

**Administrative Plan  
For the Baltimore Housing Mobility Program  
(for HABC Fiscal Year 2018)**

---

**Submitted: January 19, 2017**

**Effective: July 1, 2017**

Contents

1. GENERAL PROVISIONS ..... 2

2. ELIGIBILITY AND ADMISSION ..... 9

3. CONTINUED PROGRAM PARTICIPATION ..... 32

4. HOUSING QUALITY STANDARDS INSPECTIONS..... 39

5. COLLECTION PROCEDURES ..... 43

6. PROJECT BASED ASSISTANCE ..... **Error! Bookmark not defined.**

7. HOMEOWNERSHIP PROGRAM..... 44

8. INFORMAL REVIEW AND HEARING POLICY..... 48

9. FRAUD POLICY..... 51

Attachment A – Payment Standards by Census Tract

Attachment B – Project Based Request for Qualifications

## 1. GENERAL PROVISIONS

### INTRODUCTION

In 1995 a class action entitled *Thompson v. HUD*, No. MJG 95-309, was filed in U.S. District Court for the District of Maryland against the Housing Authority of Baltimore City (HABC), the City of Baltimore and the U.S. Department of Housing and Urban Development (HUD). The plaintiffs alleged that African American residents of and applicants for public housing and Section 8 vouchers had been discriminated against based upon their race. Certain parts of the case were settled by the parties through a Partial Consent Decree approved by the District Court in June 1996. In November 2012, the District Court approved a final Settlement Agreement. Under the Settlement Agreement, HUD will continue the successful Baltimore Housing Mobility Program launched under the *Thompson* Partial Consent Decree, which has provided Housing Choice Vouchers and high quality housing mobility counseling to assist families who have voluntarily chosen to move from areas of concentrated poverty in Baltimore City to opportunity areas (neighborhoods with better schools, lower crime, and more jobs) in Baltimore City and throughout the Baltimore Region. The *Thompson* Settlement Agreement makes available up to 2,600 additional Housing Choice Vouchers from 2012 through 2018 ("*Thompson* Remedial Vouchers"), in addition to the 1,788 Housing Choice Vouchers already used under the *Thompson* Partial Consent Decree to lease apartments or houses as of April 2012 ("*Thompson* PCD Leased Vouchers"). In addition, the Settlement Agreement provides for the continuation of the *Thompson* Homeownership Voucher Program. All *Thompson* Remedial, PCD Leased, and Homeownership Vouchers must be used in opportunity areas throughout the Baltimore metropolitan housing market as identified in the *Thompson* Settlement Agreement and set forth below.

This Administrative Plan has been developed to address all aspects of the Baltimore Housing Mobility Program. All units will be administered as Housing Choice Vouchers and consistent with the *Thompson* Settlement Agreement, and included as a part of the Housing Authority of Baltimore City (HABC) Moving to Work (MTW) demonstration program.

### PROGRAM ADMINISTRATION

Pursuant to the *Thompson* Settlement Agreement, HABC has contracted with the Baltimore Regional Housing Partnership, Inc. (BRHP) to serve as the Regional Administrator for all *Thompson* PCD-Leased and Remedial Vouchers and to provide mobility counseling and related services in connection with the use of those vouchers by eligible families. BRHP previously contracted with Metropolitan Baltimore Quadel (MBQ) for administration of the program. All program-related contracts, such as the Housing Choice Voucher or Housing Assistance Payments (HAP) contract previously executed in MBQ's name are now assigned to BRHP.

### SPECIAL CONDITIONS FOR THOMPSON VOUCHERS

The Housing Choice Vouchers provided by HUD for the Baltimore Housing Mobility Program in accordance with the *Thompson* Settlement Agreement are subject to HUD regulations and guidance for its Section 8 programs, except as modified by the requirements of the *Thompson* Settlement Agreement, including Section IV.D and IV.F of the *Thompson* Settlement Agreement. Among the major relevant requirements of the *Thompson* Settlement Agreement are the following:

- All families participating in the Baltimore Housing Mobility Program must use their assistance in opportunity areas of the Baltimore region, as may be modified pursuant to the terms of the *Thompson* Settlement Agreement.

