any information that Pensacola Housing or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigrant status. All information supplied by the family must be true and complete.

The family must supply any information requested by Pensacola Housing or HUD for use in a regularly scheduled annual reexamination, or an interim reexamination, of family income and household composition in accordance with HUD requirements.

The family must disclose and verify Social Security Numbers and must sign and submit consent forms for obtaining information.

#### **4.3.2 Comply with HQS**

The family must allow Pensacola Housing to inspect the unit at reasonable times and after reasonable notice. In addition, the family is responsible for any breach of Housing Quality Standards (HQS) caused by the family or its guests.

#### **4.3.3 Occupy and Properly Use the Unit**

1. The family must comply with their lease.
2. The family must use the assisted unit for residence. The assisted unit must be the family's only residence.
3. After Pensacola Housing has approved the composition of the assisted family residing in the unit, the family must ensure that only authorized household members reside in the unit (including foster children, foster adults, or live-in-aides).
4. The family must request and receive prior approval from the owner, and from Pensacola Housing, to add any adult household member as an occupant of the unit.
5. The family must promptly inform Pensacola Housing of the birth, adoption, custody, or guardianship of a minor. Documentation of guardianship of minors and disabled adults may be required.
6. If Pensacola Housing has given prior approval, a foster child, foster adult, or live-in aide may reside in the unit.
7. The family must promptly notify Pensacola Housing if any family member no longer resides in the unit for any reason, including divorce, incarceration, or death.
8. The family must not sublet or reassign the unit.
9. Household members, and guests of the household, must not engage in any illegal activities in the unit.

10. 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 as the family residence. Any business uses of the unit must comply with zoning requirements and the affected household member must obtain all appropriate licenses, as well as approval of the owner.
11. The family must notify Pensacola Housing and the owner before the family moves out of the unit or terminates the lease. In a rollover or month-to-month lease, at least 30 days' written notice of the lease termination is required.
12. The family must promptly give Pensacola Housing a copy of any eviction notice received.

#### **4.3.4 Report Absences from the Unit**

Absence occurs when no member of the family is residing in the unit. The family may be absent from the unit for brief periods, which Pensacola Housing defines as up to 60 consecutive days. Any family absent for more than 60 consecutive days without authorization will be in violation of the family obligations, and will be terminated from the program.

The family may request permission from Pensacola Housing for absences exceeding 60 days. Pensacola Housing will make a determination within 10 business days of the request. The family must notify Pensacola Housing promptly of the absence, and must supply any information or certification requested by Pensacola Housing to verify that the family is living in the unit, or relating to family absence from the unit.

In accordance with 24 CFR 982.312 (a), an authorized absence may not exceed 180 consecutive calendar days.

See section 17.1 of this Admin Plan for more information on absences from the unit.

#### **4.3.5 Comply with the Visitor Policy**

Any person not included on the HUD-50058 who has resided or slept in the rental unit for more than 21 consecutive days, or a total of 30 calendar days in a 12-month period, will be considered to be living in the unit as an unauthorized household member.

Use of the unit address as a visitor's current residence for any purpose that is not explicitly temporary shall be construed as permanent residence. Examples include, but are not limited to: using the unit address for employment or to receive unemployment benefits; for AFDC, child support, or food assistance; if it appears on a driver's license or other government-issued ID, on arrest records, or as a probation residence; or for other agency benefits.

If violation of this policy is reported or suspected, a statement from the landlord, along with other corroborating evidence or documentation provided by the family, will be considered in making a determination.

In the absence of such documentation, the individual may be considered an unauthorized member of the family, and Pensacola Housing may terminate assistance because prior approval was not requested for the addition to the household. An overpayment may result from the family's violation.

#### 4.3.6 Other Family Obligations

1. **Interest in the Unit.** The family may not own or have any interest in the unit (except for owners of manufactured housing renting the manufactured home space).
2. **Fraud and Other Program Violations.** Members of the family must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program.
3. **Crime by Family Members.** Members of the family may not engage in drug-related criminal activity or violent criminal activity.
4. **Other Housing Assistance.** An assisted family, or member of the assisted household, may not receive additional HCV program assistance, or other federal, state, or local housing subsidies, while participating in Pensacola Housing's HCV program. Families who appear on the EIV Multiple Subsidy Report may be asked to provide documentation showing that no duplicate subsidy is in fact being received by any member of the household.

#### 4.3.7 Repayment Agreements

If monies are owed to Pensacola Housing by a participant for overpayment of housing assistance due to unreported or underreported family income, changes in family composition, fraud, or due to eviction or vacating without notice, the participant is responsible for repaying the amount of the oversubsidy to Pensacola Housing in full.

At Pensacola Housing's discretion, the participant and Pensacola Housing may enter into a Repayment Agreement. The participant's obligations, as defined in the Repayment Agreement, must be current prior to any annual recertification or before the family will be issued a voucher for a voluntary move. If the participant is not current on a Repayment Agreement, the participant shall be terminated from the program. The participant retains the right to request an informal hearing.

Pensacola Housing will not enter into more than one Repayment Agreement with a program participant. A participant who incurs a second debt while a previous Repayment Agreement is still active will be terminated from the program for a violation of family obligations and ineligible to reapply to the voucher program, or to participate in other subsidized housing programs, for a period of at least 3 years and until all debts to Pensacola Housing are paid in full. The participant retains the right to request an informal hearing.

## **5.0 The Application and Voucher Issuance Process**

Applying to Pensacola Housing's HCV program involves two phases. The first phase is the initial application, known as the pre-application. The pre-application requires the family to provide limited information including the name, address, phone number, and social security number of the head of household, a list of other household members, declaration of all household income, racial and ethnic designation and disability status of the head of household, and information establishing any preferences to which the family may be entitled.

Upon receipt of the family's pre-application, Pensacola Housing will make a preliminary determination of eligibility. Pensacola Housing will notify the family in writing of this determination. If the family is determined to be ineligible, the notice will state the reasons and the family will have the opportunity to request an informal review.

If the family is determined to be eligible, they will be placed on the waiting list as of the date and time when the completed pre-application was received by Pensacola Housing.

An applicant may at any time report changes in their status, including changes in household composition and income. Pensacola Housing will annotate the applicant's file and will maintain their place on the waiting list. Any change of eligibility status will be confirmed with the family in writing. Applicants are also required to submit any changes of mailing address in writing.

The second phase of the application process is the final determination of eligibility, referred to as the full application. The full application takes place when the family nears the top of the waiting list. Pensacola Housing uses the full application to confirm the family's eligibility for admission into the HCV program.

### **5.1 Reasonable Accommodation during the Application Process**

When Pensacola Housing has initial contact with an applicant or member of the public, staff shall determine whether the person requires an alternate form of communication. Examples of alternative forms of communication may include but are not limited to the provision of a qualified sign language interpreter; having written materials explained verbally by staff, either in person or by telephone; or provision of written materials in large/bold font. Housing personnel may also offer to make home visits to disabled and elderly applicants.

### **5.2 Managing the Waiting List**

Since the demand for housing assistance often exceeds the limited resources available to HUD and local PHAs, long waiting periods are common. Pensacola Housing maintains a waiting list of potential applicants who've expressed interest in participating in the HCV

program. Pensacola Housing takes applications to compile the waiting list following the procedures described in this section.

### **5.2.1 Organization of the Waiting List**

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

1. The application will be a permanent file;
2. All applications will be maintained in order of date and time of receipt of the complete written pre-application;
3. Any contact between Pensacola Housing and the applicant will be documented in the applicant file.

Under current HUD regulations, the waiting list cannot be maintained by bedroom size.

### **5.3 Closing and Opening the Waiting List**

Should Pensacola Housing determine that the waiting list needs to be closed for a period of time, the closure will be announced via public notice. The public notice will be published online, in a local newspaper of general circulation, and also via any available minority media. Notice of closure may also be sent to other local social service agencies.

The reopening of the waiting list will also be announced via public notice. The public notice will state where, when, and how to apply once applications are being accepted again. The notice will be published in a local newspaper of general circulation, and also by any available minority media. Notice may also be sent to other local social service agencies. The public notice will include information about who is eligible to apply.

The notice will state that applicants already on waiting lists for other housing programs must apply separately for the HCV program, and that applicants will not lose their place on other waiting lists when they apply for the HCV program. The notice will include the Fair Housing logo and slogan and otherwise be in compliance with Fair Housing requirements.

### **5.4 Taking Applications**

Please note: The application process may change with notice.

Applications for the HCV program waiting list will be taken via a dedicated telephone line during regular business hours on the second Wednesday of each month, excluding holidays. Completed self-declaration pre-applications will be accepted from a minimum of 25 applicants who call the application line during the published hours. Pensacola Housing will later verify the information in the application relevant to the applicant's eligibility, admission, and level of benefit.

As a reasonable accommodation, each month elderly and disabled applicants are provided a second opportunity to apply by calling during regular business hours on the second

Thursday of each month, excluding holidays. A dedicated TDD line will be available to take application calls, in addition to the dedicated telephone line. A minimum of 25 applicant names will be taken during each application period for elderly and disabled applicants. Verification of age (government-issued ID including date of birth, etc.) and/or disability status (i.e., receipt of SSI or SSD, or a statement confirming disability status from a qualified medical provider) is required from applicants who call on Thursdays before they will be placed on the waiting list. Applicants may submit these verification documents with their pre-application.

### **5.5 Families Nearing the Top of the Waiting List**

When a family appears to be within approximately 2 months of being offered assistance, the family will be scheduled for an intake interview and the verification process will begin.

The family will complete a Tenant Information Form, present Social Security Numbers and citizenship/eligible immigrant information, and sign the Consent for Release of Information forms.

### **5.6 Waiting List Admissions and Special Admissions**

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

If HUD should award funding that is targeted for families with specific characteristics or families living in specific units, Pensacola Housing will use the assistance for those families.

### **5.7 Preferences**

Pensacola Housing will give preference to those families on the waiting list who are victims of federal or state-declared natural disasters. Thirty-party verification of displacement may be required before a voucher is issued.

In addition, federal guidelines stipulate that at least 75% of the families newly assisted by Pensacola Housing each fiscal year must be extremely low income families. To ensure this goal is met, there may be occasions when Pensacola Housing will assist an extremely low income household from the waiting list before assisting a very low income household, even if the very low income household has been on the waiting list longer.

Some of the vouchers administered by Pensacola Housing have been allocated to assist specific populations; for example, non-elderly disabled families (NED) or homeless veterans (VASH). Pensacola Housing will follow HUD guidelines regarding the administration of these programs. At times this may result in a NED family receiving a voucher before other families from the Section 8 waiting list, or in a VASH family receiving a voucher before all families on the Section 8 waiting list.

## 5.8 Exceptions

Notwithstanding the above, if necessary to meet the statutory requirement that 75% of newly admitted families in any fiscal year are families who are extremely low- income (unless a different target is agreed to by HUD), Pensacola Housing must skip higher income families on the waiting list to reach extremely low-income families. This measure will only be taken if it appears the goal will not otherwise be met. To ensure this goal is met, Pensacola Housing will monitor incomes of newly admitted families and incomes of families on the waiting list.

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

## 5.9 Auditing and Purging the Waiting List

Pensacola Housing will audit and update its waiting list periodically to ensure that the pool of applicants reasonably represents interested families. Auditing also enables updating of applicants' information regarding address, household composition, income category and preferences.

## 5.10 Setting Applicants on the Waiting List to Inactive

Pensacola Housing will change the status of an applicant on the waiting list to inactive under the following circumstances only:

1. The applicant requests that their name be removed;
2. The applicant fails to respond to a written request for information and/or a request to declare their continued interest in the program, or misses a scheduled appointment, or
3. The applicant does not meet the eligibility criteria for the program.

## 5.11 Intake Meeting

When the applicant's name nears the top of the waiting list, the applicant will be notified in writing of the next scheduled pre-certification intake meeting. Applicants will be given a checklist of required eligibility materials, which must be brought to the intake meeting for review by Pensacola Housing staff.

At the intake meeting, Pensacola Housing staff will review the applicant's materials and make an eligibility determination. If the application is incomplete, staff will provide the applicant with a checklist of outstanding materials and a deadline for completing the application. Failure to complete the application by the deadline will result in the applicant being set to Inactive on the waiting list.



When the application is complete, the applicant will be mailed an invitation to attend the next scheduled Eligibility Briefing.

### **5.12 Pre-Certification for Persons with Disabilities**

For applicants identifying as persons with disabilities, Pensacola Housing is required to verify that the applicant qualifies as a person with a disability under voucher program guidelines before granting the rent deduction, disability expense allowance, or deduction for un-reimbursed medical expenses. Applicants cannot be compelled to reveal they have a disability; however, if they do not, they may not receive the program benefits such status confers.

Pensacola Housing will not require applicants to provide access to confidential medical records in order to verify disability, nor will Pensacola Housing require specific details as to the disability. Pensacola Housing **may not** seek the individual's specific diagnosis, nor seek information regarding the nature and/or severity of effects of the individual's disability.

If Pensacola Housing receives documentation from a verification source that contains the individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability, that documentation will immediately be disposed of, not maintained in the individual's file, as it is confidential information.

Pensacola Housing will ensure that all employees who are involved in the screening application process understand how to conduct participant selection and screening without discriminating on the basis of any protected class, in particular applicants with disabilities.

Home visits are available as a reasonable accommodation. In addition, a Telecommunication Device for the Deaf (TDD) is available during all Housing Department business hours.

If requested to do so by an applicant who is a person with disabilities, Pensacola Housing will consider verifiable, mitigating circumstances that explain and/or overcome any prior misconduct related to a previous assisted tenancy. If a reasonable accommodation would allow an applicant who is a person with a disability to meet the eligibility criteria, these circumstances will be taken into consideration. If eligibility is denied by Pensacola Housing, disabled applicants will be notified in writing, and will be advised of their right to request an informal review. A reasonable accommodation may also be requested by the applicant during the informal review process. Pensacola Housing will provide such reasonable accommodation, unless doing so would result in a fundamental alteration in the nature of the programs offered by Pensacola Housing.

### **5.13 Eligibility Briefing**

After eligibility has been confirmed at the intake meeting, the family will be scheduled to attend an Eligibility Briefing explaining how the program works. The family is required to attend the briefing in order to receive a voucher. If they cannot attend the originally scheduled briefing, they may attend a later session. If the family fails to attend two briefings without good cause, they will be denied admission to the program.

Families unable to attend a briefing due to a disability may request a reasonable accommodation, such as having the briefing presented at an alternate location or during a one-on-one appointment. If an applicant with a disability requires auxiliary aids or other assistance to gain full benefit from the briefing, Pensacola Housing will furnish such aids where doing so would not result in a fundamental alteration of the nature of the program or in an undue financial or administrative burden. In determining the most suitable auxiliary aid, Pensacola Housing will give primary consideration to the request of the applicant.

Pensacola Housing will provide, upon request, a qualified sign language interpreter. However, the Housing Department's responsibility to provide a qualified sign language interpreter does not preclude an individual's right to have a friend, relative, or advocate accompany him or her when conducting business with Pensacola Housing.

The briefing will cover at least the following subjects:

1. A description of how the program works;
2. Family and owner responsibilities;
3. Where the family may rent a unit, including inside and outside Pensacola Housing's jurisdiction;
4. Types of eligible housing;
5. An explanation of how portability works;
6. An explanation of the advantages of living in an area that does not have a high concentration of poor families; and
7. An explanation that the family share of rent may not exceed 40% of the family's monthly adjusted income if the gross rent exceeds the applicable payment standard.

#### **5.14 Eligibility Packet**

During the Eligibility Briefing, Pensacola Housing will provide the family with an information packet covering at least the following subjects:

1. The term of the voucher and Pensacola Housing's policy on extensions and suspensions of the term.
2. How Pensacola Housing determines the Total Tenant Payment (TTP), family share, and Housing Assistance Payment (HAP) for the family;
3. Information on payment standards and the utility estimate schedule;
4. How Pensacola Housing determines the maximum rent for an assisted unit;

5. Where the family may lease a unit. For families qualified to lease outside Pensacola Housing's jurisdiction at initial lease up, the packet includes an explanation of how portability works;
6. The HUD-required tenancy addendum that provides the language that must be included in any assisted lease, and a sample HAP contract;
7. The Request for Tenancy Approval (RTA) form and an explanation of how to request Pensacola Housing approval of a unit;
8. A statement of Pensacola Housing's policy on providing information to prospective owners. This policy requires applicants to sign disclosure statements allowing Pensacola Housing to provide prospective owners with the family's current and prior addresses, and the names and addresses of the landlords for those addresses. Upon request, Pensacola Housing will also supply any factual information or third party verification relating to the applicant's history as an assisted tenant or their ability to comply with material standard lease terms;
9. Pensacola Housing's payment standards, including when Pensacola Housing will consider granting exceptions to the standards;
10. The HUD brochure on how to select a unit ("A Good Place to Live");
11. The HUD-required lead-based paint brochure;
12. Information on federal, state, and local Fair Housing laws; the brochure "Fair Housing: It's Your Right"; and a copy of the housing discrimination complaint form;
13. A list of landlords known to Pensacola Housing who have expressed an interest in hearing from rental applicants with vouchers;
14. A list of accessible units known to Pensacola Housing that may be available;
15. The family's obligations under the program;
16. The grounds upon which Pensacola Housing may terminate assistance because of the family's action or inaction;
17. Pensacola Housing's informal hearing procedures, including when Pensacola Housing is required to provide the opportunity for an informal hearing, and information on how to request a hearing; and
18. An informational brochure and form explaining VAWA (the Violence Against Women Act).

In addition, landlord packets are available in the office and on the internet for all interested parties.

### **5.15 Issuance of Voucher**

Once a family's eligibility has been confirmed and its subsidy standard calculated, all household information, including household income, has been verified, and the family has attended an Eligibility Briefing, Pensacola Housing will issue the voucher. At this point the family begins their search for a unit.

### **5.16 Term of the Voucher**

The initial term of the voucher will be 60 days. The Issue Date and Expiration Date will appear on page 1 of the Housing Choice Voucher.

Pensacola Housing may grant extensions to elderly and disabled families, if requested, or to any family on a case-by-case basis due to mitigating circumstances, including, but not limited to: documented hospitalizations; death; or serious, incapacitating illness in the family. Pensacola Housing may also grant extensions on vouchers for families that are considered hard to house, according to HUD's criteria.

Upon the family's submittal of a completed RTA form, Pensacola Housing will suspend the term of the voucher until tenancy is approved or the RTA is denied. If the RTA fails to result in lease up, Pensacola Housing will extend the term of the voucher by the length of time the voucher was suspended.

### **5.17 Missed Appointments**

Pensacola Housing will allow the family to reschedule intake meetings and attendance at an Eligibility Briefing for good cause. Generally, no more than one opportunity will be given to reschedule without good cause, and no more than two opportunities for good cause. When good cause exists, Pensacola Housing will work closely with the family to reschedule at a suitable time. Applicants who are persons with disabilities may request rescheduling as a reasonable accommodation; missing an appointment due to a disability may be considered good cause. Applicants will be offered the right to an informal review before being terminated from the waiting list. Disabled persons will be afforded reasonable accommodations to afford them participation in the review process. All applicants who fail to keep a scheduled appointment in accordance with these guidelines will be sent a notice of denial.

For applicants who reside outside of Pensacola Housing's jurisdiction, transportation issues and travel expenses will not be considered good cause.

### **5.18 Grounds for Denial**

Pensacola Housing will deny assistance to applicants who:

1. Do not meet one or more of the eligibility criteria;
2. Do not supply information or documentation required by the application process;
3. Fail to respond to a written request for information or a request to declare their continued interest in the program;
4. Fail to complete any aspect of the application or lease-up process; or
5. Have a history of criminal activity by any household member involving crimes of physical violence against persons or property, and any other criminal activity including drug-related criminal activity that would adversely affect the health, safety, or well-being of other tenants or staff, or cause damage to the property.

In addition, Pensacola Housing will deny or terminate assistance if any household member:

1. Has one or more drug-related or violent-crime-related felony convictions within the last 3 years;
2. Has a debt to Pensacola Housing or to another PHA due to oversubsidy or for some other monies owed in connection with Section 8 Assistance or Public Housing Assistance under the 1937 Act;
3. Has committed fraud or bribery in connection with any federal housing assistance program, including the intentional misrepresentation of information related to their housing application or benefits derived therefrom;
4. Was evicted from federally assisted housing for non-payment of rent within the last 3 years;
5. Was evicted from federally assisted housing, other than for non-payment of rent, within the last 3 years;
6. Was evicted from assisted housing within 3 years of the projected date of admission because of drug-related criminal activity involving the illegal manufacture, sale, distribution, or possession with the intent to manufacture, sell, or distribute a controlled substance as defined in Section 102 of the Controlled Substances Act, 21 U.S.C. 802;
7. Is illegally using a controlled substance or abuses alcohol in a way that may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents. However, Pensacola Housing may waive this requirement if:
  - a) The person demonstrates to Pensacola Housing's satisfaction that the person is no longer engaging in drug-related criminal activity or abuse of alcohol;
  - b) The person has successfully completed a supervised drug or alcohol rehabilitation program;
  - c) The person has otherwise been rehabilitated successfully; or
  - d) The person is participating in a supervised drug or alcohol rehabilitation program.
9. Has engaged in or threatened abusive or violent behavior towards any Pensacola Housing Department staff member;
10. Has been terminated for a violation of family obligations under the HCV program during the last 3 years;
11. Has been convicted of manufacturing or producing methamphetamine (speed) while residing in federally assisted housing, resulting in a lifetime ban from the program;
12. Is a sex offender subject to a registration requirement; or
13. Is a welfare-to-work (WTW) family who fails to fulfill obligations under the Welfare-to-Work voucher program.

### **5.19 Notification of Negative Actions / Informal Reviews**

Any applicant whose name is being inactivated on the waiting list will be notified by Pensacola Housing, in writing, that they have 10 business days from the date of the written correspondence to present mitigating circumstances or request an informal review. The letter will also indicate that their name on the waiting list will be set to inactive if they fail to respond within the timeframe specified.

Pensacola Housing's system of inactivating applicants' names on the waiting list will not violate the rights of persons with disabilities. If an applicant's failure to respond to a request for information or updates was caused by the applicant's disability, Pensacola Housing will provide a reasonable accommodation. If the applicant indicates that he or she did not respond due to a disability, Pensacola Housing will verify that there is in fact a disability and that the requested accommodation is necessary based on the disability. An example of a reasonable accommodation would be to reinstate the applicant on the waiting list based on the date and time of the original application.

## 6.0 HCV Project-Based Program

Project-based vouchers (PBV) are an optional component of the HCV program that PHAs may choose to implement. Under this component, PHAs have been able to attach up to 20 percent of their allocated voucher program budget authority to specific housing units if the owner agrees to either rehabilitate or construct the units, or the owner agrees to set-aside a portion of the units in an existing development for voucher holders.

Effective with 2016's Housing Opportunity through Modernization Act (HOTMA), PHAs are permitted to project-base an additional 10 percent of their vouchers above the previous 20 percent program limitation. The additional 10 percent allocation must be used for units for homeless families, families with veterans, supportive housing for persons with disabilities or elderly persons, or in areas where vouchers are difficult to use. In addition, certain units do not count toward the 20 percent limitation, including units that convert to PBV under the Rental Assistance Demonstration program (RAD), and HUD-VASH PBV set-aside units.

Project-based vouchers can generally be attached to no more than 25% of the units in a property, although there are several exceptions to this requirement. The limitation does not apply to properties with four units or less, units housing seniors or families with a member with a disability, and units whose residents are receiving supportive services.

Pensacola Housing may opt to implement project-based voucher programs if at any time it determines that such a program would:

1. Expand the affordable housing stock available to its clients;
2. Increase the affordability of housing currently not affordable for extremely low income and very low income households;
3. Preserve the affordability of existing affordable housing for extremely low income and very low income households; or
4. Expand affordable housing opportunities for hard-to-house households within our jurisdiction.

Pensacola Housing may enter into agreements and contracts for project-based assistance based on the rules in this chapter.

### 6.1 Project Selection Criteria

Pensacola Housing will consider the following project selection criteria in evaluating proposals for project-based Housing Choice Vouchers:

1. Housing that serves families with children;
2. Housing that serves homeless households;
3. Housing that serves households with special needs, including, but not limited to:
  - a) Young adults aging out of foster care;

- b) People with mental and/or developmental disabilities;
  - c) People with physical and/or sensory disabilities;
  - d) Domestic violence survivors; and
  - e) Recent immigrants for whom language is a barrier to utilizing the tenant-based program.
4. Housing that reduces concentrations of poverty and/or need by:
    - a) Being located in low poverty census tracts;
    - b) Being located in census tracts with a lower-than-average percentage of tenant-based vouchers;
    - c) Serving very low-income populations within mixed-income developments; or
    - d) Reducing concentrations of poverty in existing buildings and developments.
  5. Housing that provides opportunities to increase the diversity of Pensacola's neighborhoods;
  6. Housing that offers an appropriate level of supportive services to residents;
  7. Housing that commits to best efforts to serve extremely low-income households for the life of the project;
  8. Housing that increases access to high-performing public schools;
  9. Housing that provides opportunities for economic self-sufficiency; and
  10. Housing that maximizes the use of other funding sources and leverages the use of HCV program funds.

## 6.2 Eligible Owners of Project-Based Housing

Pensacola Housing will accept applications for project-based HCV program assistance in projects owned by:

1. Non-profit housing providers;
2. For-profit housing providers; and
3. Other housing authorities in Escambia County.

## 6.3 Project Selection Processes

Under 24 CFR 983.51, PHAs that intend to project-base vouchers have the option of using a competitive selection process, a non-competitive selection process, or both.

Using the non-competitive selection process, PHAs may select a proposal for housing assisted under a federal, state, or local government housing assistance, community development, or supportive services program that required competitive selection of proposals (for example, the HOME Investment Partnerships Program, or units for which competitively awarded low-income housing tax credits (LIHTCs) have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements within 3 years of the PBV proposal selection date, and the earlier competitively selected housing assistance proposal did not involve any consideration that the project would receive PBV assistance.



In order to streamline the selection process and reduce administrative burden, Pensacola Housing will use the non-competitive selection process when proposals are available that meet both:

- The criteria defined in 24 CFR 983.51 (b, 2) for non-competitive selection; and
- The project selection criteria defined in Section 6.1 of this Administrative Plan.

If non-competitive selection is not applicable, or if there are no proposals available using the non-competitive selection process, then Pensacola Housing may implement a competitive selection process following the procedures below.

From time to time, Pensacola Housing may issue a formal Request for Proposals (RFP) inviting proposals for projects that meet Pensacola Housing's project-based program goals. Specific project selection criteria will be determined by Pensacola Housing based on its assessment of current needs and opportunities, and will be described in the RFP, along with numerical weights indicating the priority of each selection criteria used. The RFP process will include a panel of evaluators representing both Pensacola Housing staff and members of the community with an interest in low-income housing.

Pensacola Housing may establish minimum threshold criteria for sponsors participating in the project-based program (for example, minimum standards for the most recent audit of the sponsoring organization), and a minimum score based on numerically weighted criteria. Each RFP response shall be scored according to the weighted selection criteria identified in the initial RFP, and the projects ranked from highest to lowest score until the budget authority allocated for the RFP round is committed.

All projects awarded project-based HCV subsidy must be developed and operated in a manner consistent with HUD regulations. Awards of project-based subsidy are subject to approval of Pensacola City Council.

#### **6.4 Payment Standards / Rent Reasonableness**

The payment standards used for project-based vouchers will be the same as those used throughout Pensacola Housing's HCV program. Pensacola Housing staff will evaluate the rent reasonableness of proposed project rents against the market rent for comparable unassisted units, as per HUD guidelines and this Administrative Plan.

#### **6.5 Utility Estimate Schedule**

In general, Pensacola Housing will use the same utility estimate schedule in the project-based program as it uses for tenant-based assistance. For each PBV unit under contract, Pensacola Housing will implement the new schedule at the next regularly scheduled review.

An owner with energy-efficient units may submit a written request to the Housing Administrator that a project-specific utility estimate schedule be substituted for the tenant-based program utility estimate schedule, based on a written estimate from Gulf Power or (if applicable) Pensacola Energy of the likely consumption of utilities for that building based on its specific energy-efficient features. Such a request will be reviewed and responded to within 30 business days.

## **6.6 Uses of Subsidy**

An owner may use the revenue provided by the project-based housing choice vouchers for any purpose consistent with its organizational mission.

## **6.7 Contract Term**

The contract term for each project will be negotiated individually, based on the project's needs, within the general framework of 5 to 15 years. All contracts are subject to availability of adequate funds.

## **6.8 Requests for Rent Increases**

Owners of units assisted by Pensacola Housing project-based voucher assistance may request rent adjustments annually. Such requests must be in writing, for a specific proposed rent amount. Pensacola Housing will base rent increases on rent reasonableness determinations made by reviewing rents for comparable unassisted units, as per HUD guidelines and this Administrative Plan.

Rent increases will take effect

For each PBV unit under contract, rent increases will take effect at the next regularly scheduled review starting 60 days after the increase was approved by Pensacola Housing.

## **6.9 Vacancy Loss Payments**

When a family moves out mid-month, the housing provider may retain the full HAP payment for that month.

## **6.10 Reconciliations**

Reconciliation requests from owners must be made in writing within 12 months of the payment and must contain all of the following:

1. The specific time period of the discrepancy;
2. The participant name or unit number; and
3. A detailed explanation for why the owner believes there is a discrepancy

Pensacola Housing will respond to complete reconciliation requests within 30 days of receipt.

### **6.11 Damage Claims**

Pensacola Housing will not make payments to the owner for any damages to the unit, or for any other amounts owed by a family under the family's lease.

### **6.12 Family Right to Move [24 CFR 983.261]**

A family residing in a PBV unit may terminate the assisted lease at any time after the first year of occupancy. The family must provide both Pensacola Housing and the owner advance written notice of intent to vacate in accordance with the lease.

If the family intends to request a tenant-based voucher, they must contact Pensacola Housing before giving notice to terminate the lease. Pensacola Housing will notify the family whether a tenant-based voucher is immediately available, or whether they will be placed on a priority waiting list. If a tenant-based voucher is not immediately available, the family may choose to extend its tenancy in the PBV unit.

If a tenant-based voucher is immediately available, the family will have 14 days from the end date of their PBV lease to contact Pensacola Housing to schedule a move meeting and receive the tenant-based voucher.

If the family terminates the assisted lease before the end of one year, the family relinquishes the opportunity for continued tenant-based assistance. However, if a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, or stalking, and a move is needed to protect the health or safety of a family member, then Pensacola Housing will not terminate assistance and will offer the family a tenant-based voucher, even if vacancy occurred during the initial lease period.

If a family breaks up as a result of an occurrence of domestic violence, dating violence, sexual assault, or stalking, then as provided in 24 CFR part 5, subpart L, Pensacola Housing will offer the victim the opportunity for continued tenant-based rental assistance.

### **6.13 Tenant-Based Vouchers and Maximum Occupancy Standards**

Families occupying project-based units who exceed the maximum occupancy standard for the assisted unit as outlined in Section 7.2 of this Administrative Plan may qualify for a tenant-based voucher if:

1. The owner submits a request to the HCV program manager for a tenant-based voucher for the family;
2. The owner certifies that the owner has no units of an appropriate size for the family, and is not likely to have an appropriate sized unit available within six months of the date of the request;

3. The family meets all the requirements for a tenant-based voucher outlined in Chapter 2 of this Administrative Plan; and
4. Pensacola Housing has a voucher available to offer the family.

#### **6.14 Tenant Selection: Waiting Lists**

Pensacola Housing will open the waiting list for its PBV program at the time of acceptance of its first PBV project. Separate waiting lists will be maintained for tenant-based assistance and PBV assistance. In compliance with HUD notice PIH-2011-54, all families on Pensacola Housing's tenant-based waiting list will be offered the option to have their names placed on the PBV waiting list when it is opened. The PBV waiting list will be opened, and current applicants notified of their opportunity to request a place on it, in compliance with the procedures detailed in Section 5.3, "Closing and Opening the Waiting List," of this Administrative Plan. Applications for the PBV program waiting list will be taken in compliance with the procedures detailed in Section 5.4, "Taking Applications," of this Administrative Plan.

Owners who receive project-based subsidy from Pensacola Housing may establish their own waiting lists for project-based units, subject to requirements specified in the Housing Assistance Payment (HAP) contract.

#### **6.15 Lease Terms for Residents of Project-Based Properties**

The initial lease term for residents of project-based units will be 12 months.

#### **6.16 Eligible Lease-Up Date / No Duplicate Subsidy**

For an existing participant moving between buildings or programs, Pensacola Housing will start a new lease no sooner than the first of the month following the last month covered by the previous HAP contract. Pensacola Housing will not make subsidy payments on behalf of the same family to both the former and the new property owner when a family moves mid-month. Nor will Pensacola Housing pay a project-based owner overlapping subsidy for a contracted unit when one family moves out mid-month and another family moves in during the same month.

#### **6.17 Occupancy Standards for Project-Based Properties**

The occupancy standards used for project-based vouchers will be the same as those used throughout Pensacola Housing's HCV program. See Section 7.3 of this Administrative Plan.

#### **6.18 Tenant Selection: Admissions Criteria**

Applicants for project-based assistance must meet the same eligibility requirements as applicants for HCV tenant-based assistance outlined in Chapter 2 of this Administrative Plan, unless otherwise stated below.

### **6.18.1 Criminal History**

Pensacola Housing will review applicant criminal history to ensure applicants are eligible for subsidy under federal regulations, by applying the HUD-mandated denials for criminal history outlined in Section 2.15 of this Administrative Plan. In addition, owners should screen and select tenants using their own standards for criminal history.

Consistent with provisions in the HUD regulations for “evidence of rehabilitation,” and in order to accommodate individuals with disabilities, Pensacola Housing may give the property owner flexibility to accept applicants with disabilities for subsidized units who have a criminal history that would otherwise disqualify them for assistance. Screening flexibility will be given particularly to project sponsors with demonstrated expertise in serving people with mental illness and/or chemical addictions, and the capacity to provide the needed services for such tenants. Tenant screening flexibility does not extend to applicants who are sex offenders subject to a registration requirement.

Owners must submit their tenant screening and supportive services plan to Pensacola Housing to qualify for additional screening flexibility, and may be required to document the reasons why the owner feels an applicant is likely to live successfully in the project-based unit without serious re-offense, despite serious criminal history.

Owners may allow admission to convicted sex offenders who are Class B and Class C felons subject to time-limited registration requirements, who do not, in the opinion of the owner of the subsidized units, constitute a threat to other residents, the surrounding community, or the public at large.

### **6.18.2 Other Criteria for Admission**

For an applicant who has been previously been assisted under the program and was terminated for violating a family obligation in the last 3 years, Pensacola Housing will allow admission to the project-based program when the applicant has supportive services that will increase the likelihood of successful program participation. This does not apply to program violations where fraud or deception relating to income or household circumstances was a factor in the termination of assistance.

### **6.18.3 Debt Owed to Pensacola Housing or Another PHA**

Applicants for project-based units who owe Pensacola Housing or another PHA money must repay the amounts owed before their application will be approved. However, Pensacola Housing will consider on a case-by-case basis entering into a repayment agreement for amounts owed to Pensacola Housing. Pensacola Housing will only enter into a repayment agreement when the applicant has sufficient income to make regular payments under the agreement.

## **6.19 HQS and Inspections**

Pensacola Housing will examine the proposed site before the proposal selection date. If the units to be assisted already exist, Pensacola Housing will inspect all of the units before the

proposal selection date to determine whether the units substantially comply with HQS. To qualify as existing housing, units must substantially comply with HQS as of the proposal selection date.

Pensacola Housing will inspect each contract unit before execution of a HAP contract. Pensacola Housing will not enter into a HAP contract covering a unit until the unit fully complies with HQS.

Before providing assistance to a new family in a contract unit, Pensacola Housing will inspect the unit. Pensacola Housing will not provide assistance on behalf of the new family until the unit fully complies with HQS.

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

If more than 20 percent of the annual sample of inspected contract units in a building fail the initial inspection, Pensacola Housing will reinspect 100 percent of the contract units in the building.

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

Pensacola Housing will conduct re-inspections needed to determine if the owner (or, if applicable, the family) has corrected an HQS violation, and will conduct inspections to determine the basis for exercise of contractual and other remedies for owner or family HQS violations.

In conducting quality control HQS inspections, Pensacola Housing will include a representative sample of both tenant-based and project-based units.

All other procedures and requirements relating to HQS described in Chapter 13 of this Administrative Plan apply to the project-based program.

## **6.20 Rent Calculations for Tenants**

The Minimum Rent policy described in Section 8.3 of this Administrative Plan shall apply to residents of units assisted by project-based vouchers, with the following exceptions:

1. Residents of assisted living facilities subsidized by Medicaid are exempt from the minimum rent policy, and
2. Residents of buildings that provide highly supportive housing and services to the chronically homeless and/or to disabled individuals are exempt from the minimum rent policy unless the building owner elects to impose the minimum rent policy on its own residents, in which case the building owner may impose a minimum rent of up to \$50 toward rent and utilities.

### **6.20.1 Treatment of Medicaid**

Pensacola Housing will calculate the family TTP as described in Chapter 8, with the exception of project-based units providing assisted housing for seniors on Medicaid. For these properties, Medicaid payments made on behalf of residents of such units will be viewed by Pensacola Housing as medical payment deductions, and residents will be considered to have zero income.

### **6.21 Unit Transfers**

Owners may allow a resident of a project-based unit to transfer from one unit to another on the same contract. Under HCV regulations, a transfer from one unit to another is subject to all the requirements and processes of an initial lease-up. The tenant must have a new lease for the new unit. If the transfer is to a unit on a different project-based contract, recertification of eligibility will be required.

### **6.22 Release of Health-Related Information**

Pensacola Housing will not release any health-related information for an assisted resident to a property owner without a specific release from the resident.

### **6.23 Protection of Revenue in the Event of Reduction in Federal Funds**

Pensacola Housing will follow HUD guidelines in responding to federal cuts in Pensacola Housing's HCV budget authority.

In the event that Pensacola Housing anticipates or is informed of federal appropriations reductions in Housing Choice Vouchers that would affect Pensacola Housing's allocation, Pensacola Housing will seek to convene a meeting with affordable housing stakeholders to inform them of potential consequences and to receive input on any additional strategies to adapt to a reduced appropriation level.

### **6.24 HAP Contract Language Takes Precedence**

In the event of a discrepancy between the language of this Administrative Plan and the language of a HAP contract in effect for an assisted property, the HAP contract language will take precedence.

## 7.0 Subsidy Standards and Occupancy Standards

Voucher size is a factor in determining the family's level of assistance under the HCV program. Vouchers for a particular bedroom size are issued based on household composition.

This chapter explains the subsidy standards Pensacola Housing uses to determine the family voucher size for households of various size and composition whenever a voucher is issued, as well as Pensacola Housing's maximum occupancy standards, and the procedures when a family's household composition changes or a family selects a unit size that's different from the voucher size.

### 7.1 Determining Family Voucher Size [24 CFR 982.402 (b)]

Pensacola Housing does not determine who shares a bedroom or sleeping room, but there must be at least one person per bedroom assigned on the voucher. Two persons per bedroom is the norm. Pensacola Housing's subsidy standards for determining voucher size shall be applied in a manner consistent with Fair Housing guidelines.

For subsidy standards, an adult is a person 18 years old or older.

The bedroom size of the voucher is determined by the household composition, regardless of the unit size rented. All standards in this section relate to the number of bedrooms on the voucher (family voucher size), not the family's actual living arrangements.

The following guidelines are designed to determine the voucher size that will be allocated to each household without either overcrowding or over-housing.

In determining bedroom size, Pensacola Housing will include the presence of children to be born to a pregnant woman, children who are in the process of being adopted, children whose custody or guardianship is being obtained or has been temporarily assigned, children who are temporarily in foster care, and children who are temporarily away at school, with the following exceptions:

1. Students who attend a school more than 50 miles away from the subsidized unit are not considered a member of the household for the purpose of determining subsidy; and
2. Full-time students who attend a school within 50 miles of the subsidized unit but live away from the unit more than half the year are also not included in household composition for the purpose of determining the household's subsidy level.

By default, Pensacola Housing will assign 1 bedroom to 2 people, while following these additional guidelines:



1. One-person households are assigned a 1 bedroom voucher. However, if the individual selects a studio/efficiency apartment, the 0-bedroom payment standard will be used.
2. Adults of different generations may have a separate bedroom. For subsidy standard purposes, different generations are defined as family members from different eras. For example, grandparents/parents; parents/children; etc.
3. Unrelated adults, other than spouses or co-heads, may have a separate bedroom.
4. Adult siblings may have a separate bedroom.
5. A bedroom assignment will not be allocated for a household member, other than a spouse or co-head, who will be absent most of the time, such as a member who is away in the military.
6. Children under 18 of the same gender will be assigned 2 to a bedroom.
7. An approved live-in aide will be provided a separate bedroom. A maximum of one bedroom per household will be allocated for live-in aides. With the head of household's approval, a live-in aide may bring dependents into the household, but doing so cannot result in overcrowding.
8. As per federal regulation, a pregnant woman with no other household members will be treated as a two-person family.

#### **7.1.1 One-bedroom Households**

Examples of households that will be assigned a 1-bedroom voucher include:

- 1 adult
- 2 adults (spouses or cohabitants)

#### **7.1.2 Two-bedroom Households**

Examples of households that will be assigned a 2-bedroom voucher include:

- 1 adult, 1 child (including a woman who is pregnant)
- 2 adults (not spouses or cohabitants)
- 1 adult, 2 children (same gender)
- 2 adults (spouses or cohabitants), 1 additional adult
- 2 adults (spouses or cohabitants), 1 child
- 2 adults (spouses or cohabitants), 2 children (same gender)
- 2 adults (spouses or cohabitants), 2 adults (spouses or cohabitants)

#### **7.1.3 Three-bedroom Households**

Examples of households that will be assigned a 3-bedroom voucher include:

- 1 adult, 2 children (different genders)
- 3 adults (not spouses or cohabitants)
- 1 adult, 2 children (same gender), 1 child (any gender)
- 2 adults (not spouses or cohabitants), 2 children (same gender)
- 2 adults (spouses or cohabitants), 2 adults (not spouses or cohabitants)

- 1 adult, 2 children (same gender), 2 children (same gender)
- 2 adults (spouses or cohabitants), 2 children (same gender), 1 child (any gender)
- 2 adults (spouses or cohabitants), 2 children (same gender) 2 children (same gender)
- 

#### **7.1.4 Four-bedroom Households**

Examples of households that will be assigned a 4-bedroom voucher include:

- 4 adults (not spouses or cohabitants)
- 2 adults (not spouses or cohabitants), 2 children (different genders)
- 1 adult, 2 children (same gender), 2 children (different genders)
- 3 adults (not spouses or cohabitants), 2 children (same gender)
- 1 adult, 2 children (same gender), 2 children (same gender), 1 child (any gender)
- 2 adults (spouses or cohabitants), 2 children (same gender), 2 children (same gender), 1 child (any gender)
- 2 adults (spouses or cohabitants), 2 children (same gender), 2 children (same gender), 1 other adult
- 2 adults (spouses or cohabitants), 2 children (same gender), 2 children (same gender), 2 children (same gender)

## **7.2 Subsidy Standards and Reasonable Accommodations [24 CFR 982.402 (b, 8)]**

When a family requests a larger voucher size than the guidelines allow, Pensacola Housing may grant an exception to its established subsidy standards as a reasonable accommodation if the exception is required because of the age, sex, health, or disability status of one or more family members, or for other personal circumstances.

The family will be asked to provide reasonable accommodation paperwork completed by a medical or service provider familiar with the family's circumstances before Pensacola Housing will make such a determination. Pensacola Housing will respond to such requests within 14 business days of receiving completed reasonable accommodation paperwork.

## **7.3 Occupancy Standards [24 CFR 982.402 (c, d)]**

HQS standards allow two persons per bedroom and two persons per sleeping area. At the initial inspection, the inspector will make a determination as to the number of rooms that are acceptable sleeping rooms for the purpose of deciding maximum occupancy level according to HQS. The inspector's determination will be made on a case-by-case basis, based on HQS standards, the design of the structure, family composition, and safety of egress.

The maximum occupancy for a 0 bedroom/studio unit is two persons. For all other unit sizes, the maximum occupancy is two persons per bedroom plus two persons per

additional sleeping area. Generally, units in Pensacola Housing’s jurisdiction have one additional sleeping area above the number of bedrooms, but there may be exceptions.

Unit Size	Maximum Occupancy Standard*
0 bedroom	2
1 bedroom	2 + 2 per additional sleeping area (usually 4 total)
2 bedroom	4 + 2 per additional sleeping area (usually 6 total)
3 bedroom	6 + 2 per additional sleeping area (usually 8 total)
4 bedroom	8 + 2 per additional sleeping area (usually 10 total)
5 bedroom	10 + 2 per additional sleeping area (usually 12 total)
6 bedroom	12 + 2 per additional sleeping area (usually 14 total)

Note that the inspector may set a lower maximum occupancy standard for a specific unit, based on the design of the structure and other factors listed above.

When selecting a unit, the family may select an otherwise eligible unit with fewer bedrooms than the family voucher size. In such a case, the lower payment standard and utility allowance will be used. The unit must still be affordable for the family at initial lease up, and the family cannot be overcrowded.

The family may also select an otherwise eligible unit with more bedrooms than the family voucher size. In such a case, the lower payment standard and utility allowance will be used to calculate the subsidy. The unit must still meet the affordability standard for the family at initial lease up, as calculated using the appropriate payment standard and utility allowance.

#### 7.4 Pensacola Housing Errors

If Pensacola Housing uses the incorrect family voucher size when issuing a voucher and the family has leased up with the voucher, the voucher size, payment standard, and utility allowance will be set to the appropriate level at the family’s next annual review, or if the family is issued a moving voucher.

#### 7.5 Changes to Household Composition

See Chapter 16 of this Administrative Plan for policies on when and how new members may be added to the household. Families are required to notify Pensacola Housing of all changes in household composition within 10 business days of the date of the addition to, or departure from, the household.

If, after an addition to the household, the family no longer meets the maximum occupancy standards defined above, meaning the unit is now too small and the family is overcrowded, Pensacola Housing will issue a new voucher of the appropriate size and the family will be instructed to move.

If a family becomes over-housed as the result of a decrease in household size, Pensacola Housing will reduce the family's subsidy to the appropriate voucher size, payment standard, and utility allowance at the family's next annual review, or when a moving voucher is issued.

## **7.6 Under-housed and Over-housed Families**

The family voucher size will be determined by Pensacola Housing in accordance with the above guidelines and will determine the maximum rent subsidy for the family. However, the family may select a unit that is smaller than the assigned voucher size, as long as doing so will not violate the maximum occupancy standards defined above, or those established by local ordinance. The family may also select a unit that is larger than the assigned voucher size, as long as the unit meets the affordability standard (the "40 percent rule") for the family.

If the family selects a unit smaller than the voucher size, the payment standard and utility allowance for the actual unit selected will be used to determine the subsidy. If the family selects a unit larger than the voucher size, the payment standard and utility allowance for the family voucher size will be used.

## 8.0 TTP, Family Share, and Tenant Rent

The Total Tenant Payment (TTP) is the minimum amount that a voucher household is required to pay toward rent and utilities, regardless of the unit selected. In Pensacola Housing's jurisdiction, TTP is the greater of:

- 30 percent of monthly adjusted income;
- 10 percent of monthly gross income; or
- Pensacola Housing's minimum rent (see Section 8.3).

Family share is the actual amount the family pays toward rent and utilities (with the utility cost based on Pensacola Housing's utility allowance, not on the family's actual utility bills). If the family selected a unit where the gross rent is higher than the payment standard, then the family share will be higher than the TTP.

Tenant rent is the portion of the contract rent paid by the assisted family.

TTP will be the same regardless of the unit selected, whereas family share and tenant rent are dependent on the characteristics of the specific unit.

Pensacola Housing will use the methods set forth in this Administrative Plan to determine and verify family income at admission and at annual reexamination. The accurate calculation of annual income and adjusted income will ensure that families do not pay more or less toward rent and utilities than required under the regulations.

This chapter defines the allowable expenses and deductions to be subtracted from annual income in calculating the TTP.

Income and TTP are calculated in accordance with 24 CFR Part 5, Subparts E and F, and the instructions set forth in HUD notices and memoranda. Pensacola Housing's policies in this chapter address those areas that give the PHA discretion in defining terms and standards that relate to the determination of TTP.

### 8.1 Income and Allowances [24 CFR 5.609, 24 CFR 5.611]

Determinations of program eligibility and TTP for the HCV program require that the applicant or participant family's annual income be computed at least annually.

For the purpose of the voucher program, "income" means all amounts, monetary or not, that go to or are on behalf of the family head, co-head, or spouse (even if temporarily absent) or to any other family member, or all amounts anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date.

“Annual income” is not restricted to earned income. For the purpose of calculating the TTP, the full definition of annual income, including income exclusions, is found at 24 CFR 5.609. In accordance with this definition, all income that is not specifically excluded by the regulations is counted.

Annual income is the gross income anticipated to be received by all family members in the 12 months following certification or recertification. Annual income is used to determine whether applicants are income-eligible for the program, and if so, whether they are at the very low income or extremely low income level.

“Gross income” is the amount of income prior to any HUD mandated expenses or deductions. “Adjusted income” is annual income minus any HUD mandated allowances and deductions.

HUD authorizes the following mandatory deductions from annual income:

1. **Dependent allowance:** \$480 for each family member who is a minor, and for family members who are 18 and older who are full-time students or who are disabled. The head of household, co-head or spouse, foster children, and foster adults are not eligible for the dependent allowance.
2. **Elderly/disabled household allowance:** \$400 per family for families whose head, co-head or spouse is 62 or over or disabled.
3. **Child care allowance:** Reasonable unreimbursed child care expenses for the care of children age 12 and under, including foster children, may be deducted from earned income if they enable an adult household member to work, to attend school, or to actively seek employment. The child care allowance cannot exceed the income earned by the family member who is able to work because of the expense.
4. **Medical expense allowance:** Elderly and disabled households may present unreimbursed, out of pocket medical expenses anticipated to be incurred during the 12 months following the initial lease up or annual recertification. Medical expenses for all family members, not just the elderly or disabled persons, may be included in this calculation. Pensacola Housing estimates these expenses by reviewing the elderly/disabled family’s out of pocket medical expenses for the 12 months prior to the review. After calculating the expenses, Pensacola Housing will deduct any amount in excess of three percent of the gross annual family income.  
**Note:** If the family is also eligible for a disability expense allowance, the three percent calculation is only applied one time, not to both types of allowances individually.
5. **Disability expense allowance:** Families that include one or more disabled persons are entitled to a deduction for unreimbursed expenses, including care attendants and auxiliary apparatus, that enable any family member 18 years of age or older to be employed. The family member who is employed may be the disabled person requiring the expense, or a different family member. This allowance is equal to the amount by which the cost of the care attendant or auxiliary apparatus exceeds three percent of gross annual family income. Note that if the family is also eligible for a medical expense allowance, the three percent calculation is only applied one time,

not to both types of allowances individually. In addition, the disability expense allowance cannot exceed the income earned by the family member who is able to work because of the expense.

## **8.2 Disallowance of Earned Income for Persons with Disabilities [24 CFR 5.617]**

For purposes of rent determination, under certain circumstances HUD mandates that the annual income for participant families will not be increased as a result of increases in earned income of a family member who is disabled. This exclusion of income shall begin on the date on which the increase in earned income begins and shall continue for a cumulative 12-month period. After the disabled family receives 12 cumulative months of the exclusion, the annual income will include a phase-in of the increase in earned income previously excluded from annual income.

To qualify for the earned income exclusion, the increase in annual income for the participant family must be a result of:

1. Employment of a family member who is a person with disabilities, and who was previously unemployed for one or more years prior to employment;
2. Increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or
3. New employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits or services under any state program for Temporary Assistance for Needy Families (TANF), provided that the total amount over a six-month period is at least \$500.00.

“Previously unemployed” includes a person with disabilities who has earned in the previous 12 months no more than the equivalent of working 10 hours per week for 50 weeks at the state minimum wage.

An economic self-sufficiency program is any program designed to encourage, assist, train or facilitate economic independence of assisted families or to provide work for such families. Such programs may include job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management classes, apprenticeship, or any other program necessary to ready a participant to work.

Amounts to be excluded include any increases in earned income by a family member who is disabled during participation in an economic self-sufficiency or job training program, but not increases that occur after participation in the program, unless the program provides assistance, training or mentoring after employment.

The amount of TANF received in the six-month period includes monthly income and such benefits and services as one-time payments, wage subsidies and transportation assistance.

The amount of income that may be excluded is the amount of the incremental increase in the disabled family member's income. The incremental increase in income is calculated by comparing the amount of the disabled family member's income before beginning the qualifying employment or receiving the increase in earned income to the amount of income after beginning the employment or receiving the increase.

### **8.2.1 Initial 12-Month Exclusion**

During the 12-month period beginning on the date the disabled family member is first employed or experiences an increase in earned income as described in Section 8.2, 100% of the increase in earned income will be excluded from gross annual income.

### **8.2.2 Second 12 Month Phase-in Exclusion**

Upon the expiration of the initial 12-month exclusion period, Pensacola Housing will exclude 50% of the increase in earned income for the subsequent 12 months.

### **8.2.3 Maximum Exclusion Period**

The earned income disallowance is limited to a lifetime 24-month period for each disabled family member; that is, the disallowance applies for a maximum of 12 months of full exclusion of the incremental increase, and then a maximum of 12 months of phase-in exclusion, during the 24-month period after the date of the initial exclusion.

Prior to April 7, 2016, the maximum exclusion period for the earned income disallowance was 48 months. Although only 24 months of earned income could be excluded for each disabled family member, the 24 months of exclusion could take place over a 48-month period, meaning gaps in employment could be incorporated into the exclusion period.

Pensacola Housing will honor the 48-month exclusion period for any disabled participant whose increase in earned income took effect prior to April 7, 2016. For all other participants, the 24-month maximum exclusion period will apply.

### **8.2.4 Applicability to Child Care and Disability Assistance Expense Allowances**

Federal regulations state that the amounts deducted for child care and disability assistance expenses necessary to permit employment cannot exceed the amount of earned income that results from those expenses. Therefore, for participants with a disabled family member who is entitled to the earned income disallowance, the amounts of the full and phase-in exclusions from income will not be used in determining the cap for child care and disability assistance expense allowances.

### **8.2.5 Tracking the Earned Income Exclusion**

The earned income exclusion will be reported on the HUD Form 50058. Documentation will be included in the family's file to show the reason for the income exclusion. Such documentation will include:



1. Date the increase in earned income took effect and date it was reported by the family;
2. Name of the family member whose earned income increased;
3. Reason (new employment, participation in job training program within six months after receiving TANF) for the increase in earned income;
4. Amount of the increase in earned income (that is, the amount to be excluded);
5. Date the increase in income is first excluded from annual income;
6. Date(s) earned income ended and resumed (if any) during the initial 12-month period of exclusion;
7. Date the family member has received a total of 12 months of the initial exclusion;
8. Date the 12-month phase-in period began;
9. Date(s) earned income ended and resumed during the second cumulative 12-month period (phase-in) of exclusion (if any);
10. Date the family member has received a total of 12 months of phase-in exclusion; and
11. Ending date of the maximum 24-month disallowance period (or, for increases in earned income that took effect prior to April 7, 2017, ending date of the 48-month disallowance period).

Pensacola Housing will apply the earned income disallowance at a family's annual review or with an interim review, conditional on the date the income increase began.

### **8.2.6 Inapplicability at Admission**

The earned income disallowance is only applied to determine annual income of families who are participants in the HCV program, and therefore does not apply for purposes of admission to the program (including the determination of income eligibility or any income targeting that may be applicable).

## **8.3 Minimum Rent [24 CFR 5.630]**

Pensacola Housing has established a minimum rent of \$50 for participants in its HCV programs. Minimum rent refers to the Total Tenant Payment, not the tenant rent, and means that Pensacola Housing expects program participants to pay a minimum of \$50 toward utilities and/or rent.

The minimum rent applies to all participants of Pensacola Housing's HCV program; however, other standards may apply for residents of certain properties assisted by project-based vouchers, as described in Chapter 6.

### **8.3.1 Hardship Waivers for Minimum Rents**

Any household subject to the minimum rent may petition for a temporary or long-term hardship waiver for one of the following reasons:

1. A recent death in the immediate family has occurred and no income was received into the household the previous month.

2. The household's out-of-pocket medical expenses equal or exceed 50% of the gross household income, and calculated rent, minus utility estimate if applicable, would be less than \$50.
3. The household has lost federal, state or local government assistance or is waiting for an eligibility determination, and no income was received into the household the previous month.
4. The household income has decreased due to a change in circumstances, such as loss of employment, and no income was received into the household the previous month.

Pensacola Housing shall promptly make a determination whether the hardship is short-term or long-term.

If Pensacola Housing determines that the hardship is short-term, it may grant a temporary hardship waiver for up to 90 days. At the end of the 90 day period, the family must repay the foregone rent for the previous 90 days as well as begin making payments of \$50 from that point forward. The family may request a payment plan for the deferred rent from the hardship period.

If Pensacola Housing determines that there is a long-term hardship, the family will be exempt from the Minimum TTP requirement until the hardship no longer exists.

#### **8.4 Annualization of Variable Income [24 CFR 5.609 (d)]**

Many participants in Pensacola Housing's HCV programs have seasonal, cyclical, or intermittent income, meaning income can vary greatly from month to month, and recent check stubs may not be an accurate indicator of the next 12 months' worth of income, which Pensacola Housing must predict during the annual review. In such situations, looking at past income over time may be the best indicator of expected future income.

For clients with variable income, PHAs may either average known sources of income that vary over time to compute an accurate annual income, or annualize the current income during the annual review, then later conduct an interim reexamination when income changes. The latter policy, however, can lead to a need for excessive interim adjustments.

Therefore, to reduce administrative burden for participants with variable income, whenever possible Pensacola Housing will review the average past income over time to compute an accurate annual income.

The methods used to annualize variable income will depend on the regularity, sources, and types of income. Several methods may be used concurrently to arrive at the most accurate prediction of future income. Pensacola Housing's preferred methods for annualizing income will follow the order of HUD's preferred methods for verifying income:

1. If available, Pensacola Housing will review 4 quarters' of income verification from the seasonal/cyclical employer in the EIV system;

2. If EIV doesn't include 4 quarters' worth of income information, Pensacola Housing will review the year-to-date wage totals from check stubs from the current and most recent past calendar year, if available, and attempt to annualize from that source;
3. Tax return for the most recent calendar year;
4. Third-party verbal verification;
5. Self-certification/self-declaration.

Participants whose past income is annualized will be counseled at the annual interview regarding the income calculation method used and the effect this will have on their tenant rent.

Pensacola Housing will continue to perform interim reexaminations for participants with annualized variable income when they experience changes in other income sources; if their employment with the source of the variable income terminates; or if there is a change in their employment status resulting in a reduction in annualized income, or an increase in annualized income of \$2,400 or more a year.

#### **8.4.1 Overtime and Bonuses**

If a participant anticipates overtime or bonus pay during the next 12 months, but the employer cannot provide an estimate, overtime and bonuses received the previous year will be used.

### **8.5 Minimum Income / Zero Reported Income**

There is no minimum income requirement for the HCV program. However, families who report zero income are required to report to Pensacola Housing in writing any new income within 10 business days of the receipt of the income. Pensacola Housing may put households reporting zero income on an accelerated recertification cycle, reviewing household income on a monthly or quarterly basis until household income sources are reported.

Families that report zero income (or any income lower than appears necessary to sustain the family) will be required to provide information regarding their means of basic subsistence, such as food, utilities, transportation, etc. If the family's likely expenses exceed their known income, Pensacola Housing will make inquiry of the head of household as to the nature of the family's accessible resources. Pensacola Housing may also require releases from the family to perform additional verifications, including requesting tax data from the IRS and/or conducting a credit check for the household, to determine whether the reported income and family composition is consistent with the household's credit relationships and expenditures.

### **8.6 Regular Contributions and Gifts [24 CFR 5.609 (c, 2)]**

Regular contributions and gifts received from persons outside the household are counted as income for calculation of the TTP.

Any contribution or gift received reliably or periodically will be considered a “regular” contribution or gift. This includes rent and utility payments made on behalf of the family and other cash or non-cash contributions provided on a regular basis. It does not include casual contributions or sporadic gifts. (See Chapter 10, Verification Procedures, for more information.)

### **8.7 Alimony, Palimony, and Child Support [24 CFR 5.609 (b, 7)]**

Regular alimony, palimony, and child support payments are counted as income for calculation of TTP.

If the family claims the amount of child support, alimony or palimony received is less than the amount awarded by the court, Pensacola Housing will use the amount awarded by the court unless the family can provide third-party documentation confirming the actual payments received.

In households where alimony or palimony is received as household income, it is the family’s responsibility to supply a certified copy of the court order or decree.

If child support payments received by a household vary from month to month, Pensacola Housing will review statements from the enforcement agency and annualize based on whatever frequency makes most sense (Weekly, B-Weekly, Monthly, etc).

### **8.8 Lump-Sum Payments Counted as Assets [24 CFR 5.609 (c, 3)]**

Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker’s compensation), capital gains, and settlement for personal or property losses, are not considered household income, but may be counted as assets.

Any lump-sum additions that are counted as assets will only be counted at a family’s annual review, unless the family reported zero income at the time of their last review, in which case the cash value of the lump-sum amount will be added as an asset during an interim review.

Lump-sum payments from Social Security or SSI are excluded from income, but must be disclosed, and may be treated as an asset if appropriate.

### **8.9 Lump-Sum Payments Counted as Income [24 CFR 5.609 (b, 4)]**

Lump-sum payments caused by delays in processing periodic payments such as unemployment or welfare assistance are counted as income.

Deferred periodic payments (excluding SS or SSI benefits) that have accumulated due to a dispute, will be treated the same as periodic payments which are deferred due to delays in processing.

In order to determine the amount of retroactive tenant rent that the family owes as a result of receipt of a lump-sum payment of a type that counts as income, Pensacola Housing may use a calculation method that calculates prospectively, or one that calculates retroactively, depending on the circumstances.

### **8.9.1 Prospective Calculation Methodology**

This method is used at interims being done for households that previously showed zero income, or for households who report the lump-sum receipt for the first time during their annual reexamination.

If the payment is reported on a timely basis, the calculation will be done prospectively and will result in an adjustment calculated as follows.

For annuals:

1. The entire lump-sum payment will be added to the annual income at the time of the annual review.

For interims:

1. Pensacola Housing will determine the percent of the year remaining until the next annual recertification as of the date of the interim;
2. At the next annual recertification, Pensacola Housing will apply the percentage balance to the lump-sum and add it to the rest of the annual income; and
3. The lump-sum will be added in the same way for any interims that occur prior to the next annual recertification.

### **8.9.2 Retroactive Calculation Methodology**

This method is used for non-zero income families who report the lump-sum receipt at their annual review but where the actual receipt occurred between annual reexaminations.

Pensacola Housing will go back to the date the lump-sum payment was received, determine the amount of income for the certification period, including the lump sum, and recalculate the tenant rent for the certification period to determine the amount due Pensacola Housing.

Pensacola Housing will enter into a repayment agreement with the family, unless the family confirms they are able to pay the retroactive amount with a single payment.

The amount owed by the family is a collectible debt even if the family's assistance is terminated.

### **8.9.3 Attorney Fees**

If the family hired an attorney to assist in recovering a lump-sum compensation, and the recovery paid to the family does not include an additional amount in full satisfaction of the attorney fees, then the family's attorney fees may be deducted from the lump-sum payment.

### **8.10 Income from Trusts [24 CFR 5.603 (b)]**

In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under 24 CFR 5.609.

Pensacola Housing will exclude costs to maintain the trust when determining annual income derived from a trust fund. Trust distributions that are used solely to pay costs of maintaining the trust shall not be considered income to the family.