- BRHP will provide mobility-counseling and related services pursuant to the terms of the *Thompson* Settlement Agreement, and all families must participate in this mobility counseling program as a condition of the receipt of a *Thompson* voucher.
- *Thompson* voucher holders must rent a unit in an opportunity area for a period of two (2) years. After the two year period expires, the voucher holder may move anywhere in the Metropolitan Baltimore area or, under HCV Program portability provisions, anywhere in the United States where a Public Housing Agency (PHA) with jurisdiction, operates a HCV Program. In the second year, the voucher holder may apply for a hardship exemption based on a change in family circumstances that necessitates relocation to a non-opportunity area, such as a documented health condition of a family member or the need of a family member to obtain housing closer to a place of employment, education or training.
- *Thompson* voucher holders may be denied the ability in their first use of their voucher to lease a unit in a multifamily rental development with more than 50 units if more that 20 percent of the units in that development already have families receiving some form of Section 8 assistance.

#### **STATEMENT OF PROGRAM APPROACH AND OBJECTIVES**

The primary objectives of the Baltimore Housing Mobility Program are to:

- Provide rental housing and homeownership assistance in opportunity areas identified by the BRHP pursuant to the *Thompson* Settlement Agreement to those families eligible for the Program; and
- Provide mobility counseling to eligible families participating in the Baltimore Housing Mobility Program.

#### **FAIR HOUSING AND NON DISCRIMINATION POLICY**

It is the policy of BRHP to administer its programs in compliance with the Fair Housing Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act, and the Age Discrimination Act of 1975.

In addition, BRHP will affirmatively further Fair Housing and Equal Opportunity in the administration of programs by fully complying with all Federal, State and local nondiscrimination laws and in accordance with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment practices. BRHP does not discriminate against any applicant or participant because of race, color, sex, religion, national origin, ancestry, age, familial status, handicap or disability, or sexual orientation. BRHP will also not apply any criteria or consider any information pertaining to attributes or behavior that may be imputed by some to a particular group or category. BRHP does not deny any family the opportunity to apply for housing (when the waiting list is open) or deny any eligible applicant the opportunity to lease a housing unit that meets program requirements.

BRHP will provide program applicants and participants with information on Federal/State/local laws regarding housing discrimination and any recourse available, including HUD's web site at [www.hud.gov](http://www.hud.gov). Such information will be made available as part of the program briefing session, and all applicable Fair Housing and Equal Opportunity information and complaint forms will be made part of the Briefing Packet. BRHP will provide referrals and information to applicants and participants about local organizations that provide assistance in filing discrimination complaints.

#### **REASONABLE ACCOMMODATION POLICY**

BRHP's policies and procedures have been designed to provide assurances that individuals with disabilities may request reasonable accommodation to fully access and utilize the housing programs and related services.

To be eligible for a reasonable accommodation, an individual must have a disability which is defined as follows:

- A physical or mental impairment that substantially limits one or more of the major life activities of an individual;
- A record of such impairment; or
- Is regarded as having such an impairment.

Availability of specific accommodations will be included on Baltimore Housing Mobility Program forms, notices, and letters to families. An applicant or participant with a disability may request a reasonable accommodation in writing to the attention of BRHP's Executive Director. Decisions on granting a reasonable accommodation will be made on a case-by-case basis upon consideration of the nature and cost of the accommodation requested and the overall financial resources involved in granting the accommodation. Requests for reasonable accommodation will be verified in accordance with BRHP's independent third-party verification policies. To further BRHP's commitment to Fair Housing and Equal Opportunity, the following steps will also be taken:

- Organizations that provide assistance to hearing and sight impaired persons will be contacted and utilized as necessary;
- A list of known accessible units will be provided to applicants and participants upon request;
- Household members having a disability will be referred to agencies in the community that offer services to persons with disability;
- Information on the Maryland Relay System that provides accessibility to the hearing impaired will be provided upon request.

In addition, BRHP has designated its Executive Director as its Section 504 Coordinator. The address and phone number of BRHP's office is provided on all correspondence and forms including the Program Briefing Packet, Moving Packet, and Recertification Packet.

#### **EQUAL OPPORTUNITY HOUSING AND AFFIRMATIVE MARKETING PLAN**

**Program Outreach:** BRHP will conduct outreach to inform and attract applicants from among eligible families. Information will be provided on the Tenant Based, Project Based, and Homeownership components of the Baltimore Housing Mobility Program. This outreach includes, but is not limited to, mailings to eligible families, brochures, and public presentations at public housing developments and other appropriate locations.