### **8.11 Retirement Accounts and Pension Funds**

Company retirement/pension funds are handled as follows:

1. While an individual is employed, only the amount the family can withdraw without retiring or terminating employment, if any, shall be counted as an asset;
2. After retirement or termination of employment, any amount the employee elects to receive as a lump-sum shall be counted as an asset; and
3. Any retirement benefits received through periodic payments shall be included in annual income.

### **8.12 Assets Disposed of for Less Than Fair Market Value [24 CFR 5.603 (b, 3)]**

Pensacola Housing must count assets disposed of for less than fair market value during the two years preceding certification or reexamination. Pensacola Housing will count the difference between the market value and the actual payment received in calculating total assets.

Assets disposed of for less than fair market value as a result of foreclosure, bankruptcy, divorce, or separation are not included in this calculation.

## 9.0 Utility Estimate Schedule and Payment Standards

Each PHA is responsible for establishing a utility estimate schedule and payment standards for rental units in its area. This chapter explains how Pensacola Housing defines its utility estimate schedule and payment standards.

### 9.1 Utility Estimate Schedule

The utility estimate schedule is determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing and maintaining its utility estimate schedule, Pensacola Housing uses normal patterns of consumption for the community as a whole, and current utility rates published by local utility companies. Estimates are not based on an individual family's actual energy consumption.

Pensacola Housing's utility estimate schedule includes utilities that are necessary to provide housing that complies with HQS. Non-essential utility costs, including telephone, cable television, and Internet service, are not included in the utility estimate schedule.

Pensacola Housing will review the utility estimate schedule annually. If the review determines that a utility rate has changed by 10 percent or more since the last revision of the utility estimate schedule, the schedule will be revised to reflect the new rate. The updated utility estimate schedule will be applied to participant families' rent calculations at their next reexamination. If the review determines that any change to utility rates is less than 10 percent since that last revision, the utility estimate schedule will not change, but the effective date of the schedule will be updated and the schedule will remain in effect for the next 12 months.

The approved utility estimate schedule is provided to all applicants and participants when they are issued a voucher.

### 9.2 Utility Allowances for Contract Units

Based on the utility estimate schedule it has established, Pensacola Housing will assign a utility allowance for the household when the RTA is turned in, based on specifics provided by the owner about the unit. The household's utility allowance accounts for the cost of utilities not paid for by the owner as part of the contract rent. The allowance is based on the type of utilities (for example, electric or natural gas) and the lesser of the size of the rental unit selected by the family or the family voucher size.

#### 9.2.1 Utility Assistance Payment [24 CFR 982.514 (b)]

Where the calculation on HUD Form 50058 determines that a utility assistance payment is due to the family, Pensacola Housing will provide a utility assistance payment for the family each month. The utility assistance payment will be made directly to the utility

company (Gulf Power, Pensacola Energy, or the Escambia River Electric Cooperative) on the family's behalf.

### **9.2.2 Hardship Waivers for Utility Estimates**

A household responsible for paying some or all of the utilities in an assisted unit may petition in writing for a hardship waiver, except for households that are leasing a larger unit than their family voucher size (overhoused). The household must provide 12 months of utility bills that, combined, exceed Pensacola Housing's utility estimate for the household by 50% or more. Hardship waivers will be reviewed by the rental assistance program manager or the housing administrator. If the request for a waiver is approved, Pensacola Housing will use the average of the household's actual utility costs as the utility estimate for the following 6 months. During this time, it is expected that the household will either reduce their utility consumption or elect to move to a more energy-efficient unit.

### **9.2.3 Higher Utility Allowance as a Reasonable Accommodation [24 CFR 982.517 (e)]**

Pensacola Housing may also approve a request for a utility estimate waiver if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by a household member with a disability. Documentation is required for such reasonable accommodation requests, which will be reviewed on a case-by-case basis.

## **9.3 Payment Standards**

The payment standard is the maximum monthly assistance payment for a family assisted on the voucher program, before deducting the family's TTP.

Payment standards are based on Fair Market Rents (FMRs). FMRs are the amount it costs to obtain rental housing, of modest design and with suitable amenities, in a particular market area. FMRs are determined by HUD and published at least annually in the Federal Register. They are established for units of varying bedroom size, and include the cost of essential utilities in addition to the rent.

In accordance with HUD guidelines, Pensacola Housing sets the payment standard for each bedroom size at between 90% and 110% of the FMR. As a reasonable accommodation for a person with disabilities, Pensacola Housing may approve an exception payment standard of up to 120% of FMR to make the program equally accessible to the person with disabilities. Should market conditions warrant it, Pensacola Housing may ask HUD to approve payment standards at less than 90% of FMR, or at greater than 110% of FMR.

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

For a voucher tenancy, the payment standard for a family is the lower of:

1. The payment standard for the family voucher size; or
2. The payment standard for the unit size selected by the family.



If a family selects a unit located in an exception payment standard area, Pensacola Housing will use the exception payment standard to calculate the tenant rent. See Section 9.4.

### **9.3.2 Payment Standards and Tenant Rents**

Participants pay the greater of the TTP or the minimum rent toward rent and utilities, plus the amount, if any, by which the gross rent (rent plus utility estimate) exceeds the payment standard.

During the first contract year in a unit, if the gross rent exceeds the payment standard, the tenant rent cannot be more than 40% of the family's monthly adjusted income. An analysis will be done when the RTA is turned in to ensure the unit meets this requirement.

If a change in household composition results in a change in the subsidy size for which a family is eligible, the appropriate payment standard will be used to calculate the tenant rent at the family's next annual reexamination.

Pensacola Housing will pay a monthly HAP on behalf of each assisted family that equals the lesser of:

1. The payment standard minus the TTP; or
2. The gross rent minus the TTP.

### **9.3.3 Increasing Payment Standards**

Pensacola Housing will review its payment standards at least annually after HUD's publication of FMRs. If FMRs have increased such that any of Pensacola Housing's payment standards have dropped below 90% of FMR, Pensacola Housing will perform a market analysis and make any necessary increases to its payment standards.

In addition, if it's determined that success rates may suffer, or that families are having to rent low-quality units, or pay more than 40% of adjusted income for rent, payment standards may be raised to the level judged necessary to alleviate these hardships.

Pensacola Housing will periodically review vacancy rates and rents in the market area, size and quality of units leased under the program, rents for units leased under the program, success rates of voucher holders in finding units, and the percentage of annual income that participant families are paying for rent under the HCV program, in evaluating its payment standards.

Before increasing payment standards, Pensacola Housing will conduct a financial feasibility analysis to ensure that even after payment standards are raised, adequate funds will continue to be available to assist families on the program.

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

Payment standards for each bedroom size are evaluated separately, so that the payment standard for one or more bedroom sizes may increase while others remain unchanged.

### **9.3.4 Decreasing Payment Standards**

If FMRs have decreased such that any of Pensacola Housing's payment standards have risen above 110% of FMR, Pensacola Housing will perform a market analysis and make any necessary decreases to its payment standards.

In addition, if success levels are projected to be high, and tenant rents are projected to be at or below 30% of adjusted income, Pensacola Housing may reduce its payment standards.

Payment standards for each bedroom size are evaluated separately, so that the payment standard for one or more bedroom sizes may decrease while others remain unchanged.

If a payment standard is decreased during the HAP contract term, the lower payment standard will be used to calculate the HAP and tenant rent for the family beginning on the effective date of the family's second annual reexamination following the effective date of the decrease in the payment standard.

For any new HAP contract executed on behalf of the family, either because they moved to a new unit or because of a substantial change in the terms of the lease in their current unit, the new payment standard will be applied on the effective date of the new HAP contract.

## **9.4 Exception Payment Standards**

In order to help families find housing outside areas of high poverty, or when voucher holders are having trouble finding eligible units to lease under the program, Pensacola Housing may request that HUD approve one or more exception payment standards for certain areas within its jurisdiction. The areas may be of any size, though generally not smaller than a census tract. Exception payment standards may be requested for all or some unit sizes, and for all or some unit types. The total area covered by the requested exception payment standards may not contain more than 50% of the population of the FMR area.

If the FMR increases after an exception payment standard has been approved, the exception payment standard will remain unchanged until such time as Pensacola Housing requests, and HUD approves, a higher exception payment standard. If the FMR decreases, the exception payment standard automatically expires. In that case, for families living in exception payment standard areas, the standard payment standard will be used to calculate tenant rent starting at the family's next annual recertification.

## **9.5 Payment Standards for the Emergency Housing Voucher Program (EHV)**

In accordance with HUD PIH Notice 2021-15, Pensacola Housing has established separate higher payment standards for the EHV's in order to increase the potential pool of available

units for EHV families. Pensacola Housing will use payment standards that are 110% of FMR for this program.

#### **9.6 Increasing Payment Standards for the EHV Program and During the HUD Waiver Period**

For the EHV program, and for all rental assistance voucher programs during the COVID-19 Statutory and Regulatory Waiver period, Pensacola Housing may apply payment standard increases that occur during the HAP contract term by conducting Interim Reexaminations, rather than waiting for the participant's next regularly scheduled Annual Reexamination after the change.

## **10.0 Verification Procedures [24 CFR Part 5, Subparts B, D, E and F; 24 CFR 982.158]**

HUD regulations require that Pensacola Housing verify applicants' and participants' eligibility, Total Tenant Payment (TTP), and family share before initial lease up and at least annually during program participation. In order to meet this requirement, Pensacola Housing must verify the preferences, income, assets, allowable deductions, household composition, citizenship status, disability status (if applicable) and student status (if applicable) of applicant and participant families. This chapter explains Pensacola Housing's procedures and standards of verification for these items.

Pensacola Housing's verification requirements are designed to maintain program integrity. Applicants and program participants must provide true and complete information to Pensacola Housing whenever information is requested. Pensacola Housing will pursue verification through all sources at its disposal if information is received that indicates the family has income or circumstances other than what the family has reported. Before requesting information from third-party sources, Pensacola Housing will obtain proper authorization from the family.

Pensacola Housing may also require releases to collect a family's IRS data, or to perform a credit check, to evaluate the family's description of its income compared to its IRS reported income, credit relationships, and recurring financial obligations.

### **10.1 Timeframes for Verification**

At the time of initial voucher issuance, and for interim reexaminations, verifications may not be more than 60 days old.

For annual reexaminations, moving vouchers, and port vouchers, upfront verification may not be more than 120 days old, and participant-supplied verification documents must be current within 90 days of the recertification interview.

### **10.2 Methods of Verification [Notice PIH 2017-12]**

Pensacola Housing will verify information through the methods of verification acceptable to HUD, in the following order:

1. Upfront income verification via HUD's Enterprise Income Verification (EIV) system;
2. Upfront income verification using non-HUD system;
3. Original or authentic third-party written document;
4. Third-party written verification form;
5. Third-party verbal verification;
6. Self-certification/self-declaration.

Pensacola Housing will start by pursuing upfront sources of verification. If upfront verification isn't available, Pensacola Housing will ask the applicant or participant for original third-party documents. If original third-party documents aren't available to the applicant or participant, or aren't returned by the deadline, Pensacola Housing will contact third parties to request that they complete Pensacola Housing's written verification forms. If third-party verification forms aren't returned within 10 business days, Pensacola Housing will attempt to reach the third-party via phone for verbal verification. Finally, if third-party sources won't provide verbal verification, Pensacola Housing will ask the applicant or participant to provide a written self-declaration.

In any situation where third-party verification wasn't used, Pensacola Housing will attach an explanation to the client file explaining why.

### **10.2.1 Upfront Verification via EIV**

HUD's EIV system is Pensacola Housing's preferred method of third-party verification whenever it is available. EIV makes integrated income data available from one source, via the Internet, for PHAs to use to improve income verification during required income reexaminations. EIV provides the following information:

1. Social Security (SS) benefits
2. Supplemental Security Income (SSI) benefits
3. Dual Entitlement benefits
4. Medicare premium information
5. Disability status (in some cases)
6. New hire information (W-4)
7. Quarterly wages for federal and non-federal employees
8. Quarterly unemployment compensation benefits

EIV's Income Report for participants is considered independent third-party verification of participant-reported income. However, the EIV Income Report is not available to Pensacola Housing for applicants, since EIV doesn't generate an Income Report for this group. Therefore, for applicants, for participants receiving sources of household income that aren't included in the EIV report, or for participants who dispute the information in their EIV Report or indicate they have recent changes, Pensacola Housing must use other forms of verification.

### **10.2.2 Non-EIV Upfront Verification**

When available, Pensacola Housing will use state or national employment information data banks for upfront verification.

### **10.2.3 Third-Party Authentic Documents**

In the event that upfront verification (whether EIV or non-EIV) is unavailable, disputed, or out of date, Pensacola Housing will utilize documents provided by the family as the primary source of verification, if the information appearing in the documents is complete.

All such documents, excluding any documents that prohibit the viewer from copying them, will be photocopied and retained in the applicant/participant file.

Pensacola Housing will accept the following documents from the family provided that the document is such that tampering would be easily noticed:

1. Printed wage stubs;
2. Computer print-outs from the employer;
3. Signed letters;
4. Social Security Administration letters/printouts;
5. Veterans Administration letters/printouts;
6. City or county court letters/printouts;
7. Award letters for TANF assistance; and
8. Payment records from the Office of Child Support Enforcement.

Pensacola Housing will accept legible photocopies or faxed documents with phone confirmation by Pensacola Housing staff or comparison to historical documents in the family's file.

If upfront verification is received after third-party documents have been accepted, and there's a discrepancy, Pensacola Housing will utilize a third-party verification form to attempt to resolve the discrepancy.

#### **10.2.4 Third-Party Written Verification Form**

When upfront verification isn't available and the applicant or participant is unable to produce original third-party documents, or if the third-party documents that were provided are insufficient or appear to be altered, then Pensacola Housing will attempt to verify information directly with third parties through the use of written verification forms.

Pensacola Housing will not delay processing of an application or review beyond 10 business days because a third-party information provider does not return verification in a timely manner.

#### **10.2.5 Third-Party Verbal Verification**

Verbal third-party verification will be used when written third-party verification is not available or is delayed, or when Pensacola Housing staff determines that additional verification is needed after reviewing third-party authentic documents or a third-party written verification form.

When third-party verbal verification is used, Pensacola Housing staff will originate the call. Housing staff will document the name and job title of the person contacted, the date of the conversation, and the facts provided.

### **10.2.6 Tenant Self-Declaration**

As a last resort, or in situations where information cannot be verified by a third party or by review of documents, such as when a provider would charge the family for the information, the family will be required to submit a written self-declaration verifying that the information provided is accurate.

Self-declaration means a certification/statement made under penalty of perjury.

### **10.3 Release of Information [24 CFR 5.230]**

It is a family obligation to sign consent forms and to supply information requested by Pensacola Housing or HUD. All adult household members will be required to sign Release of Information forms.

Each member requested to consent to the release of specific information will be provided with a copy of the appropriate forms for their review and signature.

Family refusal to cooperate with the HUD-prescribed verification system will result in denial of admission, or termination of assistance.

### **10.4 Use of the EIV Income Discrepancy Report**

The EIV Income Discrepancy Report is a trend report provided by HUD. It is a tool for identifying families that might have concealed or underreported their household income.

Pensacola Housing will review the EIV Income Discrepancy Report for each household during the annual recertification process, and at the time of any other required recertifications, such as for a mid-contract move.

If a household appears on the EIV Income Discrepancy Report at any of these times, Pensacola Housing staff will follow the steps detailed in Appendix 1 of this Administrative Plan, "Using the EIV Discrepancy Report."

### **10.5 Items to be Verified [24 CFR 982.516]**

Pensacola Housing will verify the following items:

1. All income, including regular contributions and gifts;
2. Student status, including for high school students who are 18 or over;
3. Current assets: net family assets total less than \$5,000. For both applicants and participants, if net family assets total less than \$5,000, self-declaration will be accepted as verification. Pensacola Housing's application form or recertification paperwork, which is signed by all adult family members, will serve as the declaration. No additional documentation (such as bank statements) will be required. Note that for HCV program purposes, "current assets" include assets

- disposed of for less than fair market value during the 2 years prior to the certification;
4. Current assets: net family assets total \$5,000 or more. For both applicants and participants, third-party verification documents (such as bank statements, warranty deeds, etc.) will be required when net family assets total \$5,000 or more. Note that for HCV program purposes, “current assets” include assets disposed of for less than fair market value during the 2 years prior to the certification;
  5. Child care expenses, in situations where paying for child care allows an adult family member to be employed, to seek employment, or to further his or her education;
  6. Disability status of a household member. Verification will be used only for determination of preferences, allowances or deductions;
  7. Total medical expenses of all family members, in households whose head, spouse or co-head is elderly or disabled, for the purpose of determining the medical expense deduction;
  8. Disability assistance expenses. Verification of this category will include only those costs associated with attendant care or auxiliary apparatus for a disabled household member, the use of which allows any adult household member, including the disabled household member, to be employed;
  9. Citizenship or eligible immigrant status;
  10. Social Security Numbers, for all family members who have been assigned a Social Security Number; and
  11. Verification of reduction in benefits for non-compliance. Pensacola Housing will not process a reduction in tenant rent if the reduction is based on reduction of welfare benefit because of fraud or non-compliance. Before denying a family’s request for such a tenant rent reduction, Pensacola Housing will obtain written verification from the welfare agency stating that the family’s benefits were reduced for fraud or non-compliance.

## **10.6 Verification of Income [24 CFR 982.516]**

This section defines the methods Pensacola Housing will use to verify various types of income.

### **10.6.1 Verifying Income Using Actual Past Income**

For annual reexaminations of program participants, Pensacola Housing determines annual income based on actual past income received within the last 12 months, as defined in HUD notice PIH 2013-03.

For this verification method, “actual past income” is defined as the most recent 4 quarters’ worth of income information available in the EIV system. Because the EIV Income Report provides actual earnings data verified by a third party, the program participant is not required to provide additional third-party documentation (such as pay stubs, payroll summary reports, or unemployment benefit notices) when this verification method is used.



Pensacola Housing staff will review the EIV data being used to calculate income with the participant at the annual recertification interview. If the participant reports a change in circumstances, or disputes the EIV-reported income information and is unable to provide acceptable documents to resolve the dispute, Pensacola Housing will request written third-party verification.

For example, if a program participant lost their job, changed jobs, or reduced their hours in the months subsequent to the time period covered in EIV, then at the participant's request Pensacola Housing will use the more recent income information provided by the participant, which will be verified using third-party documents (such as pay stubs, payroll summary reports, or unemployment benefit notices) or through written third-party verification.

For any income sources not available in the EIV Income Report, Pensacola Housing will use the verification methods described in Sections 10.6.2 through 10.6.10.

### **10.6.2 Employment Income**

When the "actual past income" method of income verification is not available, or has been disputed by the participant, acceptable methods of verification of employment income include the following, in order of preference:

1. Wage reports from state or national data banks;
2. At least two "current and consecutive" check stubs or earning statements, which indicate the employee's name, gross pay, frequency of pay, and year-to-date earnings;
3. An employment verification form (EVF) completed by the employer;
4. Verbal confirmation of the employee's gross pay, frequency of pay, and year-to-date earnings provided over the phone to a Pensacola Housing staff member by the employer;
5. Income tax return forms for the most recent tax year; and
6. Self-declarations (accompanied by income tax returns where possible) signed by the family. Self-declarations may be used for verifying self-employment income, or income from tips and other gratuities.

In cases where there are questions about the validity of information provided by the family, Pensacola Housing will require the most recent federal income tax statements.

If the applicant or participant doesn't provide documented proof of federal tax data, Pensacola Housing may attempt to obtain proof from the Internal Revenue Service (IRS) using third-party verification. Applicants and program participants may be requested to sign an authorization for release of information from the IRS for this purpose.

Where doubt regarding income exists, referrals to the IRS for confirmation may be made on a case-by-case basis.

### **10.6.3 Employment Verification Forms (EVF)**

Pensacola Housing's EVF asks the employer to specify:

1. Dates of employment;
2. Amount and frequency of pay;
3. Date of the last pay increase;
4. Likelihood of change of employment status, and effective date of any known salary increase during the next 12 months;
5. Year-to-date earnings; and
6. Estimated income from overtime, tips, and bonus pay expected during next 12 months.

### **10.6.4 Social Security, Supplementary Security Income (SSI), Disability Income, and Pensions**

EIV information may be used to document the file, rather than having the subject obtain statements from the Social Security Administration.

For applicants, or for participants whose income data doesn't appear in EIV, acceptable methods of verification include the following:

1. Award or benefit notification letter prepared and signed by the providing agency; or
2. Computer report obtained online or in hard copy.

### **10.6.5 Unemployment Compensation**

The acceptable method of verification is a benefit report obtained online or in hard copy from the unemployment office stating payment dates and amounts.

### **10.6.6 Welfare Payments or General Assistance**

The acceptable method of verification is a computer report obtained online or in hard copy from the benefit agency stating payment dates and amounts.

### **10.6.7 Alimony, Palimony, and Child Support Payments**

Acceptable methods of verification include the following, in order of preference:

1. Computerized print-out of support payment history from Office of Support Enforcement;
2. Copy of a separation or settlement agreement or, if none was filed with the courts, a divorce decree stating the amount and type of support and payment schedules; or
3. A letter from the person paying the support, if support agreement has not been filed with the courts.

If payments are irregular, the family must provide one of the following forms of verification depending on circumstances:

1. A welfare notice of action showing amounts received by the welfare agency for child support; or
2. A written statement from an attorney certifying that a collection or enforcement action has been filed (if a support agreement wasn't filed through the courts).

### **10.6.8 Net Income from a Business**

In order to calculate income from a business, Pensacola Housing will require the family to submit a copy of their most recent tax return, if one was filed. Pensacola Housing will project annual income based on the net amount the family declares (not gross), unless there is a pattern of under-reporting income established through a review of 2 previous years' worth of IRS and financial documents.

Acceptable verification documents for business income include the following, in order of preference:

1. IRS Form 1040, including:
  - a. Schedule C (Small Business);
  - b. Schedule E (Rental Property Income);
  - c. Schedule F (Farm Income); and
  - d. If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense computed using straight-line depreciation rules.
2. Audited or unaudited financial statement(s) of the business;
3. Credit report or loan application; or
4. Documents such as manifests, ledgers, appointment books, cash books, bank statements, and receipts. These documents will be used as a guide for the prior six months (or lesser period if the business has been operational for less than six months) to project income for the next 12 months. If such documents are not available at certification, the family will be advised to start maintaining them so they'll be available for future recertifications.

### **10.6.9 Child Care Business**

If an applicant or participant is operating a child care business, income will be verified as with any other self-owned business, as described in Section 10.6.8. If the family has filed a tax return, the family will be required to provide it.

If the applicant or participant has stopped offering child care services, third-party verification will be sent to the applicant or participant's former client(s). Pensacola Housing will also accept a letter from the client(s) verifying that the applicant or participant is no longer their child care provider.

### **10.6.10 Recurring Contributions**

The family must furnish a written declaration containing the following information from the person or persons who provides the contributions:

1. Contact information for the person who provides the contributions;
2. The value of the contributions;
3. The regularity (dates) of the contributions; and
4. The purpose of the contributions.

## **10.7 Families Reporting Zero Income**

Pensacola Housing will review the EIV Report for all participant families reporting zero income. If there are minors residing in the household, Pensacola Housing will verify the absence of child support income through the Office of Support Enforcement. If there is a previous history of Social Security or SSI income, Pensacola Housing will require verification of the date the benefit was terminated.

Applicant and participant families claiming to have no income may be required to complete an income interview.

Pensacola Housing will pursue verification through all sources at its disposal if information is received that indicates the family has income or circumstances other than what the family has reported.

Pensacola Housing may also require releases to collect a family's IRS data, or to perform a credit check, to evaluate the family's description of its income compared to its IRS reported income, credit relationships, and recurring financial obligations.

## **10.8 Verification of Student Status**

Pensacola Housing will verify the student status of applicants and participants who declare as students, at admission and on an annual basis. When applicable, Pensacola Housing will also verify student assistance and cost of tuition and required fees.

Acceptable verification of student status includes written verification from the registrar's office or other school official that the student is enrolled during the academic quarter or semester when the family's eligibility review is taking place. School verification must include confirmation of how many credits will be taken and/or full-time status as per the standards of the institution.

If the above listed verification isn't available due to the timing of the regularly scheduled annual review, Pensacola Housing will accept any documentation from the institution that shows the student will be enrolled fulltime and/or how many credits will be taken during the academic year.

### **10.8.1 Full-time Students and Earned Income**

For full-time students who are working, only the first \$480 of earned income will be counted toward annual family income, unless the student is the head of household, co-head, or spouse.

Financial assistance in excess of tuition costs and fees received by the student will be included in annual income. However, if student loans are part of the financial assistance package, the loan proceeds will not be included as annual income. Verification of the frequency and amount of funds received is required.

### **10.9 Verification of Assets and Asset Income [24 CFR 982.516, Notice PIH 2013-3]**

As per HUD notice PIH 2013-3, for both applicants and participants, self-declaration will be accepted as verification if net family assets total less than \$5,000. Pensacola Housing's application form or recertification paperwork, which is signed by all adult family members, will serve as the declaration. No additional documentation will be required. Note that for HCV program purposes, "current assets" include assets disposed of for less than fair market value during the 2 years prior to the date of the self-declaration.

For applicants and participants whose net family assets total \$5,000 or more, the following methods of verification will be used.

#### **10.9.1 Verification of Asset Value**

For applicants and participants whose net family assets total \$5,000 or more, Pensacola Housing will require information to determine the current cash value of the assets. "Current cash value" means the net amount the family would receive if the asset were converted to cash.

Acceptable verification may include any of the following:

1. Verification forms, letters, or documents from a financial institution or broker;
2. Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker;
3. Quotes from a stock broker or realty agent as to net amount the family would receive if they liquidated securities or real estate;
4. Real estate tax statements if the approximate current market value can be deduced from the tax assessment;
5. Financial statements for business assets;
6. Copies of closing documents showing the selling price and the distribution of the sales proceeds; or
7. Appraisals of personal property held as an investment.

#### **10.9.2 Asset Income: Interest and Dividend Income**

Acceptable methods of verification of income from savings account interest and dividends include the following, in order of preference:

1. Account statements, passbooks, certificates of deposit, or Pensacola Housing verification forms completed by the financial institution;

2. Broker's statements showing value of stocks or bonds and the earnings credited the family (earnings can be obtained from current newspaper quotations or broker's oral verification); or
3. IRS Form 1099 from the financial institution, provided that Pensacola Housing adjusts the information to project earnings expected for the next 12 months.

### **10.9.3 Asset Income: Interest Income from Mortgages**

Acceptable methods of verification of interest income from mortgages and similar arrangements include the following, in order of preference:

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

### **10.9.4 Asset Income: Net Rental Income**

Acceptable methods of verification of net rental income from property owned by the family include, in this order:

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

### **10.9.5 Assets Disposed of for Less than Fair Market Value**

For all certifications and recertifications, Pensacola Housing will obtain the family's certification as to whether any member has disposed of assets for less than fair market value (FMV) during the two years preceding the effective date of the certification or recertification.

If the family certifies that they have disposed of assets for less than fair market value, verification or certification is required that shows:

1. All assets disposed of for less than FMV;
2. The date they were disposed of ;
3. The amount the family received; and
4. The market value of the assets at the time of disposition.

Third-party verification will be obtained whenever possible.

## **10.10 Verification of Allowable Deductions from Income [24 CFR 5.611]**

This section documents the acceptable verification methods for allowable deductions from income for applicants and participants.

### **10.10.1 Child Care Expenses**

Written verification from the person who receives payment for the child care services is required. If the child care provider is an individual, he or she must provide a statement of the amount he or she is charging the family for child care services.

Verifications must specify the child care provider's name, address, telephone number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including during school and vacation periods.

The family's certification must address whether any of those payments have been, or will be, paid or reimbursed by outside sources.

If the family's child care expenses are subsidized, Pensacola Housing will accept verification of the co-payment the family is responsible for as verification of child care expenses.

### **10.10.2 Medical Expenses**

Elderly and disabled families requesting an income deduction for medical expenses will be required to submit certification documenting the type of medical expenses and the cost of the family's out-of-pocket portion for the expenses.

Pensacola Housing will consider eligible medical expenses paid by the household during the twelve month period prior to the date of application or the date of the recertification interview.

If the household experiences an increase or decrease in medical expenses between eligibility reviews, Pensacola Housing will not conduct an interim review.

Items or services that have not yet been paid for, that are covered by insurance, or that someone else paid for, are not eligible for deduction.

Medical expenses may be verified by one or more of the methods listed below:

1. Written verification by a doctor, hospital or clinic personnel, dentist, or pharmacist, of amounts paid by the household over the previous 12 months.
2. Receipts, canceled checks, and print-outs for office and prescription co-pays that document the out-of-pocket medical cost incurred by the family for the 12 months prior to the application date or the date of the recertification interview, may be accepted to project annual medical expenses. Pensacola Housing may require the family to submit documentation from the healthcare provider that

- states it is reasonable to assume the health issue is ongoing and will require a similar course of treatment for the next 12 months;
3. Written confirmation by the insurance company or employer regarding health insurance premiums to be paid by the family;
  4. Written confirmation from the Social Security Administration regarding Medicare premiums to be paid by the family over the next 12 months. A computer print-out will be accepted. If available, verification from the EIV system will be the preferred method to verify Medicare premiums;
  5. Copies of payment agreements or the most recent invoice to verify payments made on outstanding medical bills that will continue over all or part of the next 12 months; and
  6. For any transportation-related expense claimed for a medical reason, Pensacola Housing will use mileage at the IRS rate for the distance between the subsidized residence and the facility for medical treatment, based on provider statements of appointments/visits.

In all cases where Pensacola Housing is counting medical expenses as income deductions for an elderly or disabled family, Pensacola Housing will adhere to IRS guidelines regarding permissible and non-permissible medical expenses.

Where the IRS guidelines are not sufficiently detailed, as in the case of some expenses allowable for persons with a disability, Pensacola Housing staff may request verification from a medical professional that the medical expenses are necessary and reasonable.

### **10.10.3 Disability Assistance Expenses**

Attendant care may be verified by one or more of these methods:

1. A reliable, knowledgeable professional's certification that the person with disabilities requires the attendant care to permit him/her to be employed or to function independently enough to enable another family member to be employed; or
2. The 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) or stubs from the agency providing the services.

Verification of auxiliary apparatus expenses will require:

1. Written certification from a reliable, knowledgeable professional that the person with disabilities requires the use of auxiliary apparatus to permit him/her to be employed or to function independently enough to enable another family member to be employed;
2. Receipts for purchase of the auxiliary apparatus, or proof of monthly payments and maintenance expenses for the same;



3. In the case where the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment; and
4. Family's certification as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.

### **10.11 Verification of Social Security Numbers [24 CFR 5.216]**

Social Security Numbers must be provided as a condition of eligibility for all family members who have been assigned a number. Verification of Social Security Numbers will be done through an original Social Security card issued by the Social Security Administration. If a family member cannot produce an original Social Security card, the only other acceptable documentation is an original document assigned by a federal, state, or local government agency that contains the name and SSN of the individual, along with other identifying information.

New family members with an assigned SSN will be required to produce their original Social Security card or provide the substitute documentation described above. This information is to be provided at the time the change in family composition is reported to Pensacola Housing and verified by Pensacola Housing staff. A new family member who is under the age of 6 and does not have an assigned SSN must provide verification of an assigned SSN within 90 days of being added to the household.

If an applicant or addition to a participant household is able to disclose the Social Security Number but cannot meet the documentation requirements, the applicant or addition cannot be admitted to the program.

If the family member states they have not been issued a social security number and is a member of a household whose other member(s) can provide verification of their SSN, the family member will be required to sign a certification to this effect. Pensacola Housing will obtain a HUD issued alternate ID to use until the Social Security number is obtained.

As per HUD notice PIH 2010-3, as of January 31, 2010, existing program participants who have previously disclosed a valid SSN, or who are 62 years of age or older and have not previously disclosed a valid SSN, are exempt from these disclosure requirements.

#### **10.11.1 SSN Verifications for HUD-VASH Clients**

If the applicant or participant is participating in the HUD-VASH program, the following documents may also be accepted as verification of Social Security Number:

1. The Certificate of Release or Discharge from Active Duty (DD-214);
2. VA-verified application for health benefits (10-10EZ); or
3. VA-issued photo identification card.

### **10.12 Verification of Other Non-Financial Factors [24 CFR 982.551 (b)]**

This section details the acceptable verification methods for the non-financial program requirements.

### **10.12.1 Verification of Legal Identity**

In order to prevent program abuse, Pensacola Housing will require applicants and participants to furnish verification of legal identity for all household members.

The documents listed below will be considered acceptable verification of legal identity for adults. If a document submitted by an applicant is illegible or otherwise questionable, more than one of these documents may be required:

1. A current, or recently (within the prior 60 days) expired United States driver's license or state ID card;
2. U.S. passport;
3. Veterans Administration issued photo ID card;
4. Certificate of U.S. Citizenship (INS Form N-560 or N-561);
5. Certificate of Naturalization (INS Form N-550 or N-570);
6. Valid foreign passport, with I551 stamp or attached INS Form I-94 indicating unexpired employment authorization;
7. Permanent Resident Card or Alien Registration Receipt Card with photograph (INS Form I-151 or I-551); and
8. Valid Reentry Permit (INS Form I-571).

The documents listed below will be considered acceptable verification of legal identity for minors:

1. Birth certificate;
2. State Birth Registration Card with the child's full name and birth date;
3. Valid or recently (within the prior 60 days) expired state ID card; and
4. Any valid INS document from the list above that documents the child's name and birth date.

If a household member does not contend to have eligible immigrant status and is a member of a mixed family eligible for pro-rated assistance, acceptable verification of legal identity may also include ID issued by any government agency, such as a foreign passport or consular ID.

### **10.12.2 Familial Relationships**

Self-certification will normally be considered sufficient verification of family relationships. In cases where reasonable doubt exists, or in those instances when a family is requesting to add a new member to the household, the family may be asked to provide verification.

The following verifications will be accepted to approve the addition of a dependent to the household:

1. Birth certificates or hospital verification of birth;
2. Official court paperwork of custody assignment or adoption decree;
3. Court-ordered assignment of guardianship;
4. Written declarations of temporary reassignment of custody from a minor's custodial parent or guardian.

### **10.12.3 Permanent Absence of Family Member**

If an adult who was formerly a member of the household is reported permanently absent by the family, Pensacola Housing will consider any of the following as verification:

1. Order of protection/restraining order is obtained by one family member against another;
2. Proof of another home address is provided, such as utility bills, canceled checks for rent, driver's license, or lease or rental agreement, if available;
3. Current pay information from the former household member's employer showing the new address;
4. Statements the family provides from other agencies such as social services, or a written statement from the landlord or property manager that the adult family member is no longer living at that location;
5. If the adult family member is incarcerated, a document from the court or correctional facility stating how long they will be incarcerated; or
6. As a last resort, if no other proof can be provided, Pensacola Housing will accept a self-certification from the head of household, or another adult in the household if the head is the absent member.

### **10.12.4 Other Changes in Household Composition**

Pensacola Housing may verify changes in family composition (either reported or unreported) through letters, telephone calls, utility records, inspections, landlords, neighbors, credit data, school or DMV records, and other sources.

### **10.12.5 Verification of Disability**

For the purpose of qualifying for a deduction from income, acceptable methods of verification of disability are:

1. Receipt of SSI or SSA disability payments under Section 223 of the Social Security Act or 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7)); or
2. Verification by an appropriate diagnostician such as a physician, psychiatrist, psychologist, therapist, rehabilitation specialist, or licensed social worker, using the HUD language as the verification format.

If Pensacola Housing is in receipt of either of these types of verification, the individual will be noted as a person with a disability on their applicant/participant record.

## **10.13 Verification of Citizenship or Eligible Immigrant Status [24 CFR 5.508, 5.510,**

**5.512, 5.514]**

To be eligible for assistance, individuals must be U.S. citizens or eligible immigrants. Eligible immigrants must fall into one of the categories specified by federal regulations, and must have their status verified by the Department of Homeland Security, US Citizenship and Immigration Services.

Each household member must declare his or her status once. A household cannot be admitted to the program until all members who declare that they have eligible immigrant status provide verification of their status. However, assistance will not be delayed, denied, or terminated while confirmation of eligible status is pending from the Department of Homeland Security (DHS).

**10.13.1 Citizens and Nationals**

Under penalty of perjury, citizens and nationals of the United States are required to sign a declaration of citizenship. Pensacola Housing will not require citizens to provide documentation of citizenship other than their certification on Pensacola Housing's Declaration of Citizenship form.

**10.13.2 Eligible Immigrants**

Non-citizens with eligible immigrant status must sign a declaration of status and verification consent form and provide their original immigration documents, which Pensacola Housing will copy front and back and return to the family.

Eligible immigrants who were participants and at least 62 years old as of June 19, 1995, are required to sign a declaration of eligible immigration status and provide proof of age. No additional verification is required for participants who fall into this category.

**10.13.3 Verification of Eligible Immigrant Status**

Federal regulations stipulate that only the following documents are acceptable as verification of eligible immigrant status:

1. Resident Alien Card (I-551);
2. Alien Registration Receipt Card (I-151);
3. Arrival-Departure Record (I-94); or
4. Receipt issued by the INS for issuance of replacement of any of the above documents that shows that the individual's eligibility has been verified.

A birth certificate is not an acceptable verification of status.

All documents used to verify U.S. citizenship/eligible immigrant status will be kept on file for five years.

#### **10.13.4 Ineligible Immigrants**

Pensacola Housing verifies eligible immigration status through the DHS SAVE system. If this primary verification fails to verify eligibility, within 10 business days Pensacola Housing will request that the DHS conduct a manual search.

Individuals who are neither citizens nor eligible immigrants may elect not to contend their status. Ineligible household members who do not claim to be citizens or eligible immigrants will be listed on a statement of ineligible family members signed by the head of household, co-head, or spouse. The family will be considered a mixed family for the purpose of determining subsidy.

Although they are in the country lawfully, non-citizen students on student visas are considered ineligible members of the household for the purpose of HCV assistance. They must provide Pensacola Housing with their student visa, after which they will be listed as an ineligible member of the household, and the family will be considered a mixed family for the purpose of determining subsidy. No further verification or declaration of status is required for non-citizen students.

#### **10.13.5 Timing of Verification of Eligibility**

For applicants, verification of U.S. citizenship/eligible immigrant status occurs at the time of admission. For household members added after other members have been verified, the verification must occur before the new member moves in.

Once verification has been completed for any covered program, it need not be repeated except that, in the case of port-in families, if the initial PHA does not supply the documents, Pensacola Housing must conduct the eligibility determination.

#### **10.13.6 Failure to Provide Proof of Eligibility**

If a household member fails to sign required declarations and consent forms or provide documents as required, they will be listed as an ineligible member, and the family will be considered a mixed family for the purpose of determining subsidy.

If an entire family fails to provide documentation and sign consent forms as required, the family's assistance will be denied or terminated for failure to provide required information.

#### **10.13.7 Failure to Declare Household Members**

If Pensacola Housing determines that an assisted household has knowingly permitted an individual who is not eligible for assistance to reside permanently in the family's unit, the family's assistance will be terminated and the family will be ineligible to apply for housing assistance for 3 years, unless the ineligible individual has already been declared, resulting in a pro-ration of the family's assistance.

### **10.14 Verification of Waiting List Preferences**

The HCV programs administered by Pensacola Housing assist extremely low and very low income households in Escambia County, as defined by federal guidelines. Program guidelines stipulate that at least 75% of the families newly assisted by Pensacola Housing each fiscal year must be extremely low income families. In addition, HUD notice PIH 2013-19 stipulates that PHAs administering vouchers set aside for non-elderly disabled families (NED) must maintain at least a 95% lease up rate for their NED vouchers.

#### **10.14.1 Verification of Extremely Low Income Families**

The family's gross annual income (that is, all forms of income received by the family prior to any deductions, and annualized over a 12-month period) will be obtained by using the income verification methods described earlier in this chapter.

The gross annual income will then be compared to HUD's Extremely Low Income Limits for the Pensacola-Ferry Pass-Brent Metropolitan Statistical Area, adjusted for household size, to ensure the family meets the prescribed income limits.

#### **10.14.2 Verification of NED Status**

If a NED voucher is offered to a family on the waiting list, Pensacola Housing will verify the head of household's non-elderly status using the verification of identity process described in Section 10.12.1, and will verify the head of household's disabled status using the verification of disability process described in Section 10.12.5.

### **10.15 Verification of Homelessness**

For general HCV program applicants, acceptable methods of verification of homelessness are as follows:

1. Written certification by a public or private facility providing shelter;
2. The police; or
3. A case management/transitional housing/housing search/counseling-providing social services agency, certifying that the family either is currently homeless as of the date of the determination of eligibility, or was homeless for a period during the 12-month period prior to the date of the eligibility determination.

#### **10.15.1 Verification of Homelessness for HUD-VASH Clients**

For applicants and participants of the HUD-VASH program, both HUD and the VA use the homeless definition provided by section 103(a) of the McKinney-Vento Homeless Assistance Act, as amended by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009.

In an effort to make the HEARTH homeless definition a bit easier to understand and apply, HUD has divided the general homeless definition into 4 different categories, which are:

1. Literally homeless;
2. At imminent risk of homelessness;

3. Homeless under other federal statutes; and
4. Fleeing/attempting to flee domestic violence.

Note that the definition for chronic homelessness is a separate definition and is not the definition used to determine eligibility for the HUD-VASH program.

## **11.0 Utilizing the Enterprise Income Verification System (EIV) [24 CFR 5.233]**

Pensacola Housing uses the EIV system to identify potential discrepancies in income reporting by participants during the annual and interim reexamination processes. Use of EIV is mandated by HUD.

Data contained within, and accessed from, the EIV system will only be used for official program purposes and will be protected by Pensacola Housing. Data will not be disclosed to anyone in any manner that would violate the privacy of the individuals represented.

Pensacola Housing adheres to HUD-prescribed EIV security awareness measures to ensure that only authorized system users access the EIV system and to maintain overall privacy and security compliance.

### **11.1 Demonstrating Compliance with Mandatory Use of EIV**

In accordance with 24CFR §5.233(a, 2, i), Pensacola Housing complies with the HUD-mandated use of EIV by following the procedures outlined below.

#### **11.1.1 EIV Use for New Admissions**

For families who are new admissions to the program, Pensacola Housing will:

1. Review the EIV Income Report to confirm/validate family-reported income within 120 days of the Effective Date of the New Admission;
2. Print and maintain a copy of the EIV Income Report in the tenant file; and
3. Resolve any income discrepancy with the family within 60 days of the date of the EIV Income Report.

#### **11.1.2 EIV Use for Interim Reexaminations**

For each Interim Reexamination conducted, Pensacola Housing will:

1. Print the Income Discrepancy page of the EIV report and maintain it in the tenant file.

#### **11.1.3 EIV Use for Annual Reexaminations**

For each Annual Reexamination conducted, Pensacola Housing will:

1. Maintain the EIV Income Report, and if necessary as determined by Pensacola Housing, third party authentic documents provided by the tenant, and/or the third-party Employment Verification Form.

## **11.2 Debts Owed to PHAs and Terminations Module**



As part of the EIV system, HUD has established a national database that serves as a repository of debt and termination information on former program participants from all housing agencies and subsidized rental housing providers. Each local program must designate at least one staff person whose responsibility it is to enter information into this Debt Termination Data Base (DTDB). The designated staff member(s) must obtain prior approval from HUD before beginning to enter information into the DTDB.

#### **11.2.1 Policy Governing DTDB Entries**

Pensacola Housing adheres to the following practices when entering debt/termination information into DTDB:

1. Debt/Termination information is not entered into DTDB until an End Of Participation (EOP) action has been entered in the Public and Indian Housing Information Center (PIC) for the former participant;
2. Debt/termination information is entered within 90 days from the EOP date;
3. Debt/termination information is maintained in DTDB for a period of up to 10 years;
4. Families who have never, or who no longer, warrant being in the database are removed following HUD guidelines;
5. Pensacola Housing can only modify a participant record up to 3 times, so debt records will not be modified as payments are being made; and
6. The debt record will be removed from the DTDB when it has been paid in full.

#### **11.3 Screening Applicant Families through EIVs' Former Tenant Search Module**

Pensacola Housing uses EIV's Former Tenant Search module in the following manner.

1. Prior to a family's admission, Pensacola Housing queries the SSN of each adult household member to determine if a PHA has reported a debt or adverse termination;
2. Former participants who owe debts to a PHA will not be admitted to the program until the debt is paid in full to the PHA that is owed the outstanding amount;
3. Adverse Terminations will be denied assistance in accordance with HUD or Pensacola Housing policy; and
4. Families denied assistance due to information in DTDB will be provided with a copy of the Debts Owed & Termination report, and as with other denials, offered the opportunity for an informal review.

#### **11.4 Mandatory Monitoring of EIV Reports**

In compliance with HUD requirements, Pensacola Housing monitors the following EIV reports on a monthly basis:

1. Deceased Tenants Report
2. Identity Verification Report
3. Immigration Report

#### 4. Multiple Subsidy Report

And the following reports on a quarterly basis:

1. Income Discrepancy Report
2. New Hires Report

#### **11.5 Income Discrepancy Resolutions**

Please see Appendix 1: Using the EIV Income Discrepancy Report for a description of how Pensacola Housing utilizes the EIV Income Discrepancy Report to identify under- or non-reporting of income sources by program participants and to help program participants protect themselves from identity theft.

#### **11.6 EIV Security Measures**

Pensacola Housing will adhere to the following procedures when storing and disposing of EIV records and other participant data.

##### **11.6.1 Record Retention**

In compliance with both federal and state record retention laws, Pensacola Housing will retain the documents in a participant's file during the term of the assisted tenancy and for five years thereafter. EIV information will be destroyed three years from the End of Participation (EOP) unless there is pending litigation.

##### **11.6.2 Disposal of Applicant and Participant Records**

All EIV documents will be destroyed at the end of the federally-mandated three-year retention period. They will be destroyed in a manner that will not compromise the confidentiality of the applicants and/or participants. The preferred method for destroying documents is by shredding.

##### **11.6.3 EIV Security Monitor**

In compliance with HUD policy regarding EIV, Pensacola Housing will designate one employee to be its "EIV Security Monitor." This person is responsible for ensuring that the EIV security procedures outlined in this Administrative Plan are adhered to.

The EIV security monitor or other designated personnel will also give written notification to HUD whenever:

1. A staff member associated with EIV information is no longer employed by Pensacola Housing, or
2. A staff member who previously had access rights to the EIV system no longer has such rights.

#### **11.6.4 Storage of EIV Documents**

Pensacola Housing will retain a lockable container, file cabinet, or room to store EIV documents that are:

1. Outdated and slated to be destroyed; or
2. Printed but not yet placed in participant files.

#### **11.6.5 Key Control Form**

Pensacola Housing utilizes a Key Control Form to document:

1. The number of keys issued for the lockable container, file cabinet or room;
2. The names of program staff who are in possession of these keys; and
3. Any change in the number of keys available or in the identity of the staff in possession of the keys.

#### **11.6.6 EIV Security Awareness Training**

Pensacola Housing employees who will be receiving EIV access for the first time must satisfy the required EIV Security Awareness Training before they can be approved for EIV access. In order to satisfy this requirement, the employee must meet the following two conditions:

1. Applicants must watch the most recent EIV Security Awareness Training Webcast published by HUD.
2. Applicants must confirm that they have watched the above mentioned webcast by signing the EIV Webcast Training Certification form, and submitting it to Pensacola Housing's EIV Security Monitor.

#### **11.6.7 Breach of EIV Security Policy**

All Pensacola Housing staff will be instructed that any breach of the EIV security policy must immediately be reported to the EIV Security Monitor.

## 12.0 RTAs and HAP Contract Execution [24 CFR 982.305]

When the family finds a unit of interest, the family and the owner will complete and sign the Request for Tenancy Approval form. The family must submit the completed RTA form to Pensacola Housing during the term of the voucher. Pensacola Housing will review the RTA, perform an affordability analysis, and make an initial determination regarding approval of the tenancy. Pensacola Housing may assist the family in negotiating changes that are required, if any, for the tenancy to be approvable.

Once it appears the tenancy may be approvable, the owner must contact Pensacola Housing to schedule an inspection. Whenever possible, Pensacola Housing will schedule the inspection appointment for no later than 15 business days after the owner's request, unless the owner indicates the unit will not be ready within 15 business days, in which case Pensacola Housing will work with the owner to find an appropriate inspection date.

During the initial stage of qualifying the unit, Pensacola Housing will provide the owner with information regarding the program, including Pensacola Housing and owner responsibilities for screening, and other essential program elements. Upon request by the prospective owner, Pensacola Housing will provide any factual information or third party written information it has relevant to a voucher holder's history of, or ability to comply with, standard material lease terms. Additional screening is the responsibility of the owner.

### 12.1 Approval to Lease a Unit

Pensacola Housing will approve a family's tenancy, authorize the family and owner to execute a lease, and enter into a HAP contract with the owner of the unit if all the following conditions are met:

1. The unit is eligible;
2. The unit is inspected by Pensacola Housing and passes HQS;
3. The lease is approvable and includes the following:
  - a) The names of the owner and the tenant;
  - b) The address of the unit rented;
  - c) The term of the lease (initial lease term and the provisions for renewal);
  - d) The amount of the monthly rent to owner;
  - e) A specification of what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied by the family; and
  - f) The HUD-required tenancy addendum.
4. The rent to owner is reasonable, as defined by the rent reasonableness standard;
5. The family's share of rent does not exceed 40% of their monthly adjusted income if the gross rent exceeds the applicable payment standard;
6. The owner has not been found to be debarred, suspended, or subject to a limited denial of participation by HUD or by Pensacola Housing, and does not have any state or local delinquent taxes owing on the rental property;
7. The family continues to meet all eligibility and screening criteria.

If the RTA is denied, Pensacola Housing will advise the owner and the family of any actions they could take that would enable Pensacola Housing to approve the tenancy.

## **12.2 Lease Start Dates**

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

1. Pensacola Housing approves the family's leasing of the unit;
2. The unit passes Pensacola Housing's HQS inspection;
3. The family's share of rent does not exceed 40% of their monthly adjusted income if the gross rent exceeds the applicable payment standard;
4. Pensacola Housing has determined that the contract rent is Rent Reasonable;
5. All applicable tenant utilities are on in the head of household's name; and the security deposit, if applicable, has been addressed;
6. The landlord and tenant sign a lease that includes the HUD-required tenancy addendum.

## **12.3 Execution of the HAP Contract [24 CFR 982.305 (c)]**

Upon receipt of the executed lease, including the HUD-required tenancy addendum, signed by both the tenant and the owner, Pensacola Housing will produce the Housing Assistant Payment (HAP) contract and execute the contract with the owner. Pensacola Housing will not pay any housing assistance to the owner until the contract is fully executed.

The HAP contract will have the same start date as the lease. In addition, the HAP contract must be executed within 60 days of the start of the lease term. Any contract that is not executed within 60 days of the lease start date will be void. In such cases, Pensacola Housing will not make any HAP payments to the owner and will contact the family to offer them the opportunity to select a different unit.

## **12.4 Eligible and Ineligible Housing Types**

The following types of housing cannot be assisted under the HCV program:

1. A public housing or Indian housing unit;
2. Nursing homes, board and care homes, or facilities providing continual psychiatric, medical or nursing services;
3. College or other school dormitories;
4. Units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions;
5. A unit occupied by its owner; or
6. A unit receiving any duplicative federal, state, or local housing subsidy. This does not prohibit renting a unit that has a reduced rent because of a low-income housing tax credit (LIHTC).

In addition, a family holding a tenant-based voucher may not use that voucher in a unit receiving project-based assistance under a Section 8 Program.

~~Pensacola Housing will not approve a lease for units in any of the following special housing types, except as a reasonable accommodation for an elderly person or a person with disabilities:~~

- ~~1. Congregate housing~~
- ~~2. Group homes~~
- ~~3. Shared housing~~
- ~~4. Cooperative housing~~
- ~~5. Single-room occupancy housing~~
- ~~6. Assisted living facilities~~

Pensacola Housing will approve leases for the following housing types:

1. Single family dwellings
2. Apartments
3. Manufactured housing
4. Duplexes, triplexes and fourplexes
5. Townhouses
6. Condominiums

Pensacola Housing will also approve leases for the following special housing types:

1. Congregate housing, including assisted living facilities
2. Shared housing
3. Single-room occupancy housing
4. Group homes
5. Cooperative housing
6. Manufactured home space rental

When reviewing and approving special housing types, Pensacola Housing will use guidance from the “Special Housing Types” chapter of HUD’s Housing Choice Voucher Program Guidebook in addition to other applicable federal and local program regulations and guidelines.

## **12.5 Security Deposits [24 CFR 982.313, Florida Statutes 83.49]**

The owner may collect a security deposit from the tenant in an amount not in excess of market practice and not in excess of amounts charged by the owner to unassisted tenants.

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

In accordance with state law, the owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount, if any, used to reimburse the owner, the owner must refund promptly the full amount of the unused balance to the tenant.

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

### 13.0 HQS and Inspection Policies [24 CFR 982.401 - 407]

Housing Quality Standards (HQS) are the HUD-established minimum quality standards for tenant-based programs. Verification of HQS is required both at initial occupancy and at least biennially (that is, every other year) during the term of the lease. HQS standards apply to the building and premises, as well as the unit. Pensacola Housing policy states that newly leased units must pass the HQS inspection before the beginning date of the assisted lease and HAP contract.

This chapter describes Pensacola Housing's procedures for performing HQS inspections as well as standards for the timeliness of repairs. It also explains the responsibilities of the owner and family, and the consequences of non-compliance with HQS requirements for both families and owners. The use of the term "HQS" in this Administrative Plan refers to the combination of both HUD and Pensacola Housing requirements outlined in this chapter.

#### 13.1 Acceptability Criteria [24 CFR 982.401]

Pensacola Housing's Housing Quality Standards include all the acceptability criteria defined in 24 CFR 982.401, plus the additional acceptability criteria described below in Section 13.12, Additions to the HQS Acceptability Criteria.

Pensacola Housing will provide the HQS Inspection Checklist to owners at any time upon request.

#### 13.2 HQS Guidelines for Unit Size Selected

HQS standards allow two persons per bedroom and permit maximum occupancy levels as shown in the table below, assuming another room, such as a living room or den, is used as a sleeping area when the unit is at maximum occupancy. Rooms besides bedrooms may be used for sleeping as long as all sleeping rooms are in HQS compliance.

Unit Size	Maximum Occupancy Standard*
0 bedroom	2
1 bedroom	2 + 2 per additional sleeping area (usually 4 total)
2 bedroom	4 + 2 per additional sleeping area (usually 6 total)
3 bedroom	6 + 2 per additional sleeping area (usually 8 total)
4 bedroom	8 + 2 per additional sleeping area (usually 10 total)
5 bedroom	10 + 2 per additional sleeping area (usually 12 total)
6 bedroom	12 + 2 per additional sleeping area (usually 14 total)

At the initial inspection, the inspector shall make a determination as to the number of rooms that are acceptable sleeping rooms for the purpose of deciding maximum occupancy level according to HQS. The inspector's determination will be made on a case-by-case basis,



based on HQS standards, the design of the structure, family composition, and safety of egress.

### **13.3 Types of Inspections [24 CFR 982.405]**

Pensacola Housing performs five types of inspections:

1. Initial/New Unit inspection: Conducted upon receipt of RTA;
2. Annual: Must be conducted within 24 months of the initial inspection or the previous annual inspection;
3. Tenant Request or Owner Request: An inspection requested by the tenant or the owner based on a perceived violation of HQS (commonly referred to as a “complaint inspection”);
4. Special: An inspection requested by another agency, such as HUD, or by a third party, asking Pensacola Housing to review the unit; and
5. Quality Control/Supervisory: Conducted by a supervisor to ensure the consistency and accuracy of Pensacola Housing’s HQS determinations.

### **13.4 Initial HQS Inspections [24 CFR 982.305(b, 2)]**

After the family submits an RTA and the housing counselor has confirmed the unit’s affordability for the family, the counselor will call the owner and provide instructions for scheduling an initial HQS inspection of the unit. Whenever possible, Pensacola Housing will perform the initial inspection within 15 business days of the owner’s request.

Pensacola Housing inspectors cannot pick up keys or open lock boxes, and will not inspect units without the owner or the owner’s representative, who must be over the age of 18, present. For initial inspections, the owner’s representative may not be a member of the participant family, even if the family already has occupancy of the unit where they hope to use their voucher.

The initial inspection will be conducted to:

1. Determine if the unit and property meet HQS as defined in 24 CFR 982.401 and in this Administrative Plan;
2. Determine the number of rooms that are acceptable sleeping rooms for the purpose of deciding maximum occupancy level; and
3. Document the information to be used, including current condition of the unit, for determining rent reasonableness.

If the unit fails the HQS inspection, the owner will be given up to 15 business days to correct the fail items, at the inspector's discretion, depending on the amount and complexity of work to be completed. The owner will be advised to contact Pensacola Housing to schedule a re-inspection once repairs are completed.

If the unit fails the re-inspection, or if 15 business days have elapsed and Pensacola Housing hasn't received an inspection request from the owner, Pensacola Housing will not approve the tenancy. The RTA will be denied, additional time will be added to the voucher, and the family will be offered the opportunity to select another unit.

### **13.5 Annual or Biennial HQS Inspections [24 CFR 982.405(a), 24 CFR 982.551(d)]**

Pensacola Housing conducts inspections of each assisted unit at least biennially, and no later than 24 months after the initial inspection or the previous annual inspection, to determine continuing compliance with HQS.

As per 24 CFR 982.551(d), the family must allow Pensacola Housing to inspect the unit at reasonable times with reasonable notice. Reasonable times to conduct an inspection are between 8 a.m. and 5 p.m.; Pensacola Housing typically conducts inspections between the hours of 9 a.m. and 4 p.m., Monday through Thursday excluding holidays. Pensacola Housing will notify the family in writing at least 4 business days prior to the annual or biennial inspection.

#### **13.5.1 Attendance at Annual and Biennial Inspections**

An adult family member must be present during annual and biennial inspections. If no family member is available, the family may ask a representative to be present instead, as long as that person is 18 or older. The presence of the owner or the owner's representative is encouraged but not required. Pensacola Housing inspectors will not inspect units without a family member, owner, or representative over the age of 18 present. If the owner or owner's representative intends to admit the inspector to the unit without the tenant being present, the owner must provide the tenant with prior written notice of intent to enter the unit in accordance with Florida Statute 83.53.

If no representative is able to be present, the inspection appointment must be rescheduled. Same day cancellations and no shows (meaning, no adult was present to grant access to the unit when the inspector arrived) will be considered a violation of the obligations of the family, and the family will be sent a notice terminating program participation. Unless the unit has already gone 24 months without an HQS inspection, the family will be provided an opportunity to reschedule the inspection and retain the voucher. All participants who are terminated for a violation of 24 CFR 982.551(d) will have the right to request an informal hearing.

#### **13.5.2 Reinspections**

Pensacola Housing will send written notice of the re-inspection appointment to the owner and family by email or regular mail.

If the unit fails the re-inspection, the family and owner will be responsible for scheduling a second revisit within the time frame specified for the repairs.

If no re-inspection appointment is made, or if the unit fails the inspection again, Pensacola Housing will terminate the HAP contract and invite the family to request a moving voucher. A HAP abatement and/or reinspection fees may be charged to the landlord.

If the inspection report included deficiencies assigned to the family, and those were not corrected, or if the family misses the re-inspection appointment, then Pensacola Housing will mail a letter of termination to the family.

### **13.5.3 Owner Self-Certification of Minor Fail Items**

If the only deficiencies at an annual or biennial inspection are five or fewer minor (non-emergency) fail items, the owner will be allowed to self-certify correction of the deficiencies to pass the inspection. If the owner fails to provide verification that the deficiencies have been corrected by the due date, it will be considered a second failed inspection and the owner will be responsible for contacting Pensacola Housing to schedule a re-inspection. Failure to secure a passed inspection within the time frame for repair will result in abatement of the HAP and may result in reinspection fees and/or termination of the HAP Contract. See Section 13.17 below for more information.

Pensacola Housing may contact the family to confirm the owner's self-certification. If the tenant indicates that corrections were not made for any fail items, Pensacola Housing may schedule a Quality Control inspection of the unit.

The self-certification option is available for five or fewer minor fail items discovered during annual or biennial inspections only. It is not available for initial inspections.

### **13.5.4 HQS and Rent Increases**

Proposed increases to the contract rent that are requested on the Request for Tenancy Continuation (RTC) form will not be considered if the unit was not found to be in HQS compliance during the first visit at the time of the most recently scheduled annual inspection. If the unit was in HQS compliance at that time, or if the only HQS deficiencies found were assigned to the tenant, then a rent reasonableness assessment will be made to determine whether the requested rent increase is market reasonable.

## **13.6 Complaint Inspections and Special Inspections [24 CFR 982.405(c)]**

If at any time the family or owner notifies Pensacola Housing that the unit does not meet HQS, Pensacola Housing will conduct a complaint inspection if the office determines that such an inspection is warranted. When a tenant requests such an inspection, Pensacola Housing will ask the tenant to furnish proof that the tenant submitted written notification of the issue, with a request to correct, to the owner before the complaint inspection is scheduled, unless the tenant reports that the unit is uninhabitable.

When an owner requests such an inspection, Pensacola Housing will ask the owner to confirm that he or she provided the tenant with prior written notice of intent to enter the unit in accordance with Florida Statute 83.53.

Pensacola Housing will also conduct special inspections based on information provided by third parties, such as neighbors, public officials, or representatives from HUD, when the office determines that such inspections are warranted.

In the case of complaint inspections and special inspections, Pensacola Housing will focus on the items that were reported by the tenant, owner, or third party making the complaint or report. However, if the inspector notices additional deficiencies that place the unit out of HQS compliance, those additional items will be noted on the inspection report, and the owner or tenant, as applicable, will be required to make those repairs as well.

If a complaint inspection or a special inspection occurs within 120 days of the annual or biennial inspection due date, the complaint or special inspection may serve as the annual inspection as well, as long as the inspector reviews the complete HQS checklist.

### **13.7 Supervisory Quality Control Inspections [24 CFR 982.405(b)]**

Pensacola Housing will perform supervisory quality control inspections of units under contract. The purpose of quality control inspections is to confirm that each inspector is conducting accurate and complete inspections, and to ensure consistency among Pensacola Housing inspectors in applying HQS.

The number of quality control inspections to be completed is determined by HUD SEMAP standards for indicator #5, described in the HUD Housing Choice Voucher Guidebook. Pensacola Housing uses the guidelines for a voucher program administering more than 2,000 vouchers. Specifically, HUD requires that a baseline of 30 quality control inspections be conducted each calendar year, plus 1 additional inspection for every 200 vouchers over 2,000 that were under HAP contract at the end of Pensacola Housing's previous fiscal year.

The sample of units selected for quality control inspections will include units with initial or annual or biennial inspections completed within the prior 3 months, as well as a cross-section of neighborhoods, unit types, and inspectors who completed the prior inspection.

### **13.8 Additions to the HQS Acceptability Criteria**

In addition to the acceptability criteria defined in 24 CFR 982.401, Pensacola Housing's HQS standards also include the additional acceptability criteria defined below.

All utilities must be in service prior to any inspection, including an initial inspection. If the utilities are not in service when the inspector arrives, the inspector will notify the owner to have the utilities turned on and to contact the Housing Department to reschedule the inspection.

All appliances that are provided according to the lease or that are installed in the unit at lease-up must be in operating order.

If the tenant is responsible for supplying the refrigerator, Pensacola Housing will allow the refrigerator to be placed in the unit after the unit has passed all other HQS items without requiring a re-inspection.

All tenant-paid utilities must be solely for the use of the tenant. If the owner retains use of any portion of the property (for example, a storage shed), the owner-retained portion must have an independent utility source paid by the owner, or the owner must pay all of the applicable utilities. The owner may opt to disconnect the utility to the owner-retained portion of the property.