Advertising will be accomplished through newspapers of widespread general circulation and minority focused media. BRHP may also undertake additional marketing activities in order to market site specific or special purpose housing, as identified in this Plan.

To ensure that the availability of housing is communicated to individuals with disabilities, BRHP will contact agencies and organizations that serve individuals with disabilities. If necessary, special mail in procedures for frail elderly or severely disabled respondents may be employed.

Outreach to property owners is conducted on an ongoing basis to develop interest in the program and to increase the number of units available in opportunity areas. BRHP will distribute information about the Baltimore Housing Mobility Program and the advantages to landlords of participating through a number of mechanisms, including but not limited to, by mail and at group and one on one meetings.

BRHP maintains a list of interested property owners and units available for the Baltimore Housing Mobility Program. As inquiries from prospective new property owners are received, staff records the necessary information about units and makes it available to prospective tenants upon request. BRHP will encourage local property owners with units specially designed or adapted for persons with disabilities, and those who may be willing to adapt units, to participate in the programs. Whenever a local property owner makes a unit available for the program, BRHP shall inquire as to whether the unit is accessible and the extent of accessibility.

### **TRANSLATION OF DOCUMENTS**

In determining whether it is feasible to translate documents into other languages, BRHP will consider the following factors:

- Number of applicants and participants in the jurisdiction who need the other language translation;
- Estimated cost to BRHP for the translation;
- The availability of local organizations to provide the translation services; and
- Availability of bilingual staff to provide the translation.

### **HOUSING AUTHORITY JURISDICTION**

BRHP's jurisdiction for the Baltimore Housing Mobility Program is Metropolitan Baltimore which includes all localities, cities and/or towns located in:

- Baltimore City
- Anne Arundel County
- Baltimore County
- Carroll County
- Harford County
- Howard County

### **RECORD MAINTENANCE**

Participant files will be maintained for the following time frames:

- Past participants leaving with no balance owed to BRHP: three years.
- Past participants leaving with a balance owed to BRHP: indefinitely until balance is cleared but not less than three years

### **UNUSUAL CIRCUMSTANCES**

In the event circumstances arise that do not fall under the provisions stated in this Plan, those circumstances will be reviewed on a case-by-case basis by BRHP's Executive Director. Appropriate actions will be taken as warranted and those actions will be documented.

### **DESCRIPTION OF BALTIMORE REGIONAL HOUSING MOBILITY PROGRAM**

The Baltimore Regional Housing Program includes three components:

**Tenant Based Vouchers:** Tenant based vouchers must be used in opportunity areas by eligible families who have received mobility counseling.

**Project Based Vouchers:** Project based vouchers must be used in opportunity areas by families who have received mobility counseling. At least 78 additional project based vouchers will be created, pursuant to the *Thompson Settlement Agreement*.

**Homeownership Units:** BRHP will use second and third mortgages, in addition to Section 8 homeownership vouchers to assist those eligible families who qualify for a mortgage but have very low or extremely low incomes of no less than the Federal minimum wage multiplied by 2000 hours.. Disabled and elderly applicants are exempt from the minimum income requirements. The Homeownership component of the Baltimore Housing Mobility Program includes the Direct Purchase program and a Section 8 Direct Purchase program. (See Homeownership Program Section)

### **ELIGIBLE TYPES OF HOUSING**

Single family dwellings, duplex, triplex, fourplex, row type housing, multi-unit complexes, apartments, condominiums and town homes (mobile homes and manufactured homes if allowed in the jurisdiction) are eligible types of housing for the Program. Hotels, motels, nursing homes, college or school dormitories, other types disallowed by HUD regulations, or a unit occupied by its owner or by a person with any interest in the dwelling unit, are not eligible types of housing. The exception to this is a participant in the Homeownership program when the unit is occupied by a renter who is purchasing under a lease purchase arrangement.

At its discretion, BRHP may allow a family participating in the Baltimore Housing Mobility Program to use any of the following special housing types in accordance with the regulations of the program: single room occupancy housing, congregate housing, group home, shared housing, or cooperative housing. BRHP will follow HUD regulations regarding participants residing in these special housing types.

### **PAYMENT STANDARDS REVIEW**

BRHP, pursuant to HABC's MTW authority and the *Thompson Settlement Agreement*, has adopted payment standards for the Baltimore Housing Mobility Program listed in Attachment A. These payment standards are based upon the HUD Fair Market Rents (FMR) and range from 90 to 135 percent of the FMR. Baltimore Housing Mobility Program payment standards are determined at the census tract level and are based on (1) whether a tract is determined to be an opportunity area, and (2) the ratio of the census tract's median gross rent to the Baltimore Metropolitan Statistical Area median gross rent using the most recent 5-year estimate from the US Census Bureau's American Community Survey. Implementation of the recommended payment standards will be subject to funding availability. BRHP will review the payment standards annually to determine whether, based on the rent ratio, they should be increased or decreased in particular census tracts.

### **APPLICATION OF PAYMENT STANDARDS**

#### ***Effective Date of Payment Standards***

BRHP will review payment standards annually including reviewing HUD's most recently published Fair Market Rents, and adjust the payment standard schedules on July 1 of each year to coincide with the start of HABC's fiscal year and the date of the approved MTW Plan. . The implementation date of the payment standard will be based upon the following:

**New Admissions and Moves:** BRHP shall apply the approved payment standard that is in effect on the date of the new admission or move.

**Re-certifications:** For payment standard increases, BRHP will begin to apply new payment standards effective July 1 to recertifications that are effective at least 90 calendar from that effective date. Should the payment standard schedule indicate a decrease, BRHP will not reduce the payment standard of a family continuing to reside in a unit under contract at the time of the reduction as authorized through the Housing Opportunity Through Modernization Act (HOTMA).

The payment standard applied for the family will be the lower of:

- The payment standard based upon the size and composition of the family, or
- The payment standard for the size of the unit rented by the family.

***Reasonable Accommodations***

The BRHP may approve a higher payment standard, up to 135% of the HUD published FMR, on a case by case basis, as a reasonable accommodation, for a Program Participant with disabilities.

**MINIMUM RENT**

The Baltimore Housing Mobility Program will have zero (\$0) minimum rent policy.

**UTILITY ALLOWANCE SCHEDULE**

BRHP will maintain a schedule of utilities in accordance with HUD regulations to be used in the determination of housing assistance payments to owners. The utility allowance schedule will be evaluated annually, using utility schedules obtained from other PHAs operating HCV programs within the jurisdiction of the Baltimore Housing Mobility Program. Unless BRHP find the utility allowances of the local PHA with jurisdiction to be inadequate, BRHP will use the utility allowances adopted by the local PHA. BRHP will use the lower of:

- The utility allowance based upon the voucher size and composition of the family, or
- The utility size for the size of the unit rented by the family.

BRHP provides utility reimbursement payments in accordance with HUD requirements. At its option, BRHP reserves the right to issue utility reimbursement payments directly to the utility company or to the tenant in the form of a check or through electronic fund transfers (i.e. direct deposit, debit style cash cards, etc.)

**LANDLORD INCENTIVES**

Subject to funding availability, BRHP may offer landlords an incentive fee based on the size of the unit placed under contract. Subsequent re-leasing of that unit does not trigger an additional incentive fee. The decision whether to offer an incentive fee is at the discretion of BRHP.

<b>Unit Size</b>	<b>Amount</b>
1 Bedroom	\$175
2 Bedroom	\$275
3 Bedroom	\$475
4+ Bedroom	\$550

**PRIVACY RIGHTS**

At time of application, and any time a change of family status is processed, each participant may be required to sign a Federal Privacy Act Statement (HUD Form 9886), acknowledging that all family status information is released to HUD, and that HUD may share this information with other governmental agencies. Applicants and participants are required to read and sign the Federal Privacy Act Statement which outlines the conditions under which HUD will release information. Requests for information must be accompanied by a written Release of Information Request signed by the applicable party in order for BRHP to release any information involving an applicant or participant, unless disclosure is authorized under Federal or State law. BRHP may release information requested by court subpoena.

**PERFORMANCE MONITORING**

BRHP maintains complete and accurate accounts and other records for the program in accordance with HUD requirements. BRHP has developed monitoring procedures as part of its internal control systems to monitor program requirements, program actions and performance standards. BRHP conducts periodic reviews of work products to assure all Housing Choice Voucher actions are processed accurately. BRHP maintains records, reports and other documentation for the period of time required by HUD that is in accordance with HUD requirements and records retention policies established in this Plan. In addition, BRHP files will be maintained in a manner that will allow an auditor, HUD, HABC, or other authorized party to monitor BRHP's operations in an objective manner.