Street numbers shall be displayed on buildings, as required by the Pensacola Code of Ordinances [11-4-153] and the Escambia County Code of Ordinances [86-36(1) and (2)]. Apartment letters or numbers shall be displayed in a conspicuous place, in a contrasting color for easy identification.

Dead bolt or dead latch locks on exterior doors of the unit shall be constructed so that they may be opened from inside without use of a key.

Bars, grilles, grates, or similar devices may be installed on bedroom windows and exterior doors, only if such devices are equipped with release mechanisms that are operable from the inside without the use of a key or special knowledge or effort. If more than one window is present in a bedroom, then bars only need to be removed, or equipped with a release mechanism that is operable from the inside, on one window, which will allow for safe egress from the room.

In addition, Pensacola Housing has received HUD approval to require the following additional acceptability criteria:

1. Owners will be required to scrape peeling paint and repaint all surfaces cited for peeling paint with 2 coats of non-lead-based paint.
2. Adequate heat shall be considered to be 68 degrees.
3. In units where the tenant must pay for utilities, each unit must have separate metering device(s) for measuring utility consumption.
4. A ¾" overflow pipe must be present on the hot water heater safety valves and installed down to within 6 inches of the floor.
5. All units will comply with City Building Codes, as adopted by the City of Pensacola.

### **13.9 Owner and Family Responsibilities for HQS [24 CFR 982.404]**

Pensacola Housing generally holds the owner responsible for maintaining a unit in a condition consistent with HQS, except in the following instances:

1. Tenant-paid utilities are not in service;
2. Family fails to provide or maintain family-supplied appliances;

3. The unit has sustained damages, beyond normal depreciation or normal wear and tear, since the last time the unit received a passed HQS inspection during the current family's tenancy.

As per Section 8.d.2 of the HUD-required Tenancy Addendum to the lease, the owner has good cause to terminate the tenancy if the family causes destruction to the property or has living or housekeeping habits that cause damage.

It is the owner's responsibility to enforce the lease, up to and including eviction, should that prove necessary. As per Section 8.f of the Tenancy Addendum, evictions of assisted tenants must occur by court action. In most cases, Pensacola Housing will automatically terminate both the HAP contract and the assistance of any family who was lawfully evicted from a unit while an active HAP contract was in place.

### **13.10 Timeframes for Corrections of HQS Fail Items**

The following are the standard time frames for repair of HQS fail items that appear on an annual, biennial, quality control, or by-request inspection reports.

1. Emergency repair items are defined below and must be corrected within 24 hours.
2. Utilities must be reconnected within forty-eight (48) hours.
3. Repair of refrigerators, range and oven, or a major plumbing fixture supplied by the owner must be completed within 72 hours.
4. Minor repairs must be completed within 30 days.

### **13.11 Emergency Fail Items [24 CFR 982.404(a, 3)]**

The following items are considered emergency items that need to be corrected within 24 hours, or HAP will be abated:

1. No hot or cold water;
2. No electricity;
3. Inability to maintain adequate heat;
4. Major plumbing leak;
5. Natural gas leak;
6. Broken lock(s) on first floor doors or windows;
7. Broken windows that allow weather elements into the unit;
8. Electrical outlet smoking or sparking;
9. Exposed electrical wires that could result in shock or fire;
10. Non-functioning smoke detectors;
11. Unusable toilet when only one toilet is present in the unit;
12. Security risks such as broken doors or windows that would allow intrusion;
13. Other conditions that pose an immediate threat to health or safety.

### 13.12 Lead-Based Paint Regulations [24 CFR Part 35]

In compliance with HUD's lead-based paint regulations, Pensacola Housing is committed to ensuring that units are free from lead hazards before they enter the HCV program.

Federal lead-based paint requirements apply to homes built before 1978 that are occupied, or intended to be occupied, by a child under age six.

Pensacola Housing's HQS inspectors are certified by HUD to conduct visual LBP assessments, which will be done during HQS inspections.

Defective painted surfaces will be identified and it will be determined whether HUD's De Minimis levels are met.

#### 13.12.1 De Minimis Levels

De Minimis levels are defined as:

- 20 square feet on exterior surfaces.
- 2 square feet on an interior surface in a single room or interior space; or
- 10 percent of individual small components (e.g., window sills) on the interior or exterior.

#### 13.12.2 If Defective Surfaces are Less than De Minimis Levels

If defective painted surfaces are found during the HQS inspection and they are less than the De Minimis levels:

- Pensacola Housing will notify the owner and applicant/participant in writing that the unit failed the inspection.
- No clearance test is required.
- Pensacola Housing will re-inspect the unit and pass if the repair (along with any other required repairs) is completed.

#### 13.12.3 If Defective Surfaces Exceed De Minimis Levels

If defective painted surfaces are found during the HQS inspection and they exceed the De Minimis levels:

- Pensacola Housing will notify the owner and applicant/participant in writing that the unit failed the inspection, and of the following requirements.
- The owner must provide proof that repairs are completed by a **trained** and/or **certified** person following Safe Work Practices. This person must have successfully completed the "Remodeler's and Renovator's Lead-Based Paint Training Course" or the "Safe Work Practices Training Course" approved by HUD.
- The owner must ensure work is completed using Lead Safe Work Practices.

- The owner must provide Pensacola Housing with a passed lead clearance test from a Florida Licensed Lead Risk Assessor, Lead-based Paint Inspector, or Lead Clearance Technician.

#### **13.12.4 Time Frame for Compliance when Clearance is Required**

For New Unit inspections, the owner will have up to 15 days from the inspection date to provide a “passed” clearance test. All repairs must be completed prior to the execution of a HAP contract. If the owner declines to proceed with repairs, or does not complete them within the specified time frame, the RTA will be denied, and the applicant will be contacted and provided with the opportunity to select a different unit.

For annual, biennial, quality control, and complaint inspections, the owner will have up to 30 days from the inspection date to provide a “passed” clearance test, following the guidelines in Section 13.12.3. Any requests for an extension for reasonable cause must be submitted in writing prior to the due date for repairs.

#### **13.13 Reinspection Fees for Annual and Biennial Inspections [24 CFR 982.405 (f), Pensacola Code of Ordinances Section 7-14-5]**

In 2016, HUD published a Final Rule authorizing PHAs to collect a reasonable fee under the following circumstances:

1. If an owner stated that a deficiency had been fixed but during reinspection the deficiency is found to persist; or
2. If a reinspection conducted after the expiration of the timeframe for repairs reveals that the deficiency persists.

In accordance with City of Pensacola Code of Ordinances Section 7-14-15, Pensacola Housing will charge landlords a fee of \$50 each time one of these scenarios occurs during a revisit on an Annual or Biennial inspection. Fees collected under this policy will be included in Pensacola Housing’s administrative fee reserve and will be used only for activities related to the provision of Section 8 Tenant-Based Rental Assistance.

The owner may not pass this fee along to the family. For owners with active HAP contracts in place, Pensacola Housing will enter reinspection fees as a negative disbursement on the next regularly scheduled electronic funds transfer. Owners who do not have an active HAP contract in place will be required to pay all reinspection fees due before Pensacola Housing will schedule another inspection appointment, or accept a new RTA, from the owner. Inspection fees may be paid by check or money order.

#### **13.13.1 Inspection Types Not Eligible for Fees**

Reinspection fees will not be collected for the following inspection types, even when the inspection visit results in a failed inspection report:

- New Unit/Initial inspections and revisits



- Quality Control inspections and revisits
- Complaint inspections and revisits
- Courtesy revisits that were automatically scheduled by Pensacola Housing as part of the Inspection Report
- Revisits scheduled by the tenant

### **13.13.2 Inspection Types Eligible for Fees**

Reinspection fees will be collected for the following inspection types that result in a failed inspection report:

- For Annual and Biennial inspections, revisits scheduled by the landlord that show one or more of the cited deficiencies remains uncorrected; and
- For Annual and Biennial inspections, revisits that occur after HQS abatement has started that show one or more of the cited deficiencies remains uncorrected

### **13.13.3 Scheduling Reinspections for Annual and Biennial Inspections**

To ensure compliance with the reinspection fee policy, for Annual and Biennial inspections, Pensacola Housing will only accept reinspection requests from the landlord, not from the tenant. The landlord will be responsible for informing the tenant about the appointment.

## **13.14 Abatement of the HAP [24 CFR 982.453 (b)]**

When Pensacola Housing determines that a unit on the program fails to meet HQS and the owner fails to make the necessary repairs within the time frame specified, Pensacola Housing will abate (cease) the Housing Assistance Payment to the owner.

If a unit fails an annual, biennial, quality control, or complaint inspection, the owner will be sent a written inspection report and pre-abatement notice that identifies:

1. The fail items that must be corrected for Housing Assistance Payments to continue;
2. The date of the pre-scheduled re-inspection; and
3. The time frame required to repair fail items without abatement.

If all fail items are not corrected within the time frames specified, abatement of the HAP payment will begin on the first of the month following the expired time frame and continue until the unit receives a passed inspection, or the contract terminates.

Pensacola Housing may deduct amounts overpaid for abated properties from subsidy payments for other properties of the owner that are assisted by the program.

Under no circumstances can the tenant be held responsible for Pensacola Housing's portion of rent that is abated for HQS noncompliance. An owner's attempt to collect abated HAP from the tenant, or to start eviction proceedings based on non-payment of the HAP, will be considered a violation of the HAP contract and of the Federal False Claims Act.

If the only remaining fail items are tenant-caused items, HAP will not be abated. Instead, the family will be sent a Notification of Pending Termination, based on violation of family obligations.

### **13.15 Termination of HAP Contract for HQS Violations**

If a unit fails an annual, biennial, quality control, or complaint inspection, and all fail items are not corrected within the time frames specified, Pensacola Housing will send the owner and the family a notice that the HAP contract will be terminated for failure to maintain HQS, and give the effective date of the termination.

If all remaining fail items are the owner's responsibility, the effective date of termination will be sufficient to give the family at least a 30-day notice to move, coinciding with the end of the month.

If any uncorrected fail items are the tenant's responsibility, program participation will be terminated along with the HAP contract. The family will have the opportunity to request an informal hearing.

If the unit passes a re-inspection during the abatement period, payment will resume on the day the unit passes inspection. No retroactive payments will be made to the owner for the period of time the HAP was abated.

### **13.16 HQS for Reasonable Modifications**

Modifications or adaptations to a unit provided as an accommodation for a household member with a disability must meet all applicable Housing Quality Standards. Extension for repair items not required by HQS will be granted for modifications/adaptations to the unit if agreed to by the tenant and owner. Pensacola Housing will allow execution of the HAP contract if the unit meets all requirements and the modifications do not affect the livability of the unit.

## **14.0 Rent Reasonableness [24 CFR 982.507]**

Pensacola Housing will not approve an initial rent or a rent increase for any unit participating in one of its HCV programs without first determining that the requested rent amount is reasonable, in accordance with federal guidelines regarding rent reasonableness.

Rent reasonableness must be determined prior to the initial lease, and at the following times:

1. Before any increase in rent to owner is approved;
2. If, 60 days before the HAP contract anniversary date, there is a 10% decrease in the published FMR as compared to the previous FMR;
3. If directed to do so by HUD; and
4. Based on a need identified by Pensacola Housing's quality control or internal auditing processes.

At its discretion, Pensacola Housing may also perform rent reasonableness determinations at any other time, such as during a participant's annual recertification.

### **14.1 Comparability**

For the purpose of making rent reasonableness determinations, Pensacola Housing will maintain and update a database of unassisted "comps" (rental units leased by unsubsidized tenants on the open market) in its jurisdiction.

Pensacola Housing HQS inspectors and other analysts will compare the rent proposed by the owner of an assisted unit to the rents of comparable units of the same type in comparable neighborhoods. Pensacola Housing will consider the location, quality, size, number of bedrooms, age, amenities, services, maintenance and utilities of the assisted unit and comparable units.

At any time, owners can review the information Pensacola Housing used to make a rent reasonableness determination for their unit. Owners may submit additional information, including market surveys or additional comps. Pensacola Housing will consider this information in making and reviewing rent reasonableness determinations.

### **14.2 Methodology**

Pensacola Housing bases its rent reasonableness determinations on current comparables provided by the Pensacola Association of Realtors. In addition, Pensacola Housing may obtain information from other sources, including:

1. Classified ads, MLS listings, Craigslist, etc.;
2. Third-party vendors specializing in market data; and

3. Owner-provided rent rolls of comparable units, to be confirmed by Pensacola Housing.

Pensacola Housing has established that the market areas for rent reasonableness are census tracts and/or neighborhoods within Pensacola Housing's jurisdiction. Whenever possible, subject units within a defined housing market area will be compared to similar unassisted units within the same area.

### **14.3 Rent Reasonableness Restrictions for Owners**

Federal regulations prohibit owners from charging HCV tenants more rent than unassisted tenants who occupy comparable units. By accepting the HAP payment each month, the owner certifies that the rent to owner is not more than the rent charged by the owner for comparable unassisted units.

If requested, and if applicable to the owner, the owner must provide Pensacola Housing with information on rents charged by the owner for other units on the premises or elsewhere.

At all times during the assisted tenancy, the total amount of monthly rent received by the owner from Pensacola Housing and the participant family may not exceed the reasonable rent as most recently determined or redetermined by Pensacola Housing.

### **14.4 Rent Reasonableness and Affordability**

Rent reasonableness is not the only constraint on contract rents for HCV program participants. The other constraint concerns affordability. During the first contract year in a unit, the family share cannot be more than 40% of the family's monthly adjusted income if the gross rent exceeds the payment standard. An analysis will be done when the RTA is turned in to ensure the proposed contract rent for the unit meets this requirement.

#### **14.4.1 Information for Owners**

Owners should be aware that Pensacola Housing's acceptance of an RTA based on the 40% affordability standard is not verification that the rent proposed on the RTA is reasonable. The rent reasonableness determination will be performed after the initial inspection of the unit. At that time, owners may be asked to lower the contract rent, even if they've already lowered the proposed rent to meet the affordability standard.

If an owner chooses not to accept the reasonable rent proposed by Pensacola Housing, the RTA will be denied, and the applicant or participant will be provided with an opportunity to select a different unit.

#### **14.4.2 Information for Participants**

HCV program participants should be aware that the affordability restriction is only applied during a participant family's first contract year in a unit. After that year, changes to the

tenancy, including but not limited to proposed rent increases from the owner that are found to be reasonable, decreases in household income, and changes in household composition that result in a lower family voucher size, can create situations where the family's tenant rent is more than 40% of the family's monthly adjusted income.

If the tenant rent increases to more than 40% of the monthly adjusted income at recertification as a result of changes to household income, composition, or contract rent, the housing specialist may counsel the head of household about this change and suggest moving to a more affordable unit. However, Pensacola Housing will not compel a participant family to move based solely on affordability.

## **15.0 HAP Payments and Other Information for Owners**

This chapter provides information specific to owners participating in Pensacola Housing's HCV programs. Owners are also advised to read the HAP contract and HUD-required tenancy addendum to the lease in full, and to familiarize themselves with the information in Section 4.2, Chapter 12, Chapter 13, Chapter 14, Chapter 19, and Section 21.6 of this Administrative Plan.

### **15.1 Required Owner Paperwork**

All owners participating in Pensacola Housing's HCV program are required to complete City of Pensacola vendor paperwork, including IRS form W-9 and direct deposit authorization forms. Pensacola Housing will not be able to process payments for owners until vendor setup and direct deposit authorization is complete.

If no HAP payment is made for 180 days due to an owner's failure to complete required vendor paperwork, then in accordance with HUD regulations the contract will automatically terminate and the participant family will be issued a voucher to move.

When an owner's contact information changes, the updates must be submitted in writing on Pensacola Housing's Owner/Landlord Change of Address form.

### **15.2 Out-of-State Limited Liability Companies**

In accordance with Florida Statute 608.501, property owners that are limited liability companies formed outside the state of Florida and that are interested in participating in Pensacola Housing's voucher programs may be required to obtain a certificate of authority from the Florida Department of State before the City of Pensacola can establish them as a vendor.

### **15.3 Execution of the HAP Contract [24 CFR 982.305 (c)]**

Pensacola Housing will not make any housing assistance payments to the owner until the HAP contract has been fully executed. When a HAP contract is ready for signature, Pensacola Housing will contact the owner both by phone call and by mail to inform the owner that the contract is ready.

HUD guidelines stipulate that Pensacola Housing and the owner must execute the HAP contract no later than 60 calendar days from the start date of the lease and HAP contract. Any HAP contract not executed within the 60-day period is void. If an owner doesn't appear at the Pensacola Housing office to sign the HAP contract, bringing with them their fully executed lease, within 60 days of the lease/HAP contract start date, Pensacola Housing will void the contract and contact the participant family to provide them with a new RTA. No HAP payments will be made to the owner.

## 15.4 HAP Payments to Owners

Once the HAP contract is fully executed and the owner has completed all required vendor paperwork, Pensacola Housing will begin processing housing assistance payments (HAP) to the owner. An electronic HAP register will be used as a basis for monitoring the accuracy and timeliness of payments.

Payments are disbursed to owners by the City of Pensacola's Finance Department each month. In accordance with City of Pensacola policy, regularly scheduled HAP payments will be disbursed via electronic funds transfer ("direct deposit") on the first business day of the month, and no later than the 5<sup>th</sup> day of any disbursement month, HUD funding permitting.

If Pensacola Housing's finance specialist finds that a HAP payment was not made because of Pensacola Housing error, the finance specialist will request a special payment, outside of the normally scheduled check run, from the City of Pensacola's Finance Department. The special payment will take the form of a paper check, and will be mailed to the owner's address of record as soon as processing is complete.

Payments that were not made because of a delay outside of Pensacola Housing's control will be processed with the next month's regularly scheduled electronic funds transfer.

Pensacola Housing will provide owners with electronic statements, showing itemized details of their monthly payments, via an online service called HAPCheck. Owners will be able to view up to 18 months' worth of HAP statements via HAPCheck.

## 15.5 1099s

At the close of each calendar year, the City of Pensacola Finance Department will send out 1099s to owners who use a social security number as their Tax ID for the purpose of receiving HAP payments. The 1099s will be mailed out in accordance with IRS guidelines regarding deadlines.

If an owner needs to request a duplicate copy of a 1099, he or she should contact the Pensacola Housing finance specialist to make that request. Requests for duplicate copies of 1099s must be made in writing. It may take up to 10 business days for the City of Pensacola to process these requests.

## 15.6 Disapproval of Owners [24 CFR 982.306]

Pensacola Housing will deny participation by an owner at the direction of HUD, or for any of the following reasons:

1. The owner has violated any obligations under a HAP contract;

2. The owner has committed fraud (which includes providing false documents or withholding information), bribery, or any other corrupt or criminal act in connection with any federal housing program;
3. The owner has engaged in drug-related criminal activity, including drug trafficking, sale, or manufacture; any violent criminal activity; or is a registered sex offender;
4. The owner has a history or practice of non-compliance with HQS for units leased under the HCV program or with applicable housing standards under any other federal housing program;
5. The owner has engaged in program abuse or fraud, including collection of payments in excess of the family share of the rent ; requiring the family to perform extraordinary service in lieu of payments; collecting assistance payments for units not occupied by HCV tenants; or bribing of Pensacola Housing employees;
6. The owner has a history or practice of renting units that fail to meet state or local codes;
7. The owner fails to provide documentation regarding property ownership, or any other requested information;
8. The owner has not paid state or local property taxes, fines, or assessments; or the owner has violated a HAP contract through forfeiture of the property, i.e. foreclosure;
9. The owner refuses (or has a history of refusing) to evict families for drug-related or violent criminal activity, or for activity that threatens the health, safety or right of peaceful enjoyment of the premises by tenants and neighbors;
10. The owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family of an applicant seeking the initial use of a voucher, unless Pensacola Housing determines that approving the unit would provide reasonable accommodation for a family member who is a person with disabilities;
11. HUD has informed Pensacola Housing that the federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements, and such action is pending;
12. HUD has informed Pensacola Housing that a court or administrative agency has determined that the owner has violated the Fair Housing Act or other federal equal opportunity requirements; or
13. Other conflicts of interest under federal, state, or local law.

### **15.7 Limitation and Termination of Owner's Participation [24 CFR 982.453]**

If an owner is guilty of frequent or serious HAP contract violations, including but not limited to repeated failure to enforce lease agreements with assisted families, failure to maintain the HQS status of assisted units, or the collection of side payments beyond the reasonable rent; or has committed fraud, bribery or any other corrupt or criminal act; or has engaged in drug related criminal activity, the HAP contract with the owner may be terminated and the owner prohibited from future participation in the program for a period of time commensurate with the seriousness of the offense.

### **15.8 Renting to Relatives**



Unless the lease between the owner and the participant was effective prior to June 17, 1998, the owner may not be a parent, child, grandparent, grandchild, sister or brother of any member of the participant household.

Pensacola Housing may waive this restriction as a reasonable accommodation when a household member is a person with a disability.

Owners may not live in the same unit with assisted family members in a lease-shared housing arrangement, unless specifically approved by HUD.

For purposes of this policy, “owner” includes any principal or other interested party.

### **15.9 Assigning an Agent or Property Manager**

Owners who employ the services of an agent or property manager will be asked to declare the agent or property manager, and specify in the vendor paperwork what duties the agent or manager is authorized to perform.

If a realtor or property manager completes an RTA, upon request Pensacola Housing may require the realtor or property manager to provide the Housing Department with a copy of the property management agreement showing that the realtor or property manager is authorized to lease the unit and collect rent on the owner’s behalf.

Owners who live outside of the Pensacola-Ferry Pass-Brent Metropolitan Statistical Area (that is, Escambia and Santa Rosa Counties) are required to provide Pensacola Housing and voucher-holding tenants with contact information for a representative, property manager, or agent who lives within the Pensacola metropolitan area and who is authorized to act on the owner’s behalf to handle any emergencies that may occur on the property.

It is recommended that local owners who are frequently out of town, or who do not have the capacity to collect rents, respond to tenants, and perform periodic maintenance on the rental unit, also designate an agent or manager to act on their behalf. Owners who do so will be able to specify in the vendor paperwork what duties the agent or manager is authorized to perform.

#### **15.9.1 Criminal Screening of Agents and Property Managers**

Pensacola Housing will screen all new landlords and their agents in the Dru Sjodin National Sex Offender Public Website (NSOPW). Pensacola Housing will disapprove any owner or agent who is subject to a registration requirement under a state sex offender registration program.

### **15.10 Changes in Unit Ownership or Management**

All changes in ownership or management of units with active HAP contracts must be reported to the Pensacola Housing Department within 10 business days of the change.

Whenever possible, changes should be reported in advance, so HAP payments can be put on hold prior to the transition and to avoid the possibility of incorrect payments. If the prior owner or property manager is paid by Pensacola Housing after the change in ownership or management because of a delay in reporting, or a delay in providing verification documents, on the part of the owners or management companies, those parties will be responsible for arranging the transfer of funds.

A change in ownership requires execution of a new HAP contract. Pensacola Housing and the new owner may, however, complete Pensacola Housing's HAP Contract Addendum, which will affirm the new owner's agreement with the HAP contract(s) already in effect for the affected families, and the new owner's willingness to be bound by the terms of the existing HAP contract.

Pensacola Housing will process a change of ownership only upon the written request of the new owner and only if accompanied by a copy of the escrow statement or other document showing the transfer of title, recorded deed, and the Employer Identification Number or Social Security Number of the new owner.

Changes in property management also require reassignment of the HAP contract. Pensacola Housing will require written proof that all parties—the former property manager, the new property manager, and the tenant—have been informed of the change before any reassignment of the HAP contract, or HAP payments, occurs.

### **15.11 Required New Owner Paperwork**

If a new owner or property manager who assumes the obligations of an existing HAP contract is not an active vendor with Pensacola Housing, the owner will be required to complete City of Pensacola vendor paperwork as described above in Sections 15.1 and 15.2.

If no HAP payment is made for 180 days due to the new owner's failure to complete the required vendor paperwork, then in accordance with HUD regulations the contract will automatically terminate and the participant family will be issued a voucher to move.

### **15.12 Changing the Lease or the Contract Rent**

If the participant and owner agree to any changes in the lease, all changes must be in writing, and the owner must immediately give Pensacola Housing a copy of the changes. The lease, including any changes, must be in accordance with this Administrative Plan.

Assistance will not be continued unless Pensacola Housing has approved the new lease in accordance with program requirements. If the new lease includes any changes governing participant or owner responsibilities for utilities or appliances, Pensacola Housing and the owner will have to execute a new HAP contract reflecting the changes. A new HAP contract is not generally required for other changes to the lease.

Owners must notify Pensacola Housing in writing of any proposed change to the contract rent amount a minimum of 60 days before the change goes into effect. To expedite this process, Pensacola Housing will provide the Request for Tenancy Continuation (RTC) to participant families at least 60 days before their recertification date. Any requested increase in contract rent is subject to Pensacola Housing performing a rent reasonableness determination.

## **16.0 Annual and Interim Reexaminations [24 CFR 982.516]**

In accordance with HUD requirements, Pensacola Housing will reexamine the income and household composition of all participant families regularly. Annual recertifications and interim reexaminations will be processed in a manner that ensures families are given reasonable notice of decreases in the HAP and corresponding increases in tenant rent.

This chapter defines Pensacola Housing's policy for conducting annual reexaminations. It also explains the interim reporting requirements for families, and the standards for timely reporting of changes in family income or composition.

### **16.1 Annual Reexaminations [24 CFR 982.516 (a)]**

Pensacola Housing must conduct an annual reexamination of household income and household composition for all active HCV program participants at least annually. Voucher households will be notified by mail of the recertification requirements at least 90 days in advance of their anniversary date. If requested as an accommodation by a person with a disability, Pensacola Housing will provide the notice in an accessible format. Pensacola Housing will also mail the notice to a third-party, if requested as a reasonable accommodation.

Pensacola Housing will strive to complete annual recertifications for families before the anniversary date, including notifying the family of any increases in tenant rent at least 30 days before the anniversary date, unless action or inaction of the family delays notification. If the family's rent portion remains the same or decreases, Pensacola Housing may give less than 30 days written notice to the family.

Income limits are not used as a test for continued eligibility at recertification.

#### **16.1.1 Collection of Information [24 CFR 982.516(f)]**

Pensacola Housing will send a Notification of Annual Recertification letter approximately 90 days prior to the anniversary date of the lease and HAP contract to the family, informing them it is time for their annual reexamination, and notifying them of the scheduled date, time, and location of their annual interview. The letter includes forms for the family to complete in preparation for the interview, and instructions permitting the family to reschedule the interview if necessary. The letter specifies that families who may need to make alternate arrangements due to a disability should contact the Housing Department within a reasonable time period to request a reasonable accommodation of their needs, including a home visit if necessary, and/or to arrange a means of alternate communication.

During the recertification interview, the family may have a friend, family member, or other advocate present to assist in the recertification process.

During the interview, the family will provide current information regarding income, assets, expenses, and other information necessary to redetermine the family's Total Tenant Payment and family share. The family must sign the HUD consent form and other consent forms that are used to verify family circumstances.

### **16.1.2 Missed Appointments**

If the family fails to attend the recertification interview and doesn't call to reschedule, a Notification of Pending Termination will be mailed. The notification will advise the family that in order to avoid termination of their assistance, they must contact Pensacola Housing to schedule a recertification appointment prior to their recertification date. Failure to do so will result in Pensacola Housing taking action to terminate the family's voucher program participation.

If the family reschedules their recertification appointment but then fails to attend the make-up appointment, Pensacola Housing will terminate the family's voucher program participation. The family will have the right to request an informal hearing.

If the family has failed to attend the interview or make-up appointment due to a disability, and requests consideration, Pensacola Housing will consider verifiable mitigating circumstances and may make other arrangements as a reasonable accommodation.

### **16.1.3 Failure to Respond to Notification to Recertify**

If the family fails to submit some or all of their required documents at the recertification interview, the housing specialist will provide a checklist of the missing items, and a deadline for their return.

If the family doesn't return all required items by the deadline, Pensacola Housing will mail a Notification of Pending Termination, and set a final deadline for return of the missing items.

If the family fails to respond to the final notification, and has not contacted Pensacola Housing to make other arrangements, Pensacola Housing will terminate the family's voucher program participation. The family will have the right to request an informal hearing.

Pensacola Housing may offer exceptions to these policies if the family is able to document an emergency situation that prevented them from responding to the recertification notices, or, if requested, as a reasonable accommodation for a person with a disability.

### **16.1.4 Documents Required From the Family**

In the notification letter to the family, Pensacola Housing will include instructions for the family to submit the following:

1. Documentation of all income declared by the family on their Tenant Information Form and/or as requested by Pensacola Housing;

2. Self-declaration of assets, and, if net family assets total \$5,000 or more, third-party verification of all assets;
3. Documentation for any deductions or allowances declared by the family;
4. Personal Declaration form completed by head of household, and signed and dated by all family members age 18 and older;
5. Authorization for the Release of Information Forms completed by head of household, and signed and dated by all family members age 18 and older; and
6. The Request for Tenancy Continuation, to be completed by the family and the unit owner.

### **16.1.5 Verification of Information**

Pensacola Housing will follow the verification guidelines and procedures described in Chapter 10. Verification documents supplied by the family for reexaminations must be current within 90 days of the date of the family's recertification interview.

### **16.1.6 Annual Reviews Resulting in Tenant Rent Increases**

If the tenant rent increases as a result of recertification, a notice is mailed to the family and to the owner at least 30 days prior to the effective date of the increase.

If notice of the increase in tenant rent is mailed out less than 30 days before the effective date, and the delay was caused by Pensacola Housing, then the tenant rent increase will be effective on the first of the month following the 30-day notification period.

If notice of the increase in tenant rent is mailed out less than 30 days before the effective date, and the delay was caused by the participant family, then the tenant rent increase will still take effect on the effective date of the annual recertification, even if that means a retroactive increase in tenant rent. Delays caused by the family include: missed appointments, failure to return documents by specified deadlines, and misrepresentation of household income or other circumstances that require additional investigation by Pensacola Housing.

### **16.1.7 Annual Reviews Resulting in Tenant Rent Decreases**

If the tenant rent decreases, the decrease will be effective on the anniversary date.

## **16.2 Reporting Interim Changes [24 CFR 982.516 (c, d)]**

Participants in Pensacola Housing's voucher programs are required to report all changes in their household income, expenses, household composition, student status, immigration status, assets (when net family assets total \$5,000 or more), and name changes, in writing, within 10 business days of the change.

Most interim reviews will be conducted through the mail and by phone, unless the family requests that the review take place in person.

An interim reexamination does not affect the date of the annual recertification.

### **16.2.1 Adding Household Members**

All additions to the household must be reported to Pensacola Housing within 10 business days. Prospective adult additions to the household must meet all standards for participant acceptance, including an acceptable background check, previous program compliance history, criminal screening, and no outstanding debts to any PHA.

Before a new adult household member takes occupancy of the assisted unit, the household must:

1. First receive the landlord's approval for the household member to be added to the lease; and
2. After receiving the landlord's approval, receive Pensacola Housing's approval for the person(s) to be added to the household.

Minors may be added to the household if the subsidized residence will be their primary residence; that is, they will reside at the residence at least 51% of the time. Documents that are acceptable evidence of primary residency include, but are not limited to: signed income tax returns, school records, child support payment records, parenting agreements, statements from custodial parents or guardians regarding the residency of the minor, Medicaid or Social Security documentation, other relevant documentation from a state or federal agency, adoption decrees, and court orders.

When a new family member is added, income of the new family member must be added to the family income as well, and a new TTP, family share, and tenant rent calculated. Pensacola Housing will conduct an interim reexamination to review such additional income and make the appropriate adjustments to the HAP and tenant rent.

The income of additions to the household who are not considered family members under HUD's definition, including live-in aides, foster children, and foster adults, will be excluded.

The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified before the new household members move into the unit.

If a new household member approved by Pensacola Housing subsequently appears on the Multiple Subsidy Report in the EIV system, Pensacola Housing will notify the family. The family will be given 14 business days to furnish proof that the household member has been removed from the household where the duplicate subsidy was reported. If the family fails to provide such proof, the new household member may be removed from the household subsidized by Pensacola Housing, pending the results of Pensacola Housing's investigation.