## 2. ELIGIBILITY AND ADMISSION

### PROGRAM ADMISSION

Only eligible applicants on the waiting list maintained for the Baltimore Housing Mobility Program will be admitted to one of the components of the Baltimore Housing Mobility Program.

### DEFINITION OF FAMILY

The applicant must qualify as a family. A “family” shall be defined as:

- Two or more persons sharing residency whose income and resources are available to meet the family’s needs and who are either related by blood, marriage or operation of law, or who evidence a stable family relationship over a period of not less than one year. Evidence of “stable family relationship” may include birth certificates of children, joint tax returns, prior lease held jointly, joint bank accounts, insurance policies, marriage certificates, or equivalent documentation as determined by BRHP.
- A single, pregnant female is considered a two-person family for purposes of this program.
- A group of persons consisting of two or more elderly persons or disabled persons living together, or one or more elderly or disabled persons living with one or more live in aides.
- An elderly family. A family whose head, spouse, or sole member is a person who is 62 years of age or older. It may include two or more persons living together, and one or more such persons living with one or more persons, including live-in aides, determined to be essential to the care and well-being of the elderly person or persons. An elderly family may include elderly persons with disabilities and other family members who are not elderly.
- A single person who lives alone or intends to live alone, and who is not elderly, disabled, or the remaining member of a tenant family.
- A disabled family. A family whose head, spouse, or sole member is a person with disabilities. May include two or more persons with disabilities living together, or one or more such persons living with one or more live in aides determined to be essential to the care and well-being of the person or persons with disabilities. A disabled family may include persons with disabilities who are elderly.

**Joint Custody Agreements.** For the purposes of this program, children who are subject to a joint custody agreement and live in the unit at least 51 percent of the time will be considered family members (“51 percent of the time” is defined as 183 days of the year, which do not have to run consecutively). In a joint custody arrangement, if the minor is residing in the assisted dwelling fewer than 183 days per year, the minor will be considered an eligible visitor, not a family member, and not on the lease.

**Foster Care.** For purposes of this program, a child who is temporarily away from home because of placement in Foster Care is considered a member of the family if the child is considered temporarily absent from the home by the foster care agency.

**Displaced from HABC Public Housing/Continuously Assisted.** For the purposes of this program, displaced former HABC public housing residents, and current residents, including residents of other *Thompson* related programs, as well as any residents of HUD-assisted or LIHTC properties are considered continuously assisted in the program. These applicants may be admitted to the program if their income is less than 80 percent of the area median.

When multiple families (two families living together) apply as a family unit, they are considered one “family” for purposes of this program.

**Full-time Students.** For purposes of this program, a full-time student is a person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to be full-time is defined by the educational institution.

**Person with Disabilities.** For purposes of determining eligibility for this program a person with disabilities is defined as a person who:

- Has a disability as defined in Section 223 of the Social Security Act; or
- Has a physical, mental or emotional impairment that:
  - Is expected to be of long continued and indefinite duration;
  - Substantially impedes his/her ability to live independently; and
  - Is of such a nature that such disability could be improved by more suitable housing conditions; or
- Has a developmental disability as defined in Section 102 (5) (b) of the Developmental Disabilities Assistance and Bill of Rights Act.

No applicant shall be considered a person with disabilities for the purpose of program eligibility solely on the basis of any drug or alcohol dependence.

**Individual with Disabilities.** The Section 504 and Fair Housing definition of individual with disabilities is a civil rights definition and is used to determine whether an applicant or participant is entitled to a reasonable accommodation.

**Live-in Aide:** A person who resides with one or more elderly persons, or near elderly persons, or persons with disabilities, and who:

- Is determined by BRHP to be essential to the care and wellbeing of the person(s); and
- Is not obligated for the support of the person(s); and
- Would not be living in the unit except to provide necessary supportive services.

A live-in aide may include more than one person. Neither a live-in aide nor the live-in aide’s family will be considered a remaining member of the tenant family. A live-in aide may only reside in the unit with the approval of BRHP. Written verification is required from a doctor, social worker, caseworker, etc. The verification must certify that the live-in aide is needed for the care of the person and must specifically state what the care is needed for. Verification must include the hours the care will be provided. The landlord must provide written approval of the live-in aide residing in the unit. The live-in aide is added to the lease and contract, and noted as a live-in aide.

At any time, BRHP may refuse to approve a particular person as a live in aide, or may withdraw approval if:

- The person commits fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program; or
- The person commits drug related or violent criminal activity; or
- The person currently owes rent or other amounts to BRHP or another PHA in connection with subsidized housing assistance; or

- The person is subject to a lifetime registration requirement under a state sex offender registration program.
- Any other reason allowed under HUD regulations.

## DEFINITION OF INCOME

Annual income means all amounts, monetary or not, which:

- Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- Are anticipated to be received from a source outside the family during the 12-month period following admission or annual recertification effective date; and
- Are not specifically excluded as mentioned below.

Annual income includes, but is not limited to:

1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
2. The net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
3. Interest, dividends, and other net income of real or personal property worth a net value equal to or in excess of \$50,000. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. Any withdrawal of cash or assets from an investment valued at least \$50,000 will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$50,000, annual income shall include the greater of the actual income derived from those assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;
4. The full amount of periodic amounts received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump sum amount or prospective monthly amounts for the delayed start of a periodic amount (e.g., Black Lung Sick benefits, Veterans Disability, Dependent Indemnity Compensation, payments to the widow of a serviceman killed in action). See paragraph (13) under Income Exclusions for an exception to this paragraph;
5. Payments in lieu of earnings, such as unemployment, disability compensation, worker's compensation, and severance pay, except as provided in paragraph (3) under Income Exclusions;
6. Welfare Assistance.
  - a) Welfare assistance received by the family.
  - b) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:
  - c) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

- d) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage;
- 7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling; and
- 8. All regular pay, special pay, and allowances of a member of the Armed Forces, except as provided in paragraph (7) under Income Exclusions.
- 9. For Section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition and other required fees and charges, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph "financial assistance" does not include loan proceeds for the purpose of determining income.

Annual Income does not include the following:

- 1. Income from employment of children (including foster children) under the age of 18 years;
- 2. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- 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, except as provided in paragraph (5) under Income Inclusions;
- 4. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- 5. Income of a live in aide, as defined in 24 CFR 5.403;
- 6. The full amount of student financial assistance paid directly to the student or to the educational institution
- 7. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire (e.g., in the past, special pay included Operation Desert Storm);
- 8. Amounts received under training programs funded by HUD (e.g., training received under Section 3);
- 9. Amounts received by a person with a disability that are disregarded for a limited time for purposes of supplemental security income eligibility and benefits because they are set aside for use under a Plan to Attain Self Sufficiency (PASS);
- 10. Amounts received by a participant in other publicly assisted programs that are specifically for or in reimbursement of out of pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
- 11. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the owner, on a part time basis, that enhances the quality of life in the project. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident

initiative coordination. No resident may receive more than one such stipend during the same period of time; or

12. Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as a resident management staff person. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program.
13. Temporary, nonrecurring, or sporadic income (including gifts);
14. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era. (Examples include payments by the German and Japanese governments for atrocities committed during the Nazi era);
15. Earnings for each full time student 18 years or older (excluding the head of household and spouse);
16. Adoption assistance payments;
17. Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts;
18. Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;
19. Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
20. Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the *Federal Register* and distributed to housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. The following is a list of income sources that qualify for that exclusion:
  - a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 [b]);
  - b) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058) (employment through AmeriCorps, Volunteers in Service to America [VISTA], Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions);
  - d) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626[c])
  - e) Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);
  - f) Payments or allowances made under the Department of Health and Human Services' Low Income Home Energy Assistance Program (42 U.S.C. 8624[f]);
  - g) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94 540, 90 Stat. 2503 04);
  - h) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court and the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407 1408);