### **16.2.2 Removing Household Members**

Participant families must inform Pensacola Housing of any permanent departures from the household within 10 business days of the change in household composition. Pensacola Housing will require a statement from the landlord confirming the departure from the assisted household. Whenever possible, additional third-party documentation, such as

proof of new residence, will be required as well. Pensacola Housing will consider any of the following as verification:

1. Order of protection/restraining order is obtained by one family member against another;
2. Proof of another home address is provided, such as utility bills, canceled checks for rent, driver's license, or lease or rental agreement, if available;
3. Family provides statements from other agencies such as the Department of Children and Families;
4. If an adult family member is incarcerated, a document from the court or correctional facility; or
5. As a last resort, if no other proof can be provided, Pensacola Housing will accept a self-certification from the head of household, or the spouse or co-head if the head is the absent member.

Once third-party verification documents have been received, Pensacola Housing will report an interim reexamination to HUD, to be effective on the first of the calendar month after the departure occurred. Any household income associated with the departed household member will also be removed.

Reductions in household size may result in a reduction in the subsidy for which the household is eligible. Such reductions will be applied at the next annual reexamination or mover's recertification after the departure from the household occurs.

### **16.2.3 Increases in Income**

Participants are required to report all increases in income, or in assets (when net family assets total \$5,000 or more), in writing, within 10 business days of the change.

### **16.2.4 Decreases in Income/Increases in Deductions**

Participants are not required to, but may at any time, report a decrease in income, or other change that might reduce the amount of tenant rent, such as an increase in qualified allowances or deductions. Upon receipt of appropriate third-party verification of such changes, Pensacola Housing will take timely action to process the interim reexamination and recalculate the family share.

Pensacola Housing will not conduct interim reexaminations based on an increase or decrease in the household's medical expenses between annual eligibility reviews.

### **16.2.5 Interim Reexamination Policy**

Pensacola Housing will conduct a complete interim re-examination and submit an updated 50058 to HUD in the following cases:

1. Interim additions to the household;
2. Interim departures from the household;
3. Any increase in income when a family previously reported no income source;



4. An increase in income that is greater than \$2,400 per year or that results in a material effect on the family's TTP (a change of 10 percent or more);
5. Upon the family's request, a decrease in household income that produces a decrease in the tenant rent; and
6. Upon the family's request, an increase in qualified household deductions that produces a decrease in the tenant rent.

Changes reported by participants that do not fall into one of the categories listed above will be noted in the participant file, but will not be submitted to HUD as a new 50058 between regularly-scheduled annual recertifications.

### **16.3 Special Reexaminations**

If a family's income is too unstable to project for 12 months, including families that temporarily report zero income, Pensacola Housing may schedule special reexaminations every 30 days, or on whatever schedule is determined necessary, until the income stabilizes and an annual income can be determined.

### **16.4 Timely Reporting of Changes in Income and Household Circumstances**

Pensacola Housing requires that families report interim changes to Pensacola Housing in writing within 10 business days of when the change occurs. Any follow up information, document or signature from the family that is needed to verify the change must be provided by the deadline specified by Pensacola Housing.

If a change is not reported within the required 10 business days, or if the family fails to provide documentation or signatures by a set deadline, it will be considered untimely reporting.

#### **16.4.1 Procedures When the Change is Reported by the Family in a Timely Manner**

Pensacola Housing will notify the family and the owner of any change in the HAP and the tenant rent, which will take effect according to the following guidelines:

1. Increases in the tenant rent are effective on the first of the month following at least a 30-day notice; and
2. Decreases in the tenant rent are effective the first of the month following the month in which the change is reported. In general, rent reductions will not be processed until all the facts have been verified. However, a change may be implemented based on documentation provided by the family, pending third-party written verification.

#### **16.4.2 Procedures When the Change is Not Reported by the Family in a Timely Manner**

If the family does not report the change within the timeframes described above, the family will have caused an unreasonable delay in the interim reexamination processing and the following guidelines will apply:

1. Increases in tenant rent will be effective retroactive to the date they would have been effective had changes been reported in a timely manner. The family will be liable for any overpaid HAP or UAP and may be required to sign a repayment agreement; and
2. Decreases in the tenant rent will be effective on the first of the month following the month that the change was reported, assuming the family complies with all Pensacola Housing-required document submission deadlines.

#### **16.4.3 Procedures When the Change is Not Processed by Pensacola Housing in a Timely Manner**

“Processed in a timely manner” means that the change goes into effect on the date it should, by policy, when the family reports the change in a timely manner. If the change cannot be made effective on that date, the change was not processed by Pensacola Housing in a timely manner.

In the event that a change is not processed by Pensacola Housing in a timely manner, any change resulting in an increase in tenant rent will be effective on the first of the month after the required 30-day notification period.

If the change resulted in a decrease to the tenant rent, the overpayment made by the family will be calculated retroactively to the date when the change should have been effective, and the owner will be credited for the amount the HAP was underpaid. The owner will then be responsible for crediting or reimbursing the family for any rent they overpaid during this period.

### **16.5 Pensacola Housing Errors**

If Pensacola Housing discovers that it made an error that had a substantial effect upon a participant family’s rent subsidy, it will take necessary steps to correct the error and make adjustments to the tenant’s subsidy calculation.

If correction of the error would have an adverse effect on the participant family (for example, a reduction in HAP to the owner) then Pensacola Housing will provide the family with a 30-day notice of the increase in tenant rent. The tenant rent increase will be effective on the first of the month after the 30-day notification period has passed. Neither the participant family nor the owner will be asked to repay funds for an error they did not cause.

If correction of the error would be favorable to the tenant (for example, a retroactive increase in HAP to the owner) then Pensacola Housing will calculate the adjustment amount from the point at which the error was made to the month during which the error was corrected. The adjustment amount will be credited to the owner's account or be paid to the tenant in one of the following ways:

1. If the tenant is still in the unit and the period of incorrect HAP is within the current contract year, then an additional payment will be issued to the owner with a copy of the notification being sent to the tenant. The owner will be responsible for adjusting the rent accordingly or for issuing a refund to the tenant;
2. If the tenant is still in the unit and the period of incorrect HAP spans a previous calendar year, then a check will be issued to the tenant at the tenant's current address;
3. If the tenant is still in the program but not in the same unit then a check will be sent to the tenant at the tenant's current address; or
4. If the tenant is no longer a program participant, then notification will be sent to the tenant at the tenant's last known address advising them to contact Pensacola Housing to resolve an error in their previous program participation. Details of the reconciliation will be reserved until the tenant contacts Pensacola Housing and confirms their identity.

## **16.6 Income Changes Resulting from Welfare Program Requirements [24 CFR 5.615]**

Pensacola Housing will not reduce the family share or tenant rent for families whose welfare assistance is reduced due to a "specified welfare benefit reduction," which is a reduction in benefits by the welfare agency specifically because of:

1. Fraud in connection with the welfare program; or
2. Non-compliance with a welfare agency requirement to participate in an economic self-sufficiency program.

However, Pensacola Housing will reduce the tenant rent if the welfare assistance reduction is a result of:

1. The expiration of a lifetime limit on receiving benefits;
2. A reduction in welfare assistance resulting from the family's failure to obtain employment, after having complied with welfare program requirements; or
3. A reduction in welfare assistance resulting from a family member's failure to comply with other welfare agency requirements.

### **16.6.1 Families Affected by Welfare Rules**

Families are affected by the welfare rules discussed above if they are currently receiving benefits for welfare or public assistance from a state or public agency program that

requires, as a condition of eligibility to receive assistance, the participation of a family member in an economic self-sufficiency program.

### **16.6.2 Definition of “Imputed Welfare Income”**

“Imputed welfare income” is an amount of annual income, not actually received by a family, as a result of a specified welfare benefit reduction, that is included in the family’s income for purposes of determining tenant rent.

The amount of imputed welfare income is determined by Pensacola Housing, based on written information supplied to Pensacola Housing by the welfare agency, including:

1. The amount of the benefit reduction;
2. The term of the benefit reduction;
3. The reason for the reduction; and
4. Subsequent changes in the term or amount of the benefit reduction.

The family's annual income will include the imputed welfare income, as determined at the family's annual or interim re-examination, during the term of the welfare benefits reduction specified by the welfare agency.

The amount of imputed welfare income will be offset by the amount of additional income the family receives that commences after the sanction is imposed. When additional income from other sources is at least equal to the imputed welfare income, the imputed welfare income will be reduced to zero.

If the family was not an assisted resident when the welfare sanction began, imputed welfare income will not be included in annual income.

### **16.6.3 Verification Before Denying a Request to Reduce Rent**

Before denying the family’s request for rent reduction, Pensacola Housing will obtain written verification from the welfare agency stating that the family’s benefits have been reduced due to fraud or non-compliance with welfare agency economic self-sufficiency or work activity requirements.

### **16.6.4 Family Dispute of Amount of Imputed Welfare Income**

If the family disputes the amount of imputed income, the housing specialist or a supervisor will review the calculation for accuracy. If Pensacola Housing denies the family’s request to modify the amount, Pensacola Housing will provide the tenant with a notice of denial, which will include:

1. An explanation for Pensacola Housing’s determination of the amount of imputed welfare income;
2. A statement that the tenant may request an informal hearing; and
3. A statement that the grievance information received from the welfare agency cannot be disputed at the informal hearing, and the issue to be examined at the informal

hearing will be Pensacola Housing's determination of the amount of imputed welfare income, not the welfare agency's determination to sanction the welfare benefits.

### **16.7 Notification of Results of Annual and Interim Recertifications**

The HUD Form 50058 will be completed and transmitted as required by HUD.

A contract and lease amendment noting the changes in HAP and tenant rent is sent to the owner and the tenant. If the family disagrees with the rent adjustment, they may request an informal hearing.

## 17.0 Other Changes in Household Conditions

This chapter reviews the rules and processes covering changes in household conditions besides changes in household income or household composition, which were covered in Section 16.3 and its subsections.

### 17.1 Absences from the Assisted Unit [24 CFR 982.312]

It is the responsibility of the head of household to report all changes in household conditions, including temporary absences from the unit, to Pensacola Housing.

Pensacola Housing defines a “temporary absence” as any or all members of the household, including the head of household, being away from the unit for longer than 14 consecutive calendar days but no more than 60 days. Temporary absences are permitted under Pensacola Housing’s voucher program, provided that:

1. The head of household informs Pensacola Housing of the absence;
2. The household’s utility accounts remain in service;
3. The household continues to pay their tenant rent portion in a timely fashion, and comply with all other lease requirements; and
4. The absent persons are still using the assisted unit as their residence, and have not taken occupancy elsewhere.

It is strongly recommended that the household inform their landlord of temporary absences as well. Income of persons temporarily absent will continue to be counted as household income for the purposes of calculating tenant rent and subsidy.

If a household member is temporarily absent and in the military, all military pay and allowances (except hazardous duty pay when exposed to hostile fire and any other exceptions to military pay that HUD may define) is counted as income.

Except for absences due to medical reasons, in most cases Pensacola Housing will not approve absences from the unit lasting more than 60 days, and will conduct an interim reexamination removing any household member who will be absent for that long. If the entire household is absent for longer than 60 days, Pensacola Housing will terminate the HAP contract and the family’s voucher program participation. If participation is terminated, the family will have the right to request an informal hearing.

In accordance with 24 CFR 982.312 (a), Pensacola Housing will not approve any absence from the unit lasting more than 180 consecutive calendar days, even in the case of absence due to medical reasons or other absences approved by Pensacola Housing. The owner must reimburse Pensacola Housing for any HAP paid for the period after the termination.

### **17.1.1 Absence Due to Medical Reasons**

If any family member leaves the household to enter a facility such as a hospital, nursing home, or rehabilitation center, Pensacola Housing will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates the family member will be permanently confined to a nursing home, the family member will be considered permanently absent. If the verification indicates the family member will return in less than 180 consecutive days, the absence will be treated as a temporary absence.

In accordance with 24 CFR 982.312 (a), any absence from the unit lasting more than 180 consecutive calendar days, even absences due to medical reasons, will be considered permanent, and Pensacola Housing will conduct an interim reexamination to remove the absent member from the household.

If the person who is determined to be permanently absent is the sole member of the household, Pensacola Housing will terminate the HAP contract. If the absence was approved, the family will be invited to contact Pensacola Housing to request a moving voucher.

### **17.1.2 Absence Due to Full-Time Student Status**

Students who attend a school more than 50 miles away from the subsidized unit are not considered members of the household for the purpose of determining subsidy.

Full-time students who attend a school within 50 miles of the subsidized unit but live away from the unit more than half the year are also not included in household composition for the purpose of determining the household's subsidy level.

However, full-time students who were part of the family but who now live away from home during the school year and are no longer on the lease may visit for up to 150 days per year without being considered in violation of the guest policy. See also Sections 17.3 and 17.4 below.

### **17.1.3 Absence Due to Incarceration**

Any member of the household will be considered permanently absent if he or she is incarcerated for 60 consecutive days, and Pensacola Housing will conduct an interim reexamination to remove the absent member from the household.

If the person who is determined to be permanently absent is the sole member of the household, Pensacola Housing will terminate voucher program participation. If participation is terminated, the family will have the right to request an informal hearing.

### **17.1.4 Absence Due to Court Order**

If a member of the household is subject to a court order that restricts him or her from the home, the person will be considered permanently absent.

### **17.1.5 Absence of Children Due to Placement in Foster Care**

If the family includes a child or children temporarily absent from the home due to placement in foster care, Pensacola Housing will determine from the appropriate agency when the children are expected to be returned to the home. If the time period is greater than 12 months from the date of removal, the family voucher size will be lowered at the next annual reexamination.

### **17.1.6 Absence of the Entire Family**

Participants are required to notify Pensacola Housing before they move out of a unit and to give Pensacola Housing information about any family absence from the unit.

In cases where the family has moved out of the unit without adequate notice to Pensacola Housing and the owner, Pensacola Housing will terminate assistance in accordance with the termination procedures contained in this Administrative Plan.

If the entire family is absent from the assisted unit for more than 60 consecutive days without notifying Pensacola Housing, or if Pensacola Housing otherwise determines that the unit has been vacated or abandoned, the unit will be considered to be vacated and assistance will be terminated.

In order to determine if the family is absent from the unit, Pensacola Housing may investigate the situation by taking action, including but not limited to the following:

1. Contacting the landlord and asking the landlord to determine occupancy status;
2. Telephoning the family at the unit;
3. Writing letters to the family at the unit; and
4. Verifying whether utilities are in service.

## **17.2 Caretaker for Children**

In a household with children where all adults are absent from the household, if the family, or an appropriate agency, has identified another adult who is willing to move into the assisted unit to care for the children, Pensacola Housing will approve the adult addition to the household provided the new household member meets all of Pensacola Housing's eligibility requirements and is willing to assume the responsibilities of a voucher program Head of Household.

When Pensacola Housing approves a person to reside in the unit as caretaker for the child/children, the individual will be required to complete all program application requirements, and the individual's income will be counted. Pensacola Housing will work with the appropriate service agencies and the landlord to provide a smooth transition in these cases.

## **17.3 Visitors/Unauthorized Residents in Unit**



Any adult not included on HUD Form 50058 who has been in the unit more than 14 consecutive days without Pensacola Housing approval, or for a total of 30 days in a 12-month period, will be considered to be living in the unit as an unauthorized household member. In extenuating circumstances, a participant may request an extension of these time periods, which Pensacola Housing will consider on a case-by-case basis.

Use of the unit address as the visitor's current residence for any purpose that is not explicitly temporary shall be construed as permanent residence. Examples include voter registrations, judgments, court or police records, state wage records, utility records, and postal records. Statements from neighbors and/or the landlord may also be considered in making the determination.

If an unauthorized individual is found to be residing in the assisted unit, Pensacola Housing will terminate the family's assistance, since prior approval was not requested for the addition to the household. The family may request an informal hearing.

#### **17.4 Visiting Minors and College Students**

Minors and college students who were part of the family but who now live away from home during the school year and are no longer on the lease may visit for up to 150 days per year without being considered a member of the household or an unauthorized guest.

In a joint custody arrangement, if the minor is in the household fewer than 181 days per year, the minor will be considered to be an eligible visitor, not an unauthorized household member.

#### **17.5 Break-up of the Household**

If a household breaks up, Pensacola Housing will make a determination regarding which household member will retain the voucher, taking into consideration the following factors:

1. Who is the head of household and did the head of household remain in the unit;
2. The interest of minor children, or of ill, elderly, or disabled family members;
3. Whether assistance should remain with the household members who remained in the unit; and
4. Whether household members were forced to leave the unit as a result of actual or threatened physical violence by another member of the household.

If a court determines the disposition of property between members of the assisted family in a divorce or separation under a settlement of judicial decree, Pensacola Housing will be bound by the court's determination of which household members continue to receive assistance on the program.

Because of the great number of possible different circumstances under which a determination might have to be made, Pensacola Housing will make determinations on a case-by-case basis. Pensacola Housing will issue a determination within 14 business days

of the request for a determination. The family member requesting the determination may request an informal hearing, in compliance with Chapter 22 of this Administrative Plan.

## **18.0 Moves with Continued Assistance / Portability [24 CFR 982.354]**

Participants of the HCV program who are in good standing may use their voucher to move to another unit within Pensacola Housing's jurisdiction, or port the voucher to another jurisdiction.

For families already participating in the HCV program, Pensacola Housing will allow the family to request a moving voucher if:

1. The initial lease term has been fulfilled;
2. The landlord and tenant have mutually agreed to terminate the lease;
3. Pensacola Housing has terminated the HAP contract because of a landlord violation;
4. The lease is in a rollover period and the tenant has provided a 30-day notice of lease termination to the landlord and to Pensacola Housing;
5. The lease is in a rollover period and the landlord has provided a 30-day notice of lease termination to the tenant and to Pensacola Housing;
6. The family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, or stalking, as provided in 24 CFR part 5, subpart L (Protection for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking), and the move is needed to protect the health or safety of the family or a family member; or
7. A family member has been the victim of a sexual assault that occurred on the premises during the 90-calendar-day period preceding the family's request to move.

Under no circumstances will Pensacola Housing allow a participant to improperly break a lease. Families participating in the HCV program will not be allowed to move more than once in any 12-month period, except under extraordinary circumstances that will be considered by Pensacola Housing on a case-by-case basis.

### **18.1 Required Mover's Meeting**

All families who are moving, including any families moving into or out of Pensacola Housing's jurisdiction, will be required to attend a mover's meeting prior to Pensacola Housing issuing a voucher on their behalf.

This meeting is intended to provide the following:

1. A refresher on program requirements and the family's responsibilities. Emphasis will be placed on giving proper notice and meeting all lease requirements, such as leaving the unit in good condition;
2. Information about finding suitable housing and the advantages of locating housing outside areas of poverty or racial concentration;
3. Payment standards, exception payment standard areas, if applicable, and the utility estimate schedule;

4. An explanation that the family share of the rent may not exceed 40% of the family's monthly adjusted income if the gross rent exceeds the applicable payment standard;
5. Portability requirements and opportunities;
6. The need for Pensacola Housing to conduct a reexamination prior to issuing the moving voucher, if it's been more than 120 days since the last reexamination;
7. Copies of the forms required to initiate and complete the move, and an explanation of them; and
8. All forms and brochures provided to applicants at the eligibility briefing.

See Section 3.5 of this Administrative Plan for information on Pensacola Housing's policy concerning reasonable accommodations for disabled persons, including reasonable accommodations to make all briefings, including mover's meetings, accessible to all program participants.

## **18.2 Procedures Regarding Participant Moves**

Participants are required to give proper written notice of their intent to terminate the lease. In accordance with HUD regulations, no notice requirement may exceed 60 days. During the initial 12-month lease term, families may not end the lease early unless they and the owner mutually agree to do so because of extenuating circumstances. Families and owners must complete a "Notice of Intent to Move" form for this purpose. If the family moves from the unit before the initial term of the lease ends without the owner's and Pensacola Housing's approval, it will be considered a violation of family obligations, and subject the family to termination of their housing assistance.

After the initial 12-month period, the family is required to give Pensacola Housing a copy of the notice to terminate the lease at the same time the family provides the notice to the owner. A family's failure to provide a copy of the lease termination notice to Pensacola Housing will be considered a violation of family obligations and may cause the family to be terminated from the program.

A family who gives notice to terminate the lease should typically deliver the notice in the same manner used to deliver their tenant rent portion. If the family does not have a tenant rent portion, they should mail the notice to the owner, or deliver it to the property management office. Whenever possible, the family should ask the owner or property manager for a signature confirming receipt of the written notice to move. If the owner refuses to accept or acknowledge the notice, the family should notify their housing specialist, in which case Pensacola Housing notification will serve as confirmation of the tenant's notice as well.

Families must be in good standing with Pensacola Housing to be authorized to move. If a family has moved out of its assisted unit in violation of the lease, Pensacola Housing will not issue a voucher and will terminate assistance.

## **18.3 Portability [24 CFR 982.353, 24 CFR 982.355]**

In accordance with federal regulations, at the time when a moving voucher is issued participants in the HCV program may move to any jurisdiction where a tenant-based HCV program is being administered, a process known as portability.

Applicants to the HCV program may also port their initial voucher to another jurisdiction if they were legal residents of the PHA's jurisdiction at the time when they applied to the waiting list.

For applicants who were not legal residents of its jurisdiction at the time of application, Pensacola Housing policy requires such applicants to use their initial voucher to lease up within its jurisdiction. However, Pensacola Housing will grant portability requests from nonresident applicants in the following circumstances:

1. The family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, or stalking, as provided in 24 CFR part 5, subpart L (Protection for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking), and the move is needed to protect the health or safety of the family or family member; or
2. A family member has been the victim of a sexual assault that occurred on the premises during the 90-calendar-day period preceding the family's request to move.

Occasionally, a family that has requested to port out of Pensacola Housing's jurisdiction is unable to locate a unit in the jurisdiction where they intended to move. The family may request to return to Pensacola Housing's jurisdiction as long as the 90-day term of the voucher issued by Pensacola Housing has not yet expired.

#### **18.4 Income Eligibility and Portability**

Applicant families who are leasing up with a voucher for the first time must be income eligible within the jurisdiction where they use their voucher.

If a family requesting portability is an applicant family who is eligible to or has been granted permission to port their initial voucher, the family must be income eligible in the jurisdiction where the family wishes to move. If the applicant is porting out of Pensacola Housing's jurisdiction, Pensacola Housing will contact the PHA in the receiving jurisdiction to help the family confirm its income eligibility in that jurisdiction prior to sending portability paperwork.

If a family requesting portability is already a participant in Pensacola Housing's HCV program, income eligibility is not re-determined, though updated income verification and other documentation may be required.

#### **18.5 Administration by Receiving PHA**

When a family utilizes portability to move to an area outside Pensacola Housing's jurisdiction, the receiving PHA will either absorb the family into its own HCV program, or administer the voucher on behalf of Pensacola Housing.

If there's more than one PHA in the jurisdiction where the family wishes to move, the family will be asked to specify which PHA should be the receiving PHA.

### **18.6 Portability Procedures for Port-Out Clients**

The following procedures will be used when Pensacola Housing is the initial PHA and a family has requested portability outside of Pensacola Housing's jurisdiction.

1. Pensacola Housing will brief the family on the process that must take place to exercise portability. The family will be required to attend a certification appointment and/or a mover's meeting.
2. For new applicants who have requested portability and are determined to be eligible to port, Pensacola Housing will determine whether the family is income-eligible in the area where the family wants to lease a unit.
3. Pensacola Housing will advise the family how to contact and request assistance from the receiving PHA.
4. Within 10 business days of issuing the voucher for portability, Pensacola Housing will send the receiving PHA a portability packet including the voucher, a 52665 form, the most recent 50058 form, and any required verification information.
5. If the receiving PHA is billing Pensacola Housing for the family's assistance, Pensacola Housing will promptly initiate payments to the receiving PHA once the billing information is received, unless the receiving PHA missed the billing deadline. In that case, Pensacola Housing will notify the receiving PHA that it should absorb the client.

### **18.7 Portability Procedures for Port-In Clients**

The following procedures will be used when Pensacola Housing is the receiving PHA and a family has requested to port into Pensacola Housing's jurisdiction.

1. If the initial PHA queries Pensacola Housing prior to sending the portability packet, Pensacola Housing will inform the initial PHA whether it intends to bill the initial PHA on behalf of the portable family, or absorb the family into its own program.
2. Upon receipt of a portability packet, Pensacola Housing will review the packet for completeness and contact the initial PHA if any required documentation is missing.
3. When the portability family makes contact, Pensacola Housing will schedule an intake appointment for the family within 10 business days of the contact from the family. Pensacola Housing will determine the family's subsidy standard (what size voucher they are eligible for) prior to the intake meeting. The bedroom size of the voucher will be determined in accordance with Pensacola Housing's subsidy standards, not those of the initial PHA.

4. At the intake meeting, a housing counselor will review Pensacola Housing's policies and issue a voucher to the family. The dates on the voucher will match those of the initial PHA's voucher, plus 30 days. The family must submit an RTA to Pensacola Housing during the term of the voucher.
5. Pensacola Housing will process the family's RTA, inspect the unit, and execute a HAP contract with the owner prior to the billing deadline specified on the initial PHA's 52665 form.
6. If the client fails to submit an RTA within the voucher term, or fails to execute a lease in an eligible unit by the billing deadline specified on the initial PHA's 52665 form, Pensacola Housing will inform the initial PHA and terminate the family's assistance.
7. If a port-in family requests an extension on the voucher and Pensacola Housing is billing, Pensacola Housing will refer the family to the initial PHA for further assistance. Pensacola Housing will continue to administer the port-in family's voucher as long as the voucher term and/or billing deadline set by the initial PHA have not expired.
8. If a port-in family requests an extension on the voucher and Pensacola Housing intends to absorb the family, Pensacola Housing will make a determination as to whether an extension is warranted based on the policies set forth in this Administrative Plan. In no case will the total term of the voucher be extended beyond 120 days.
9. Pensacola Housing may opt to conduct a reexamination of the port-in family, but it will not delay issuing the family a voucher or otherwise delay the family's lease-up process, unless recertification is necessary to determine income eligibility.
10. If the initial PHA did not supply verification of citizenship/eligible immigrant status, Pensacola Housing will conduct that eligibility determination.
11. Once the port-in family has leased up, Pensacola Housing will perform all PHA program functions on behalf of the family, including reexaminations of family income and composition and HQS inspections. Should the family fail to adhere to program obligations at any time, Pensacola Housing may make a determination to deny or terminate assistance to the family in accordance with 24 CFR 982.552 and 24 CFR 982.553.
12. Should the initial PHA inform Pensacola Housing that it no longer has sufficient funds to accept billing on behalf of the client, Pensacola Housing will make every effort to absorb the client before terminating assistance.

### **18.8 Absorption by Pensacola Housing**

If funding is available under the consolidated ACC for Pensacola Housing's HCV program when the portable family is received, Pensacola Housing may absorb the family into its HCV program.

### **18.9 Portability Billing**

HUD guidelines specify that a receiving PHA may bill an initial PHA for HAP payments and administrative fees to cover the cost of assisting a portable family.

When Pensacola Housing is the initial PHA and the receiving PHA is not absorbing the client, Pensacola Housing will:

1. Promptly reimburse the receiving PHA for the full amount of the HAP payment made by the receiving PHA on behalf of the portable family.
2. Promptly reimburse the receiving PHA for 80% of Pensacola Housing's ongoing administrative fee, minus any additional proration authorized by HUD, for each month when the family is under contract by the 1<sup>st</sup>.

### **18.10 When a Port-In Family Leaves the Jurisdiction**

If a port-in family that has not been absorbed and remains in good standing indicates to Pensacola Housing that it wishes to move out of Pensacola Housing's jurisdiction—either to return to the jurisdiction of the initiating PHA or to move to another jurisdiction—Pensacola Housing will notify the initial PHA, send updated income and eligibility paperwork to that PHA, and terminate the family's assistance with Pensacola Housing.

### **18.11 Denial of Requests to Move or Port Due to Insufficient Funding [24 CFR 982.314 (e,1)]**

Pensacola Housing may deny a participant family's request to move or port to a higher cost unit or higher cost area if allowing the move would create the need to terminate the assistance of other program participants in order for Pensacola Housing to remain within its annual budgetary allocation.

For moves within Pensacola Housing's jurisdiction, a "higher cost unit" is a unit for which Pensacola Housing would have to pay a higher subsidy amount due to an increase in the gross rent. For portability moves, a higher cost area is an area with higher payment standards.

Pensacola Housing is required to provide written notification to the local HUD office when it is determined necessary to deny moves to higher cost units for this reason.

Pensacola Housing will include the following with the notification to HUD to deny or suspend moves to higher cost units:

1. A financial analysis that demonstrates that funds are projected to be insufficient to meet the current year's projection of expenses. The projection will not include vouchers that have been issued but are not yet under contract.
2. A statement certifying that Pensacola Housing has ceased issuing vouchers and will not admit families from the waiting list as long as the limitation on moves to higher cost units is in place.
3. A copy of the policy stating how Pensacola Housing will address families who have been denied moves.



Families whose requests to move to a higher cost unit are denied may request to be added to a waiting list and offered the opportunity to move when funding becomes available, depending on the status of their current lease and contract and other eligibility criteria. These families will be offered the opportunity for a voucher to move prior to the admission of applicants from the waiting list, but after participants with previously suspended vouchers, or those whose assistance was terminated by lottery, are offered a voucher.

An informal hearing will not be afforded for families whose request to move is denied due to insufficient funding, as this is considered a discretionary administrative determination.

## **19.0 Termination of the HAP Contract**

The Housing Assistance Payments (HAP) contract is the contract between the owner and Pensacola Housing that defines the responsibilities of both parties. This chapter describes the circumstances under which the contract can be terminated by Pensacola Housing and the owner, and the policies and procedures for such terminations.

Pensacola Housing will not make any subsidy payments to the owner on behalf of the family for any period of time after the month in which the HAP contract is terminated. Depending on the circumstances of the termination, the tenant or the owner may be required to reimburse Pensacola Housing for any subsidy payments made for any period after the contract termination date.

If the family continues to occupy the unit after the contract is terminated, the family is responsible for the total amount of rent due to the owner. The owner will have no right to claim compensation from Pensacola Housing for vacancy loss.

After a contract termination, if the family meets the criteria for a move with continued assistance, the family may lease-up in another unit. The contract for the new unit may begin after the effective date of the prior HAP contract termination.

### **19.1 HAP Contract Terminates with Lease**

The term of the HAP contract is the same as the term of the lease. If either the owner or the tenant terminates the lease, either mutually or unilaterally, then the HAP contract automatically terminates as well.

### **19.2 Termination of the HAP Contract by Pensacola Housing**

Pensacola Housing will terminate the HAP contract:

1. When the lease terminates;
2. When Pensacola Housing terminates program assistance for the family;
3. If the family is required to move from a unit when the unit does not meet HQS occupancy standards because of an increase in family size or a change in family composition;
4. If the family breaks up and Pensacola Housing determines that the family members who move from the unit will receive the assistance;
5. If 180 days have passed since Pensacola Housing's last HAP payment to the owner;
6. If funding is no longer available under the ACC; or
7. If the owner breaches the HAP contract.

### **19.2.1 Owner Violations of the HAP Contract**

The following violations of the HAP contract may cause Pensacola Housing to terminate the contract:

1. The owner has violated an obligation under the HAP contract for the dwelling unit, including the owner's obligation to maintain the unit in accordance with HQS.
2. The owner has violated an obligation under any other HAP contract under Section 8 of the 1937 Act.
3. The owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.
4. For projects with mortgages insured by HUD or loans made by HUD, the owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement.
5. The owner has delinquent state or local taxes owing on the rental property(s).
6. The owner has engaged in drug-related criminal activity or violent criminal activity.

### **19.3 Automatic Termination of the HAP Contract**

The HAP contract terminates automatically if:

1. Pensacola Housing terminates assistance to the family;
2. The family moves out of the unit;
3. The family is a single-person household and that person passes away; or
4. 180 calendar days have passed since the last HAP payment was made to the owner.

### **19.4 Final Housing Assistance Payments**

Housing Assistance Payments (HAP) are paid to the owner under the terms of the HAP contract. If the owner has begun eviction proceedings and the family continues to reside in the unit, Pensacola Housing shall continue to make HAP payments to the owner until the owner has obtained a court judgment. If the action is finalized in court, the owner must provide Pensacola Housing with the documentation, including notice of the date of the court-ordered Writ of Possession.

HAP payments stop when the lease terminates. In some cases, the owner may keep the full HAP payment for the month in which the family moves out, or, in the case of a one-person household, if that person passes away.

## **20.0 Denial and Termination of Assistance [24 CFR 982.552]**

Pensacola Housing will provide families with a written description of the family obligations under the program, the conditions under which Pensacola Housing terminates assistance, and Pensacola Housing's informal hearing procedures. Pensacola Housing may terminate assistance for a family because of the family's action or failure to act.

### **20.1 Denial of Assistance**

Pensacola Housing policies on denying assistance to households based on criminal history or previous history with the HCV program are outlined in detail in Chapter 2 of this Administrative Plan. Any reason for denial of assistance may also be grounds for termination of assistance.

Denial of assistance for an applicant may include any or all of the following:

1. Denial of admission to the HCV program;
2. Withdrawing a voucher after issuance;
3. Refusing to enter into a HAP contract or approve a tenancy; and
4. Refusing to process or provide assistance under portability procedures.

### **20.2 Termination of Assistance**

Pensacola Housing may terminate assistance to a family for any of the following reasons:

1. Failure to comply with a family obligation, including failing to provide information requested by Pensacola Housing;
2. HUD-mandated terminations for criminal history;
3. HUD-mandated terminations for failure to complete consent forms;
4. HUD-mandated terminations for ineligible immigrant status;
5. Other violations of federal law or regulation; and
6. If the family is out of the assisted unit for more than 60 consecutive days without contacting Pensacola Housing for approval of the absence.

Termination of assistance for a participant may include any or all of the following:

1. Refusing to enter into a HAP contract or approve a tenancy;
2. Terminating HAP payments under an outstanding HAP contract; and
3. Refusing to process or provide assistance under portability procedures.

#### **20.2.1 Failure to Comply with Family Obligations**

Pensacola Housing will terminate assistance if it determines that a family has failed to meet family obligations outlined on the voucher and described in 24 CFR 982.551, as follows:

1. The family must supply any information that Pensacola Housing or HUD finds necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigrant status (as provided by 24 CFR Part 5 Subpart E). "Information" includes any requested certification, release or other documentation;
2. The family must supply any information requested by Pensacola Housing or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition, in accordance with HUD requirements;
3. The family must disclose and verify Social Security Numbers (as provided by 24 CFR 5.216) and must sign and submit consent forms for obtaining information in accordance with 24 CFR 5.230;
4. All information supplied by the family must be true and complete;
5. The family is responsible for an HQS breach caused when the family fails to maintain active service for any essential utilities that are assigned to the tenant; fails to provide and maintain any appliances which are to be provided by the tenant; or when the family or their guest causes damages beyond normal wear and tear to the unit;
6. The family must allow Pensacola Housing to inspect the unit at reasonable times and after reasonable notice;
7. The family may not commit serious or repeated violations of the lease;
8. The family must provide proper written notice to the owner and, at the same time, notify Pensacola Housing, before the family moves out of the unit or terminates the lease;
9. The family must promptly give Pensacola Housing a copy of any owner eviction notice;
10. The family must use the assisted unit for residence by the family. The unit must be the family's only residence;
11. The composition of the assisted family residing in the unit must be approved by Pensacola Housing. The family must promptly inform Pensacola Housing of the birth, adoption, or court-awarded custody of a child. The family must request Pensacola Housing approval to add any other household members;
12. The family must promptly notify Pensacola Housing if any household member no longer resides in the unit;
13. If Pensacola Housing has given approval, a foster child, foster adult, or live-in aide may reside in the unit. If the family does not request approval or if Pensacola Housing does not approve the request, the family may not allow the foster child, foster adult, or live-in aide to reside with the assisted family;
14. Members of the household may, with Pensacola Housing's prior approval, engage in legal profit-making activities in the unit, but only if such activities are incidental to primary use of the unit as a residence by members of the family;
15. The family may not sublease or otherwise receive compensation for anyone's occupancy of the unit;
16. The family may not assign the lease or otherwise transfer the unit;
17. The family must supply any information or certification requested by Pensacola Housing to verify that the family is living in the unit, or relating to family absence from the unit, including any Pensacola Housing-requested information or

certification on the purposes of family absences. The family must cooperate with Pensacola Housing for this purpose. The family must promptly notify Pensacola Housing of any absence from the unit for any period in excess of 14 consecutive calendar days;

18. The family may not own or have any ownership interest in the unit (except for owners of manufactured housing renting the manufactured home space);
19. The members of the family may not commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;
20. The household members may not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety, or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises;
21. The members of the household must not abuse alcohol in a way that threatens the health, safety, or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises; and
22. An assisted household, or members of the household, may not receive Section 8 tenant-based assistance while receiving another housing subsidy for the same unit or for a different unit, under any duplicative federal, state or local housing assistance program.

### **20.2.2 Other Causes for Termination**

Pensacola Housing may at any time terminate program assistance for a participant because of any of the following actions or inactions by the household:

1. If a family fails to establish citizenship or eligible immigrant status for any household member and is not eligible for, or does not elect continuation of assistance, pro-ratio of assistance, or temporary deferral of assistance.
2. If Pensacola Housing determines that a family has knowingly permitted an ineligible non-citizen (other than any ineligible non-citizens listed on the lease) to permanently reside in the assisted unit.
3. If any member of the family commits fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.
4. If the family currently owes a debt to Pensacola Housing or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.
5. If the family breaches an agreement with Pensacola Housing to repay amounts owed because of oversubsidy resulting from failure to report changes in income or household composition in a timely manner.
6. If a family participating in the FSS program fails to comply, without good cause, with the family's FSS contract of participation.
7. If the family has engaged in or threatened abusive or violent behavior toward Pensacola Housing personnel. Pensacola Housing has a zero tolerance policy regarding threatening, abusive, or violent behavior towards any Housing Department staff member and will deny or terminate assistance if any family member displays and/or engages in said behavior, in accordance with 24 CFR 982.552(c, ix).

8. If any household member is subject to a lifetime registration requirement under a state sex offender registration program.
9. If Pensacola Housing does not have adequate funding to continue the family's assistance.

### **20.3 Considering Circumstances**

In deciding whether to terminate assistance because of action or inaction by members of the household, Pensacola Housing will consider all circumstances in each case, including the seriousness of the case, the extent of participation or culpability of individual household members, and the effects of denial or termination of assistance on other household members who were not involved in the action or failure to act.

If requested by an applicant or participant who is a person with a disability, Pensacola Housing will consider verifiable, mitigating circumstances that explain or overcome prior misconduct related to a previous tenancy. If reasonable accommodation would allow an applicant who is a person with a disability to meet the eligibility criteria, these circumstances will be taken into consideration.

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

If Pensacola Housing seeks to terminate assistance because of illegal use, or possession for personal use, of a controlled substance, or pattern of abuse of alcohol, such use or possession or pattern of abuse must have occurred within one year before the date that Pensacola Housing provides notice to the family of the determination to deny or terminate assistance. In determining whether to terminate assistance for these reasons, Pensacola Housing will consider evidence of whether the household member:

1. Has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol;
2. Has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol; or
3. Is participating in a supervised drug or alcohol rehabilitation program and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol.

### **20.4 Terminations Due to Insufficient Funding**

Pensacola Housing may be forced to suspend or terminate HAP payments based on budgetary requirements or reduction of funds from HUD.

Unless there are emergency circumstances, written notice of not less than 30 days will be given to the family and owner whenever possible, stating the status of the funding and the date of suspension or termination.

After the institution of all possible cost cutting measures, Pensacola Housing may find it necessary to terminate HAP contracts due to budget reductions established by the federal government. The selection of families to be terminated will be determined by random selection (lottery), subject to HUD notice PIH 2011-3 and other HUD requirements applicable to this circumstance. In compliance with HUD notice PIH 2013-19, NED, HUD-VASH and/or FUP families that comprise the number of families Pensacola Housing is required to serve under these programs will be terminated last, should funding shortfall terminations be necessary. For holders of regular HCV vouchers, a participant family whose head of household is elderly and/or disabled will be exempted from the initial lottery for termination but will be included in any subsequent lottery.

Should it become necessary to terminate assistance because of insufficient funding, Pensacola Housing will take the following steps:

1. Pensacola Housing will determine the number of HAP contracts that must be terminated in order to meet budget constraints for the remainder of the budget appropriation period.
2. Participant families, owners, and HUD will be notified in advance of a lottery.
3. The lottery will be conducted and certified by an independent accounting firm.
4. Terminated families will be placed on a suspension waiting list by date of termination; after re-determination of eligibility and funding, they will be reinstated for participation when adequate funding becomes available.

An informal hearing will not be afforded for families whose assistance is terminated or suspended due to insufficient funding, as this action is considered a discretionary administrative determination.

#### **20.4.1 Reissuing Vouchers after a Lottery**

When Pensacola Housing is ready to resume issuing vouchers after it has conducted a lottery, it will issue vouchers first to families that qualify for special purpose programs, such as NED, HUD-VASH, and/or FUP, until it is once again administering its required number of special purpose vouchers.



## **21.0 Debts and Repayment Agreements**

This chapter describes Pensacola Housing's policies for the recovery of funds that have been overpaid.

### **21.1 File Documentation**

Before a debt is assessed against a participant or owner, Pensacola Housing's claim that a debt is owed must be properly documented. Documentation will include a clear written explanation of the method used to calculate the debt. The debt file, with all supporting documentation, will be made available to the participant or owner who owes the debt.

### **21.2 Methods of Debt Collection**

Every effort shall be made to collect all debts owed to Pensacola Housing. Collection methods may include:

1. Demands for lump sum payments;
2. Execution of a repayment agreement;
3. Partial abatements when appropriate;
4. Reductions in HAP to owner;
5. Use of collection agencies; and
6. Securing judgments.

### **21.3 Repayment Agreements for Participants [24 CFR 982.552 (c, v-vii)]**

A repayment agreement is a written agreement entered into between Pensacola Housing and a program participant who is indebted to Pensacola Housing. It shall contain a promise to repay the debt, details regarding the nature of the debt, the terms of repayment, any special provisions, and the remedies available to Pensacola Housing in the event of a default by the debtor.

#### **21.3.1 Pensacola Housing May Decline to Enter Into a Repayment Agreement**

Pensacola Housing, at its sole discretion, may enter into repayment agreements with participants or owners. Pensacola Housing will generally not enter into repayment agreements when:

1. The participant has already entered into a previous repayment agreement and still has an outstanding debt balance with Pensacola Housing;
2. Pensacola Housing determines that the participant has committed or has attempted to commit program fraud; or
3. Pensacola Housing determines that the amount owed is more than the participant can repay in a reasonable period of time while still remaining in compliance with HUD's affordability guidelines concerning repayment agreements.

## **21.4 Terms and Conditions of Repayment Agreements**

Pensacola Housing shall prescribe the terms and conditions of any repayment agreement.

### **21.4.1 Term**

The repayment agreement term will typically range from 6 to 48 months, but shall in any event be the minimum time period in which the participant can be reasonably expected to repay the debt owed.

### **21.4.2 Monthly Payments**

The monthly payment will typically be the greater of \$25 or the total amount due divided by the number of months in the term of the payment agreement. Pensacola Housing will ensure that the combined actual family share and monthly repayment amount do not exceed 40% of the household's adjusted monthly income.

Pensacola Housing may approve a decrease or temporary (up to 6 months) deferral of the monthly repayment for participants who experience a hardship (such as loss of income or a medical situation), provided that the participant requests the hardship in a reasonable time, provides verification of the hardship, and has been in compliance with the terms of the repayment agreement until the hardship occurred. The change in monthly payment shall be documented as an attachment to the repayment agreement and shall be signed by the housing specialist and the participant. The term of the repayment agreement shall be lengthened accordingly.

### **21.4.3 Execution**

Repayment agreements shall be executed by the head of household and, for Pensacola Housing, by the housing specialist.

### **21.4.4 Cashier Check or Money Order Only**

Pensacola Housing will accept cashier's checks or money orders as payments toward participant debt.

### **21.4.5 Late Payments/Default/Termination of Assistance**

Payments shall be delinquent if not received by Pensacola Housing during the calendar month due. Failure to make any payment before it is delinquent shall constitute a default under the repayment agreement.

Participants with delinquent payments will not be able to recertify for continued assistance unless they become current on their repayment agreement.

Failure to comply may result in termination of the participant's assistance. Pensacola Housing may pursue any available remedy, including filing a civil action, to collect the remaining balance owed at termination.

## 21.5 Requests to Move or Port from Participants with Debts

No move will be approved unless the family is current on their repayment agreement or the debt is paid in full, unless the request to move is a result of one of the following causes:

1. Family size exceeds the HQS maximum occupancy standards;
2. The HAP contract is terminated due to owner non-compliance or opt-out;
3. A man-made or natural disaster;
4. The move is pursuant to a reasonable accommodation request approved by Pensacola Housing;
5. The family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, or stalking, and the move is needed to protect the health or safety of the family or family member; OR
6. Other exceptional circumstances, to be reviewed by Pensacola Housing.

Pensacola Housing may still require that a repayment agreement be current before issuing a voucher to move in these cases.

Pensacola Housing will not grant portability requests made by families with outstanding debt balances, unless the family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, or stalking, and moving out of the jurisdiction is needed to protect the health or safety of the family or family member.

## 21.6 Owner Debts to Pensacola Housing [24 CFR 982.453(b)]

If an owner has received HAP to which the owner is not entitled, Pensacola Housing may recover such amounts from future HAP payments owed to the owner.

If future HAP payments are insufficient to recover the amounts owed in a reasonable time, Pensacola Housing may:

1. Demand that the owner pay the amount in full within 30 days;
2. Enter into a repayment agreement with the owner for the amount owed;
3. Refer the debt to a collection agency;
4. Prohibit the owner's future participation in the program; or
5. File a lawsuit to recover the debt.

### 21.6.1 Owner Fraud

If an owner has been overpaid as a result of fraud, misrepresentation, or violation of a HAP contract, Pensacola Housing may terminate the contract, seek restitution and/or refer the case for criminal prosecution.

## 21.7 Referrals in the Case of Fraud

When fraud is involved, Pensacola Housing may refer a participant's or owner's case to the HUD Inspector General, the U.S. Attorney, or the City Attorney, in addition to pursuing any available civil remedy against the participant or owner.

## **21.8 Maintaining Debt Records**

Pensacola Housing will keep a record of all debts owed for reference in reviewing applications to the HCV program and other housing programs it administers.

### **21.8.1 Debts Owed to PHAs and Termination Module**

HUD has established a national database to serve as a repository for debt and termination information on former participants of Section 8 housing assistance programs. It is mandatory that each local PHA and housing provider designate at least one staff person to enter information into this Debt Termination Data Base (DTDB).

Pensacola Housing will adhere to the following practices when entering debt/termination information into DTDB:

1. Debt/Termination information is not entered into DTDB until an End Of Participation (EOP) action has been entered in the Public and Indian Housing Information Center (PIC) for the former participant;
2. Debt/termination information is entered within 90 days from the EOP date;
3. Debt/termination information is maintained in DTDB for a period of up to 10 years;
4. Families who have never, or who no longer, warrant being in the database are removed following HUD guidelines;
5. Pensacola Housing can only modify a participant record up to 3 times, so debt records will not be modified as payments are being made; and
6. The debt record will be removed from the DTDB when it has been paid in full.

## 22.0 Complaints, Informal Reviews, and Informal Hearings

This chapter describes the policies, procedures, and standards to be applied when applicants, participants, or owners disagree with a Pensacola Housing decision, or when complaints about the HCV program or its participants are received by Pensacola Housing.

### 22.1 Complaints

Pensacola Housing will investigate and respond to complaints by applicants, participant families, owners, and the general public.

If the complaint is an allegation of fraud, a Pensacola Housing staff member will take the fraud report, requesting specific information such as the name of the tenant and the address of the unit where the alleged fraud occurred. The privacy of Pensacola Housing's clients will be protected at all times.

When the report is complete, a Pensacola Staff member will:

1. Review the report details to determine whether the tenant and/or the unit are, in fact, actively participating in Pensacola Housing's voucher programs.
2. For program participants, determine whether the reported behavior or activity in fact constitutes a program violation.
3. For alleged program violations, launch a fraud investigation.

For fraud investigations, Pensacola Housing will typically contact the tenant family and the landlord in writing, informing them of the allegations and of the steps needed to either confirm or return to program compliance. The family will have 10 business days to respond to the letter and provide requested documents. Failure to respond, or to provide sufficient third-party verification confirming program compliance, may result in termination of assistance. Participant families who are terminated as a result of a fraud investigation will have the right to request an informal hearing.

If the complaint or allegation of fraud comes from the landlord, and the alleged tenant behavior is a violation of the lease agreement, Pensacola Housing will instruct the landlord to enforce their lease and to provide the Housing office with copies of all notices pertaining to lease enforcement.

### 22.2 Informal Reviews for Applicants [24 CFR 982.554]

An informal review is a review of an applicant's file and circumstances by a Pensacola Housing staff member who has not had any previous material involvement with the application, to determine whether Pensacola Housing's policies and procedures were applied correctly in denying the application.

### **22.2.1 Notice of Denial**

When Pensacola Housing determines that an applicant is ineligible, the applicant will be notified of the decision in writing. The notification will state:

1. The reason(s) for ineligibility;
2. A statement that the applicant may request an informal review if they disagree with the decision;
3. The procedure for requesting a review if the applicant does not agree with the decision; and
4. The deadline for requesting a review.

When an application is denied because of criminal activity described in a criminal record, Pensacola Housing will, on request, provide the applicant a copy of the criminal record upon which the denial decision was based, in accordance with 24 CFR 5.903 (f).

### **22.2.2 When an Informal Review Isn't Required**

Informal reviews aren't required in the following circumstances:

1. Discretionary administrative determinations such as what constitutes a complete application, how and when applications will be assigned for review, and what resources will be devoted to the review of a particular application or applications in general;
2. General policy issues, such as income eligibility;
3. The determination of the family voucher size under Pensacola Housing subsidy standards;
4. A refusal to extend a voucher;
5. A determination not to approve tenancy for a specific unit;
6. A determination that a unit selected by an applicant is not in compliance with HQS because of characteristics of the unit; or
7. A determination that a unit is not in accordance with HQS due to family size or composition.

### **22.2.3 Informal Review Process**

A request for an informal review must be submitted in writing to Pensacola Housing within 10 business days from the date of Pensacola Housing's notice of denial. An informal review will be scheduled within 10 business days from the date the review request is received.

The review will be conducted by a supervisory level staff person who was not involved in the decision under review, and who is not subordinate to the person who made the decision.

The applicant will be given the opportunity to present oral or written objections to the decision. Both Pensacola Housing and the applicant may present evidence and witnesses.

The applicant may, at the applicant's own expense, be represented by an attorney or other representative.

Upon request, the applicant may be present at the review to provide information, though the applicant's presence is not required. At the discretion of Pensacola Housing, the review may also be conducted as a conference call.

An applicant may request a reasonable accommodation to participate in the informal review process. Pensacola Housing will provide such reasonable accommodation, unless doing so would result in a fundamental alteration in the nature of the services Pensacola Housing offers.

The decision of the review officer shall be provided to the applicant in writing within 10 business days after the date of the review, and shall include an explanation of the reasons for the decision.

All review requests, supporting documentation, and a copy of the final decision will be retained in the applicant's file.

### **22.3 Informal Hearings for Participants [24 CFR 982.555]**

Except for participants whose moving or port vouchers have expired, an opportunity for an informal hearing will always be provided when Pensacola Housing has made a determination to terminate assistance. In addition, Pensacola Housing will offer participant families an opportunity for an informal hearing to consider whether the following decisions relating to the participant family were made in accordance with the law, HUD regulations, and Pensacola Housing policies:

1. A determination of the family's annual or adjusted income, and the use of such income to compute the HAP.
2. A determination of the appropriate utility assistance payment, if any, to assist toward tenant-paid utilities from Pensacola Housing's utility estimate schedule.
3. A determination of the family voucher size and payment standard under Pensacola Housing's subsidy standards.
4. A determination to terminate assistance for a participant family because of the family's action or failure to act.
5. A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under Pensacola Housing policy and HUD rules.

Pensacola Housing will make reasonable accommodations to ensure that persons with disabilities have complete access to participate in the informal hearing process.

### **22.3.1 When an Informal Hearing Isn't Required**

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

1. Discretionary administrative determinations by Pensacola Housing.
2. General policy issues or class grievances.
3. Establishment of the Pensacola Housing utility estimate schedule for families on the program.
4. A determination not to approve an extension of a voucher term.
5. A determination not to approve a unit or lease.
6. A determination that an assisted unit is not in compliance with HQS. (However, Pensacola Housing will provide the opportunity for an informal hearing for a decision to terminate assistance for a breach of HQS caused by the family.)
7. A determination that the unit is not in accordance with HQS because of family size.
8. A determination to exercise or not exercise any right or remedy against an owner under a HAP contract.

### **22.4 Informal Hearing Procedures**

Pensacola Housing will adhere to the following procedures in conducting informal hearings.

#### **22.4.1 Discovery**

Before the hearing, the family will be given the opportunity to examine and photocopy any documents Pensacola Housing intends to present at the hearing. If Pensacola Housing doesn't make a document available for examination prior to the hearing, it may not rely on the document at the hearing.

Prior to the informal hearing, Pensacola Housing must also be given the opportunity to examine any documents the family intends to present that are directly relevant to the hearing. Pensacola Housing will be allowed to copy any such documents at Pensacola Housing's expense. If the family doesn't make a document available for examination prior to the hearing, the family may not rely on the document at the hearing.

For the purpose of an informal hearing, the term document includes records and regulations.

#### **22.4.2 Representation of the Family**

At its own expense, the family may be represented by a lawyer, advocate, or other representative.

#### **22.4.3 Hearing Officer**

The informal hearing shall be conducted by a Hearing Officer appointed by Pensacola Housing who is neither the person who made or approved the decision under review, nor a subordinate of that person.



The person who conducts the hearing will regulate the conduct of the hearing in accordance with the informal hearing procedures described in this section of the Pensacola Housing Administrative Plan.

#### **22.4.4 Evidence**

Pensacola Housing and the family will have the opportunity to present evidence and to question any witnesses. The family may request that Pensacola Housing staff be present at the hearing to answer questions pertinent to the case. Evidence presented at the hearing may be considered without regard to admissibility under the rules of evidence used in judicial proceedings.

#### **22.4.5 Conduct of the Hearing**

Only the issues subject to appeal, and raised by the participant in their notice of appeal, shall be addressed at the hearing. A participant family may present any relevant legal argument arising from any valid source of law, and hearing officers shall consider such arguments to the extent that they are relevant and germane to the case.

Relevance shall be determined by the hearing officer based on the specific facts and circumstances of each particular case. No legal theories or authorities shall be precluded from consideration at informal hearings or otherwise excluded on a categorical or near-categorical basis.

Evidence presented at the hearing may be considered without regard to admissibility under the rules of evidence used in judicial proceedings, except that the hearing officer may exclude evidence that is irrelevant, immaterial, unduly repetitious, or fails to meet the following evidentiary principles:

1. That the information offered presents a danger of unfair prejudice, confusion of the issues, undue delay, or other delay, or other deleterious effects that substantially outweigh the probative value of the information;
2. That the information is offered in violation of some public policy, such as evidence unlawfully obtained in violation of a family's legal or constitutional rights; or
3. That the information lacks competence or is not based on personal knowledge.

No documents may be presented at the hearing that weren't provided to the other party, if requested, before the hearing. "Documents" include all written records.

The hearing officer may ask the family for additional information and/or may adjourn the hearing as needed.

The hearing officer will not impose arbitrary limits on the length of time that a hearing may last, or the amount of time a specific portion of the hearing may consume, or impose unreasonable limits on the number of witnesses that may be called or the number of exhibits that may be presented. The hearing officer may impose such limits, but only as

warranted for good cause, in which case the hearing officer should state the reasons for imposing the limits on the record and in the written decision.

#### **22.4.6 Failure to Appear**

If the family fails to appear at the informal hearing, or fails to meet a deadline imposed by the hearing officer, Pensacola Housing's decision shall become final and take effect immediately. No new hearing will be granted unless the participant is able to demonstrate to Pensacola Housing, by clear and compelling evidence, that their failure to appear or meet the deadline was caused by circumstances beyond their control.

#### **22.4.7 Issuance of Decision**

The hearing officer will issue a written decision within 10 business days from the date of the hearing. The decision will include:

1. The names of all persons present at the hearing, and identification of their roles (whether as the hearing officer, a representative for Pensacola Housing, a member of the family, a witness, interpreter, or other);
2. The date and location of the hearing;
3. A summary of the factual allegations and the Pensacola Housing action or decision under review;
4. A summary of any evidence and arguments presented by the parties;
5. A statement of the facts upon which the decision is based;
6. A clear statement of the Hearing Officer's findings, conclusion, and decision;
7. A clear summary of the decision and explanation for the decision;
8. If the decision involves money owed, a clear statement of the amount owed, and documentation of how the amount owed was calculated;
9. The date the decision is effective; and
10. If the decision is to uphold termination of assistance, notice of the availability of judicial review. Such notice shall also indicate that time limitations for seeking judicial review may apply; that participants who seek judicial review must do so at their own expense; that neither the hearing officer nor Pensacola Housing can offer legal advice; and that participants who cannot afford an attorney may seek referral to a legal services provider such as Legal Services of North Florida, Inc.

#### **22.4.8 Decisions Not Binding on Pensacola Housing**

Pensacola Housing shall not be bound by any decision that:

1. Concerns matters for which no opportunity for a hearing is required to be provided;
2. Conflicts with or contradicts HUD regulations or requirements;
3. Conflicts with or contradicts federal, state, or local laws;
4. Exceeds the authority of the hearing officer; or
5. Involves issues not raised in the participant's appeal notice.

If Pensacola Housing determines that it is not bound by a hearing decision, it will notify the family within 10 business days of the hearing officer's determination, and provide a summary of the reasons for Pensacola Housing's determination, and the results of it.

#### **22.4.9 Recordkeeping**

Pensacola Housing will record all informal hearings by electronic means.

If a party seeks to record any informal hearing by means other than audio/video recording, such as by stenographic transcription, the hearing officer will permit such alternative recording at the requesting party's expense, unless good cause exists to disallow the method of recording, in which case the hearing officer should state the reasons for denial on the record and in the written decision.

Pensacola Housing will provide a copy of a hearing recording to the family or its representative on request, provided that the family or its representative shall pay reasonable reproduction costs prior to receiving the recordings.

All hearing requests, supporting documentation, and a copy of the final decision shall be retained in the participant's file.

Pensacola Housing will safely keep and maintain the electronic recordings of all informal hearings involving voucher terminations as a public record on file for no fewer than 5 years after the decision date. If a family's HCV program participation is terminated pursuant to the informal hearing decision, Pensacola Housing will keep the hearing recording for at least 5 years from the date of the last HAP payment made on the family's behalf. Pensacola Housing will also keep, for the same duration as the hearing recording, copies of all exhibits and all other tangible materials presented to the Hearing Officer, whether or not admitted into evidence.

#### **22.5 Informal Hearing Procedures for Denial of Assistance on the Basis of Ineligible Immigrant Status [24 CFR 5.514 (e, f)]**

If a family member claims to be an eligible immigrant and the INS SAVE system and manual search do not verify the claim, the participant or applicant will be notified within 10 business days of the right to appeal to the INS. Such an appeal must be filed with INS within 30 days of receipt of Pensacola Housing's decision. The applicant or participant may also request an informal hearing with Pensacola Housing. The request for a hearing must be made within 10 business days of receipt of Pensacola Housing's initial decision.

If the applicant or participant appeals to the INS, he or she must provide a copy of the appeal and proof of mailing to Pensacola Housing, or Pensacola Housing may proceed to deny the application or terminate assistance.

After receipt of a request for an informal hearing, Pensacola Housing shall schedule and conduct the hearing in accordance with the procedures described in Section 22.4 above.

### **22.5.1 Ineligibility Determinations**

If the hearing officer determines that the applicant or participant is not eligible, and there are no other eligible family members, Pensacola Housing will terminate assistance.

If there are eligible members in the household, Pensacola Housing will offer to pro-rate assistance, or give the family the option to remove the ineligible members.

Participants whose assistance is pro-rated (either because some members are ineligible, or because of the failure to verify eligible immigrant status for some members after exercising their appeal and hearing rights described above) are entitled to an informal hearing regarding TTP and tenant rent determinations.

Families denied or terminated for fraud in connection with the non-citizens rule are entitled to an informal review or informal hearing in the same manner as terminations for any other fraud.

### **22.6 Hearing Officer Selection**

Persons having no other affiliation with Pensacola Housing (that is, other than as hearing officers) shall serve as hearing officers for all informal hearings.

Pensacola Housing will make outreach to persons from the community with knowledge of contract law; Fair Housing law; landlord/tenant law; and/or regulations and processes governing federal and state benefit or assistance programs to serve as hearing officers for its voucher programs.

## **23.0 Program Integrity**

Pensacola Housing maintains its credibility with applicant and participant families, owners, HUD, and the larger community by enforcing program requirements. When families, owners, or Pensacola Housing employees fail to adhere to program requirements, Pensacola Housing will take appropriate action. The action that is appropriate depends on the particular case and circumstances.

Pensacola Housing addresses program errors, omissions, abuse, and fraud through both prevention and detection. Preventive measures are the most effective way to deter widespread program irregularities. This chapter discusses the important differences between program errors and omissions versus abuse and fraud. It also identifies various methods Pensacola Housing uses to prevent and detect errors and abuses, and discusses corrective action methods.

### **23.1 Distinguishing Between Errors and Omissions versus Abuse and Fraud**

This chapter uses the terms “error” and “omission” to identify situations in which a family or owner does not comply with program requirements, or staff members inadvertently apply program rules incorrectly. For families and owners, an error or omission may be intentional or unintentional. Some will affect family share and subsidy amounts, others will not. Pensacola Housing will carefully analyze the unique circumstances of the case to determine how best to handle the situation. Errors or omissions that affect the family’s subsidy amount, or tenant rent, or the regular flow of housing assistance payments, will be a higher priority.

“Abuse” and “fraud” mean a single act or pattern of actions made with the intent to deceive or mislead, constituting a false statement, omission, or concealment of a substantive fact. Fraud occurs when families or owners intentionally fail to report required information or report incorrect information to obtain benefits to which they’re not entitled, resulting in an inappropriate allocation of HCV program funds. Program abuse and fraud can also occur among PHA employees, when they willfully fail to administer program requirements uniformly.

Pensacola Housing recognizes the difference between unintentional and intentional misreporting. In many cases of unintentional reporting, Pensacola Housing will make any required corrections and then move on without taking any further action. In cases of intentional misreporting, Pensacola Housing staff will evaluate the specific circumstances and seriousness of the case to determine whether it is a case of fraud, whether the appropriate remedy is termination from the program, and when mitigating circumstances should be considered.

### **23.2 Fraud Prevention**

Pensacola Housing will address the prevention, detection, investigation, and disposition of participant fraud and program abuse through the use of file auditing, electronic data matching, and other investigative techniques as required.

Housing specialists will ensure that all HCV program applicants and participants are aware of program requirements through the Eligibility Briefing, mover's meetings, and the annual/interim recertification processes.

All adult family members or prospective members will be required to sign releases of information allowing third party verification of income, assets, and household composition. Housing specialists will review these releases with the family to ensure understanding and complete disclosure.

All client files will be subject to random quality control reviews by a program supervisor.

### **23.2.1 Use of the Enterprise Income Verification (EIV) System**

Since January 31, 2010, all PHAs have been required to use the EIV system. Authorized housing specialists will access the EIV System as required by HUD to verify identity and obtain employment, unemployment, Social Security, SSI, and Social Security Disability information and history for each individual in the household, both annually and for interim reexaminations. All families are required to sign confidentiality releases allowing housing specialists to access EIV information and consult with other agencies regarding income and household composition.

If a discrepancy appears on the household's EIV report, the housing specialist will follow the procedures described in Appendix 1 of this Administrative Plan, "Using the EIV Discrepancy Report." No family will be terminated based solely on unverified EIV income information. The information must be verified through third party verification.

Only the participant, the housing specialist, and authorized supervisors may view the participant's EIV documentation. If there is no discrepancy in the EIV report, the housing specialist may shred the report rather than retaining it, in order to ensure the participant's privacy. A statement will be placed in the file summarizing the results of the income review.

EIV information may be presented at an informal hearing, if necessary, and may be viewed by the hearing officer and representatives for the family as well as participating housing staff. However, copies of the EIV information will not be distributed to those in attendance at the informal hearing.

Pensacola Housing will retain a lockable container, file cabinet, or room in which to store EIV documents that are outdated and slated to be destroyed, or printed but not yet placed in participant files. Participant files containing EIV information will only be accessed by designated staff members and will not be accessible to the general public.

As required by HUD, Pensacola Housing will enter debt owed and termination information into the EIV system for all participants who leave Pensacola Housing's HCV program, whether voluntarily or involuntarily.

### **23.2.2 SAVE Verification**

The SAVE system has been established by the Department of Immigration and Naturalization (INS), and is accessible to Housing Department personnel for first-line verification of citizenship and eligible immigrant status. Documentation of eligibility of noncitizens is required, pursuant to HUD regulations. Housing specialists will verify eligible immigrant status of those applicants and participants whose birth certificates indicate foreign birth.

### **23.2.3 Quality Control Reviews**

Random files will be selected on a regular basis for quality control review of income calculation, as well as other items required by SEMAP. If it appears through a quality control audit that the income reported by the household, and submitted by Pensacola Housing on HUD form 50058, does not coincide with the household's EIV report, then a full investigation of the file may be undertaken, following the processes described in Section 23.4.2 of this Administrative Plan.

### **23.2.4 Tips from the Public**

Occasionally, Pensacola Housing receives tips from callers regarding participant or owner fraud. Pensacola Housing will attempt to verify any facts presented by the caller and may launch a fraud investigation following the procedures outlines in section 22.1.

### **23.2.5 Referrals to Law Enforcement**

Pensacola Housing may refer certain instances of deliberate failure to report income, assets, and household composition, or the deliberate withholding of such information to obtain benefits to which the family would not be otherwise entitled, to local law enforcement agencies.

## **23.3 Criteria for Investigation of Suspected Abuse and Fraud**

Pensacola Housing expects participating families to comply with HUD requirements, voucher provisions, and program rules. Pensacola Housing staff will make every effort to orient and educate all participants to avoid any non-compliance. Pensacola Housing acknowledges, however, the possibility of both inadvertent and deliberate non-compliance, and acknowledges its responsibility to HUD, to the community, and to eligible families in need of housing assistance, to investigate incidents of non-compliance.

Pensacola Housing will initiate an investigation in any of the following circumstances:

1. Referrals, complaints, or tips. Pensacola Housing will investigate allegations received from any source including other agencies, companies or individuals, of participant non-compliance or violation of family obligations or program rules;

2. Internal file review. An investigation will be conducted if Pensacola Housing staff discovers (as a function of a certification or recertification, an interim redetermination, or a quality control review) information or facts that conflict with previous file data, Pensacola Housing's knowledge of the family, or statements made by the participant;
3. Verification of documentation. An investigation will be made whenever Pensacola Housing receives independent verification or documentation that conflicts with information or representations in the family's file (such as public record information or credit bureau reports, or reports from other agencies); and
4. If inspection results identify possible discrepancies or suspicious circumstances. Pensacola Housing will investigate when an HQS inspector identifies circumstances that appear not to match the information on record for a family, such as more people living in the unit than authorized, or fewer people living in the unit than authorized.

### **23.4 Processing Allegations of Program Abuse and Fraud**

Pensacola Housing staff encourages participants, owners, and community members to report suspected fraud and program abuse. All such referrals, as well as referrals from other agencies, will be thoroughly documented in the participant's file or electronic record. All allegations, complaints, and tips will be carefully evaluated to determine if they warrant further investigation.

Pensacola Housing staff will investigate allegations that contain one or more independently verifiable facts, but will not investigate allegations that are vague or non-specific.

#### **23.4.1 File Review**

An internal file review will be conducted to determine if the subject of the allegation is a Pensacola Housing applicant or participant and, if so, to determine whether the information reported has been previously disclosed.

If Pensacola Housing staff concludes, after reviewing the file, that there are facts contained in the allegation that conflict with file data, and the facts are independently verifiable, Pensacola Housing will initiate an investigation to determine if the allegation is true or false. The investigation shall be concluded within 30 days of the conclusion of the internal file review.

#### **23.4.2 Further Investigation**

If Pensacola Housing determines that an allegation or referral warrants investigation, either the housing specialist who is responsible for the file, or a person designated by the Housing Administrator, will conduct the investigation. The steps taken will depend upon the nature of the allegation and may include, without being limited to, the items listed below. In all cases, written authorization from the program participant shall be requested as needed for the release of information.



1. Credit Bureau Inquiries. In cases involving possible unreported income sources, a credit bureau inquiry may be made to determine if there is financial activity that conflicts with the reported income of the family.
2. Verification of Credit. In cases where financial activity conflicts with file data, Pensacola Housing will obtain a credit check or Employment Security report in order to determine the unreported income source.
3. Employers and Ex-Employers. Employers or ex-employers may be contacted to verify wages that may have been previously undisclosed or misreported.
4. Other Agencies. Investigators, case workers, or representatives of other benefit agencies may be contacted.
5. Public Records. If relevant, public court records may be reviewed. Examples of public records which may be reviewed include: real estate records, marriage and divorce decrees, voter registrations, judgments, court or police records, state wage records, utility records, and postal records.
6. Interviews with Head of Household or Other Household Members. The investigator may discuss the allegation (or details thereof) with the head of household or other household members.
7. IRS Inquiries. Authorization forms will be signed to allow Pensacola Housing to verify all income reported to the IRS, including verification of non-filing.

#### **23.4.3 Document Storage**

Documents and other evidence obtained by Pensacola Housing during the course of an investigation will be kept in the participant's file following completion of the investigation.

#### **23.4.4 Conclusion of the Review**

At the conclusion of the investigation, the investigator will report the findings to the Housing Administrator, who will determine whether a violation occurred, did not occur, or if the facts are inconclusive.

#### **23.4.5 Evaluation of the Findings**

If it is determined that a program violation occurred, the Housing Administrator, in consultation with the rental assistance program manager, will determine:

1. The type of violation (procedural, non-compliance, fraud);
2. Whether the violation was intentional or unintentional;
3. What amount of money (if any) is owed by the family; and
4. If the family is eligible for continued assistance.

### **23.5 Procedures for Documented Violations**

When a program violation has been documented, the investigator will propose an appropriate remedy based upon the type and severity of the violation, following these guidelines.

### **23.5.1 Procedural Non-Compliance**

This category applies when a participant failed to observe a procedure or requirement of Pensacola Housing, but did not misrepresent a material fact, and there is no retroactive assistance payment owed by the family due to oversubsidy. Examples of non-compliance violations include failure to appear at a pre-scheduled appointment, including inspections, and failure to return a verification or required document in a time period specified by Pensacola Housing.

In such cases, a notice will be sent to the family which contains the following:

1. A description of the non-compliance and the procedure, policy or obligation that was violated;
2. The date by which the violation must be corrected, or the procedure complied with;
3. The action that will be taken by Pensacola Housing if the procedure or obligation is not complied with by the date specified; and
4. The consequences of repeated (similar) violations.

### **23.5.2 Procedural Non-Compliance and an Overpayment**

When the family owes money to Pensacola Housing for failure to report, or delayed reporting of, changes in income or assets, or a change in household composition, Pensacola Housing will issue a termination notice if there is a history of such violations, or if the participant refuses to enter into a repayment agreement and/or make payments on a signed repayment agreement. The termination notice will contain the following:

1. A description of the violation and the date(s);
2. An explanation of the amounts owed to Pensacola Housing;
3. The right to contest the overpayment and to request an informal hearing, with instructions on how to request such a hearing;
4. A statement that any hearing request must be made within 10 business days from the date of the notice;
5. The option to set up a repayment plan in lieu of an informal hearing if such a plan is offered by the investigator;
6. A statement that if the participant fails to request an informal hearing or make repayment arrangements, Pensacola Housing will terminate assistance; and
7. A statement that if the participant is offered a repayment agreement, the participant must meet in person with Pensacola Housing staff to discuss how the overpayment was calculated and the terms of the repayment agreement. Staff will emphasize in that meeting that any missed payment may result in termination of assistance. If the participant requests an informal hearing at the meeting, one will be scheduled using the procedures outlined in Chapter 22.

### **23.5.3 Intentional Misrepresentations**

When a participant intentionally falsifies, misstates, omits or otherwise misrepresents a material fact which results (or would have resulted) in an overpayment of housing

assistance, Pensacola Housing may, depending upon its evaluation of the criteria stated below, take one or more of the following actions:

1. Criminal prosecution. Pensacola Housing may refer the case to the City of Pensacola Attorney, whose office may in turn refer the case to the U.S. Attorney, County Prosecutor, Pensacola Police Department or other law enforcement agencies, other investigative agencies (such as the State Department of Social and Health Services), the Immigration and Naturalization Service, or the IRS, as applicable. Pensacola Housing may also notify HUD's Office of the Inspector General;
2. Civil litigation. Pensacola Housing may bring an action for recovery of funds and for costs and attorneys' fees; or
3. Administrative remedies. Pensacola Housing will terminate assistance and may execute an administrative repayment agreement in accordance with Pensacola Housing's repayment policy.

Any of the following circumstances will be considered adequate to demonstrate willful intent:

1. An admission by the participant of the misrepresentation;
2. That the act was done repeatedly;
3. If a false name or Social Security Number was used;
4. If there were admissions to others of the illegal action or omission;
5. That the participant omitted material facts which were known to him/her (for example, employment of self or other household member);
6. That the participant falsified, forged or altered documents; or
7. That the participant uttered and certified to statements at any stage of the application process or participation in the HCV program that were later proven to be false.

### **23.6 Case Conferences for Serious Violations and Misrepresentations**

When Pensacola Housing has established that material misrepresentation(s) have occurred, a case conference may be scheduled, at Pensacola Housing's discretion, to discuss the allegations with the family representative. The conference may, at Pensacola Housing's discretion, take place prior to any proposed action. The purpose of the conference is to review the information and evidence available with the participant, and to provide the participant an opportunity to explain any findings that conflict with representations in the participant's file. Any documents or mitigating circumstances presented by the participant will be taken into consideration by Pensacola Housing. The participant will be given 10 business days to furnish any mitigating evidence.

A secondary purpose of the case conference is to assist Pensacola Housing in determining the course of action most appropriate for the case. Prior to the final determination of the proposed action, Pensacola Housing will consider:

1. The duration of the violation and number of false statements;

2. The family's ability to understand the rules;
3. The family's willingness to cooperate, and to accept responsibility for their actions;
4. The family's past history with the HCV program; and
5. Whether or not criminal intent has been established.

### **23.6.1 Post-Case Conference Notification**

Pensacola Housing will notify the family by mail of the proposed action no later than 30 days after the case conference.

## 24.0 Appendices

### 24.1 Appendix 1: Using the EIV Income Discrepancy Report

This appendix explains how Pensacola Housing uses the EIV Income Discrepancy Report as part of the recertification process for HCV program clients.

#### 24.1.1 Definition

The EIV Income Discrepancy Report is a tool for identifying families that might have concealed or underreported their household income. Data in the discrepancy report represents income for past reporting periods and may be between 4 and 30 months old at the time the report is generated. When there appears to be underreporting of \$2,400 or more in household income, annualized, between what a PHA has submitted on a 50058 versus the historic household income that was compiled in EIV from state and federal reporting sources, EIV generates an Income Discrepancy Report for the household.

The EIV Income Discrepancy Report is a trend report. For most clients, it should be possible to review the report, in conjunction with the household's EIV Income details and the income totals from the PHA's submitted 50058s, and quickly determine whether or not there's a true discrepancy. The purpose of the report is not to match up every dollar between the 50058 total and the EIV totals, but to identify unreported income sources, underreported income, or possible instances of identity theft, and review these with the client.

Many, if not most, of the families who appear on the Income Discrepancy Report have not concealed or underreported income. They appear on the report for a variety of reasons, including after the loss of a job or the addition of new family members; when duplicate wage records have been submitted to EIV by federal or state reporting agencies; when a household member is a victim of identity theft; or during the family's initial lease up period.

EIV Income Discrepancy data can be accessed by running the agency-wide Income Discrepancy Report from the Verification Reports menu option, or by reviewing the Income Discrepancy tab of a specific household's EIV Report.

#### 24.1.2 Usage

Pensacola Housing will review the Income Discrepancy Report for each household during the annual recertification process, and at the time of any other required recertifications, such as for a mid-contract move.

If a household appears on the Income Discrepancy Report at any of these times, the housing specialist will take the following steps.

### **24.1.3 Eliminating Errors**

On occasion the EIV Income Report for a household may contain duplicate wage entries. These entries can skew the household's total income, and produce a false positive on the Income Discrepancy Report. Therefore, Pensacola Housing's first step in reviewing reported discrepancies is to review the household's Income Report in EIV for duplicate entries.

If one or more duplicate wage entries are found, and if they account for all or most of the discrepancy in income between EIV and our submitted 50058s, the housing specialist will document the duplicate entry or entries on the client record, and note the date the review was performed. No further action is needed.

Another type of error that can create false positives in the Income Discrepancy Report is when tenant income submitted by Pensacola Housing on the household's 50058 form was coded incorrectly. For example, if a tenant reports Social Security income, but a Pensacola Housing staff member inadvertently coded the income source as Pension, EIV will report a discrepancy.

Therefore, the second step Pensacola Housing will take in reviewing an Income Discrepancy Report is to review all of the household's income sources in Housing Pro to ensure they are coded correctly. If any errors are found, the housing specialist will make the correction and lock in a corrected 50058 for transmission to PIC. The housing specialist will note the correction on client record, and the date the review was performed. No further action is needed.

### **24.1.4 Looking for Identity Theft**

In addition to duplicate or incorrectly coded wage records, there are other circumstances that can produce an invalid Income Discrepancy Report. One is if a member of the household is a victim of identity theft. If a Pensacola Housing staff member has already verified that an Income Discrepancy Report is the result of identity theft, no further verification is required. Known details of the situation should be noted on the client record, and the date the review was performed. In addition, the client should be counseled to take the steps listed in Appendix 2 of this Administrative Plan.

### **24.1.5 Period of Income (POI)**

If the reported income discrepancy is not a result of invalid data, as described above, then the housing specialist must investigate the discrepancy.

The first step in investigating an income discrepancy is to determine the Period of Income (POI). The Period of Income covered by the discrepancy report appears near the top of the report, under the description "Period of Income for Discrepancy Analysis." Only income received during the POI is counted in calculating any possible income discrepancy, and only income received during the POI should be considered in attempting to resolve or verify the discrepancy.

### **24.1.6 POI and False Positives on the Income Discrepancy Report**

Income earned prior to the client's lease up on the voucher program may be part of the POI and appear on the Income Discrepancy Report. That income is not included on a 50058, so this is a situation where "invalid" discrepancies can occur.

### **24.1.7 Valid Income Discrepancies**

If the client's EIV Income Report does show income sources or amounts that were not reported, and therefore don't appear on any of the submitted 50058s, then there may be a valid income discrepancy. Pensacola Housing will follow up with such clients.

### **24.1.8 Steps to Resolve an Income Discrepancy**

Here are the steps the housing specialist will follow to resolve a valid income discrepancy discovered via the EIV Income Discrepancy Report.

1. Schedule a meeting with the client. Show him or her the EIV Income and Income Discrepancy Reports.
2. Ask if the client agrees with, or disputes the findings.
3. If the client agrees, add the income source to the 50058 (if the income source is still active), calculate the overpayment, and ask the client to sign a repayment agreement.
4. If the client disputes the report, contact the third party source of the EIV wage report and request verification.
5. When third party results are back, contact the client and present the results. Provide the client with a chance to respond.
6. After the client response phase, make a determination, make any needed updates to the 50058, and, if necessary, calculate the overpayment and ask the client to sign a repayment agreement.

### **24.1.9 Bibliography**

1. Department of Housing and Urban Development (HUD), Office of Housing Assistance and Grant Administration (HAGA), "Enterprise Income Verification (EIV) 8.1.1 Instructional Course," December 17, 2008. Online at [http://portal.hud.gov/hudportal/documents/huddoc?id=DOC\\_14936.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_14936.pdf). See especially pp. 79-100.
2. Department of Housing and Urban Development (HUD), Notice H 2011-21, "Enterprise Income Verification (EIV) System," August 17, 2011. Online at <http://portal.hud.gov/hudportal/documents/huddoc?id=11-21hsgn.pdf>. See especially pp. 25-29 and 65.
3. Department of Housing and Urban Development (HUD), Notice H 2013-06, "Enterprise Income Verification (EIV) System," March 8, 2013. Online at <http://portal.hud.gov/hudportal/documents/huddoc?id=13-06hsgn.pdf>. See especially pp. 39-43.

## 24.2 Appendix 2: HCV Program Participants and Identity Theft

In the process of reviewing a program participant's income as part of an annual or interim reexamination, Pensacola Housing may discover that the participant may be a possible victim of identity theft. This information will generally come to light as part of the housing specialist's review of the EIV Income Report or the EIV Income Discrepancy Report with the participant.

If the housing specialist suspects that identity theft has occurred, Pensacola Housing will assist the participant in contacting the reporting agency that was the source of the income discrepancy. In addition, the program participant will be counseled to take the following steps.

1. Check their Social Security records to ensure they are correct. (Call the SSA at 1-800-772-1213.)
2. File an identity theft complaint with the Federal Trade Commission. (Call the FTC at 1-877-438-4338, or visit their website at [www.ftc.gov/bcp/edu/microsites/idtheft](http://www.ftc.gov/bcp/edu/microsites/idtheft).)
3. Monitor their credit reports through the 3 national credit reporting agencies: Equifax, Experian, and TransUnion.
4. Request a copy of their credit report and place a fraud alert on it with the 3 national reporting agencies by contacting the agencies directly, or by visiting the website [www.annualcreditreport.com](http://www.annualcreditreport.com).

Contact information for the 3 national credit reporting agencies is:

Equifax Credit Information Services, Inc.  
P.O. Box 740241  
Atlanta, GA 30374  
[www.equifax.com](http://www.equifax.com)  
800-685-1111

Experian  
P.O. Box 2104  
Allen, TX 75013  
[www.experian.com](http://www.experian.com)  
888-397-3742

TransUnion  
P.O. Box 6790  
Fullerton, CA 92834  
[www.transunion.com](http://www.transunion.com)  
800-680-7289 or 800-888-4213



### 24.3 Appendix 3: Acronyms

ACC	Annual Contributions Contract
CACC	Consolidated Annual Contributions Contract
CFR	Code of Federal Regulations
EIV	Enterprise Income Verification
EVF	Employment Verification Form
FMR	Fair Market Rent
FSS	Family Self-Sufficiency Program
HA	Housing Agency
HAP	Housing Assistance Payment
HCDA	Housing and Community Development Act
HCV	Housing Choice Voucher
HQS	Housing Quality Standards
HUD	Department of Housing and Urban Development
IMS	Inventory Management System
INS	(U.S.) Immigration and Naturalization Service
LIA	Live-In Aide
MTCS	Multifamily Tenant Characteristics System
NAHA	(Cranston-Gonzalez) National Affordable Housing Act
NED	Non-Elderly Disabled
NOFA	Notice of Funding Availability
OIG	(U.S.) Office of the Inspector General
OMB	(U.S.) Office of Management and Budget
QHWRA	Quality Housing and Work Responsibility Act of 1998
PHA	Public Housing Agency
PIC	Public and Indian Housing Information Center
PIH	Office of Public and Indian Housing
PUC	Per Unit Cost
RR	Rent Reasonableness
RTA	Request for Tenancy Approval
RTC	Request for Tenancy Continuation
SEMAP	Section 8 Management Assessment Program
TTP	Total Tenant Payment
VASH	Veterans Affairs Supportive Housing
VAWA	Violence Against Women Act

VMS          Voucher Management System

## 24.4 Appendix 4: Glossary of Terms

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

**50058 Form:** The HUD form that housing authorities are required to complete for each assisted household to record information used in the certification and re-certification process and for interim reexaminations.

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

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

**Administrative Fee:** Fee paid by HUD to the PHA for the administration of the program.

**Administrative Plan:** The plan that describes a specific PHA's policies for the administration of tenant-based programs, including voucher programs.

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

**Adult:** A household member who is 18 years or older, or who is an emancipated minor, or who is the spouse of the head of household. An adult must have the legal capacity to enter a lease under state and local law.

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

**Americans with Disabilities Act (ADA):** Federal law prohibiting discrimination on the basis of disability in employment, state and local government, public accommodations, commercial facilities, transportation, telecommunications, and housing.

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

**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 program regulations.

**Annual Income After Allowances:** The Annual Income (described above) less the HUD-approved allowances.

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

**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.

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

**Lease Agreement (Lease):** A written contract between an owner and a family for the leasing of a dwelling unit to the family. The lease establishes the conditions for occupancy of the dwelling unit by the family, and the respective obligations of each party.

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

**Child:** A member of the family other than the family head or spouse who is under 18 years of age.

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

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

**Co-Head:** An individual in the household who is equally responsible for the lease with the Head of Household. A voucher family can have a co-head or a spouse, but not both; and a co-head is never a dependent.

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

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

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

**Contiguous MSA:** In portability, an MSA (Metropolitan Statistical Area) that shares a common boundary with the MSA in which the initial PHA is located.

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

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

**Covered Families:** Families who receive welfare assistance or other public assistance benefits (“welfare benefits”) from a State or other public agency (“welfare 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.

**Decent, Safe, and Sanitary:** Housing is decent, safe, and sanitary if it satisfies the applicable Housing Quality Standards.

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

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

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

**Disabled Person:** See Person with Disabilities.

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

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

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

**Drug-Related Criminal Activity:** The illegal manufacture, sale, distribution, or use, or the possession with intent to manufacture, sell, distribute, or use a controlled substance, as defined in Section 102 of the Controlled Substances Act (21 U.S.C. 802).

**Drug Trafficking:** The illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, a controlled substance, as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

**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, basic skills training, education, English proficiency, workfare, financial or household management, 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, spouse, co-head, or sole member is a person who is at least 62 years of age; or two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

**Elderly Person:** A person who is at least 62 years old.

**Eligible Noncitizen:** An eligible noncitizen is a resident of the United States who 1) is a U.S. permanent resident with Permanent Resident Card; or 2) is a conditional permanent resident; or 3) is the holder of an Arrival-Departure Record (I-94) from the Department of Homeland Security showing any one of the following designations: Refugee, Asylum Granted, Parolee (and the I-94 confirms paroled for a minimum of one year and status has not expired), or Cuban-Haitian Entrant.

**Evidence of Citizenship or Eligible Status:** The documents that must be submitted to verify citizenship or eligible immigrant status.

**Exception Payment Standard:** A payment standard that is more than 110% of FMR. Pensacola Housing may approve an exception payment standard of up to 120%, as a reasonable accommodation for a household including a person with a disability, to ensure the household has equal access to the program. Pensacola Housing may also request HUD approval of exception payment standards for certain neighborhoods or census tracts, if

needed to maintain lease up, to provide participants with access to neighborhoods of low poverty concentration, or to achieve other program goals.

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

**Extremely Low-Income Family:** A family whose annual income does not exceed the federal poverty level or 30% of the median income for the area, as determined by HUD and adjusted for household size.

**Fair Housing Act:** Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (42 U.S.C. 3601 et seq.). The Fair Housing Act protects the buyer or renter of a dwelling from seller or landlord discrimination.

**Fair Market Rent (FMR):** The amount it costs to obtain rental housing, of modest design and with suitable amenities, in a particular market area. Fair Market Rents are determined by HUD and published at least annually in the Federal Register. They are established for units of varying sizes, by number of bedrooms, and include the cost of essential utilities and other essential housing services, in addition to the rent.

**Family:** A person or group of persons, as determined by the PHA consistent with 24 CFR 5.403, approved to reside in a unit with assistance under a HUD-assisted housing program.

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

**Family Share:** The portion of rent and utilities paid by the family, or the gross rent minus the amount of the housing assistance payment.

**Family Voucher Size:** The appropriate number of bedrooms for a family as determined by the PHA under the PHA's subsidy standards.

**Full-Time Student:** A person who is attending school or vocational training on a full-time basis, as defined by the educational institution.

**Gross Rent:** The sum of the rent to owner plus any utilities for which the family is responsible.

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

**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.

**Household Members:** All individuals who reside or will reside in the unit and who are listed on the lease and the 50058 form, including live-in aides, foster children, and foster adults.

**Housing Assistance Payment (HAP):** The monthly assistance payment made by a PHA. The total assistance payment consists of (1) a payment to the owner for rent to owner under the family's lease; and (2) an additional payment if the total assistance payment exceeds the rent to owner. The additional payment is called a Utility Assistance Payment or utility reimbursement.

**Housing Choice Voucher:** A document issued by a Public Housing Agency to a family selected for admission to the voucher program. The voucher describes the program and the family obligations, as well as procedures for PHA approval of a unit.

**Housing Quality Standards (HQS):** The HUD minimum quality standards for units under the voucher programs.

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

**Imputed Welfare Income:** The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

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

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

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

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

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



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

**Jurisdiction:** The area in which the Public Housing Agency has authority under Federal, State, and local law to administer housing choice voucher programs.

**Lease:** A written agreement between an owner and tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP Contract between the owner and the PHA. The participant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

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

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

**Low Income Family:** A family whose annual income does not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 80% for areas with unusually high or low incomes.

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

**Manufactured Home Space:** A space leased by an owner to a family, with a manufactured home owned and occupied by the family located on it. See 24 CFR 982.622 to 982.624.

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

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

**Monthly Adjusted Income:** Monthly income after allowable deductions.

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

**Mutual Housing:** Included in the definition of Cooperative.

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

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

**Net Family Assets:** 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.

**Non Citizen:** A person who is not a citizen or national of the United States.

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

**Occupancy Standards:** The standards that the PHA establishes for determining the appropriate number of bedrooms needed to house families of different sizes and compositions.

**Owner:** Any person or entity, including a cooperative, having the legal right to lease or sublease existing housing. In this Administrative Plan, the term "owner" may refer to the unit's property owner of record, or the real property owner's representative, manager, agent or realtor who has been authorized by the owner to contract with Pensacola Housing on the owner's behalf.

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

**Payment Standard:** The maximum monthly assistance payment for a family assisted in the voucher program, before deducting the family's total tenant payment.

**Person with Disabilities:** A person who has a disability, as defined in 42 U.S.C 423, or a developmental disability, as defined in 42 U.S.C. 6001. Also includes a person who is determined, under HUD regulations, to have a physical or mental impairment that is expected to be of long-continued and indefinite duration, substantially impedes the ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions. For purposes of reasonable accommodation and program accessibility for persons with disabilities, means an "individual with handicaps" as defined in 24 CFR 8.3. Definition includes persons who have AIDS or

conditions arising from AIDS, but, for low-income housing eligibility purposes, does not include a person whose disability is based solely on drug or alcohol dependence.

**PHA Plan:** The annual plan and the 5-year strategic plan as adopted by the PHA and approved by HUD.

**Portability:** Renting a dwelling unit with tenant-based voucher assistance outside the jurisdiction of the initial PHA.

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

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

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

**Processing Entity:** Entity responsible for making eligibility determinations and for income reexaminations. In the housing choice voucher program, the processing entity is the Responsible Entity.

**Project-Based Vouchers:** An optional component of the HCV program that PHAs may choose to implement. Under this program, a PHA can attach up to 30 percent of its allocated voucher program budget authority to specific housing units if the owner agrees to either rehabilitate or construct the units, or the owner agrees to set-aside a portion of the units in an existing development for voucher holders.

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

**Public Housing:** Housing assisted under the 1937 Act, other than under Section 8. Public housing includes dwelling units in a mixed finance project that are assisted by a PHA with capital or operating funds.

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

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

**Receiving Public Housing Agency:** In portability, a PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA issues a voucher, and provides program assistance to the family.

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

**Remaining Member of a Tenant Family:** Person left in assisted housing after other family members have left and become unassisted.

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

**Responsible Entity:** For the housing choice voucher program, public housing, project-based certificate assistance, and the moderate rehabilitation program, the responsible entity means the PHA administering the program under an ACC with HUD. For all other Section 8 programs, the responsible entity means the Section 8 owner.

**Section 8:** Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

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

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

**Single Person:** A person living alone or intending to live alone.

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

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

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

**Special Purpose Voucher.** Special Purpose Vouchers are specifically provided for by Congress in line item appropriations that distinguish them from regular vouchers. Examples of Special Purpose Vouchers include Veteran Affairs Supportive Housing (VASH), Family Unification Program (FUP), Non-Elderly Disabled (NED), and Tenant Protection Vouchers (TPV).

**Specified Welfare Benefits Reduction:** Those reductions of welfare benefits (for a covered family) that may not result in a reduction of the family rental contribution. A reduction of welfare benefits because of fraud in connection with the welfare program, or because of welfare sanction due to noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program

“Specified welfare benefit reduction” does not include a reduction or termination of welfare benefits by the welfare agency (1) at the expiration of a lifetime or other time limit on the payment of welfare benefits; or (2) because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or (3) because a family member has not complied with other welfare agency requirements.

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

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

**Suspension:** Stopping the clock on the term of a family’s voucher from the time when the family submits a Request for Tenancy Approval (RTA) until the time when the agency approves or denies the request. Also referred to as Tolling.

**Temporary Assistance for Needy Families (TANF):** A federal assistance program providing assistance such as Food Stamp benefits, or cash assistance, for low-income families.

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

**Tenant Rent:** In the voucher programs, the portion of the contract rent that’s paid by the assisted family.

**Third-Party Verification:** Oral or written confirmation of a household’s income, expenses, or household composition provided by a source outside the household, such as an employer, doctor, school official, etc.

**Tolling:** Stopping the clock on the term of a family’s voucher from the time when the family submits a Request for Tenancy Approval (RTA) until the time when the agency approves or denies the request. Also referred to as Suspension.

**Total Tenant Payment (TTP):** The minimum amount the HUD rent formula requires the tenant to pay toward the gross rent.

**Utilities:** Utilities means water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection, and sewage services. Telephone service is not included as a utility.

**Utility Assistance Payment (UAP):** The amount, if any, by which the Housing Assistance Payment exceeds the rent to owner. The additional payment is paid toward utility costs on the tenant family's behalf.

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

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

**Verification:** The process of obtaining statements from individuals who can attest to the accuracy of the amounts of income, expenses, or household member status (e.g., employers, public assistance agency staff, medical professionals).

**Very Low-Income family:** A family whose annual income does not exceed 50% of the median family income for the area, as determined by HUD with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 50% of the median for the area if HUD finds that such variations are necessary because of unusually high or low family incomes.

**Veterans Affairs Supportive Housing (VASH or HUD-VASH):** A program that combines Housing Choice Voucher (HCV) rental assistance for homeless veterans with case management and clinical services provided by the Department of Veterans Affairs (VA).

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

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

**Voucher Holder:** A family that has an unexpired housing voucher.

**Waiting List Admission:** An admission from the PHA's waiting list. [24 CFR 982.4].

**Welfare Assistance:** Welfare or other payments to families or individuals, based on need, that are made under programs funded by federal, state or local governments.

**Welfare Rent:** The amount specifically designated for rent and utilities in “as-paid” state, county, or local public assistance programs. This concept is not used for the housing choice voucher program administered by Pensacola Housing.

**Welfare-to-Work (WTW) Families:** Families assisted with voucher funding awarded under the HUD welfare-to-work voucher program.