- i) Amounts of scholarships funded under title IV of the Higher Education Act of 1965, including awards under federal work study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu); For Section 8 programs, the exception found in Section 237 of Public Law 109 249 applies and requires that the amount of financial assistance in excess of tuition and other required fees and charges shall be considered income in accordance with the provisions codified at 24 CFR 5.609 (b) (9) except for those persons with disabilities as defined by 42 U.S.C. 1437 a (b) (3) (Pub. L 109 247)
- j) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056[f]), e.g., Green Thumb, Senior Aides, Older American Community Service Employment Program;
- k) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent* product liability litigation, M.D.L. No. 381 (E.D.N.Y.);
- l) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721);
- m) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q);
- n) Earned income tax credit (EITC) refund payments received on or after January 1, 1991, including advanced earned income credit payments (26 U.S.C. 32[j]);
- o) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95 433);
- p) Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637[d]);
- q) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602); and
- r) Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931).
- s) Assistance from the School Lunch Act and Child Nutrition Act of 1966;
- t) Payments from the Seneca Nation Settlement Act;
- u) Payments from any deferred VA disability benefits that are received in a lump sum amount or in prospective monthly amounts;
- v) Compensation received by or on behalf of a veteran for service connected disability, death, dependency or indemnity compensation in programs authorized under the Native American Housing Assistance and Self Determination Act of 1966 (NAHASDA);
- w) Lump sum or periodic payments received by an individual Indian pursuant to the Class Action Settlement Agreement in the US District Court case entitled *Elouise Cobell et al. v. Ken Salazar et al.*

**Annualization/Averaging of Income:** If it is not feasible to anticipate a level of income over a 12-month period, i.e. seasonal or cyclic income; or BRHP believes that the past income is the best available indicator of expected future income, BRHP may annualize the income anticipated for a shorter period, subject to a recertification at the end of the shorter period. Income may also be calculated by averaging known sources of income that vary to compute an annual income (no interim adjustment is required if income remains what was calculated).

**Assets Disposed of for Less than Fair Market Value:** BRHP will count assets disposed of for less than fair market value during the two years preceding eligibility determination or recertification. BRHP will count the difference between the market value and the actual payment received. Assets disposed of as a result of foreclosure or bankruptcy are not considered to be assets disposed of for less than fair market value. Generally, assets disposed of as a result of a divorce or separation are not considered to be assets disposed of for less than fair market value. BRHP's minimum threshold for counting assets disposed of for less than fair market value is \$50,000. If the total amount of assets disposed of within a one-year period is less than \$50,000; they will not be considered an asset for the two-year period. If the total amount of assets disposed of within a one-year period is more than \$50,000, all assets disposed of for less than fair market value will be counted as assets for two years from the date the asset was disposed of.

**Reduced Payment Amounts:** If a public assistance (TANF, SS, SSI, etc.) recipient receives a reduced benefit payment because of willful non-compliance with program requirements, BRHP shall calculate HAP and Tenant Rent on the basis of the income prior to the penalty or reduced benefit.

### **INCOME DEDUCTIONS**

Pursuant to HABC's MTW authority, the gross annual income of participants in the Baltimore Housing Mobility Program shall be reduced using a standard deduction. There will be a standard deduction for working families, disabled families and non-disabled families without wages. The deductions are:

- \$3,200 for households with wages
- \$1,200 for households without wages
- \$400 for any elderly or disabled family (to be combined with either of the above deductions)

Implementation of the standard deduction will occur at the time of the client's next biennial recertification, interim change or family move. An annual review of the standard deductions will occur to ensure that tenant total payments remain at an average of 25 percent of the tenant's gross annual income.

Excludable income will not be used to determine the standard deduction level for families. Full-time students who have wages will have 100 percent of their wages excluded and will not be used to determine standard deduction levels.

### **RESTRICTIONS ON ASSISTANCE TO NON CITIZENS**

In order to receive assistance, a family must be a U.S. citizen or eligible immigrant. Eligible immigrants are persons who are in one of the immigrant categories as specified by HUD. Every family member must provide sufficient information to enable BRHP to obtain and verify citizenship or eligible immigration status in accordance with HUD Regulations. The status of each member of the family is considered individually before the family's status is defined for this reason. A family is eligible for assistance as long as at least one member is a citizen or eligible immigrant. Families that include eligible and ineligible individuals are "mixed families" and assistance is prorated.

For this eligibility requirement only, the applicant is entitled to an Informal Hearing if they are denied housing assistance based on their citizenship status.

### **OPENING AND CLOSING OF THE WAITING LIST**

BRHP will maintain a single waiting list for admissions to the Tenant Based, Project Based, and Homeownership components of the Baltimore Housing Mobility Program.

Because of the preferences provided in the *Thompson* Settlement Agreement, it is not anticipated that the waiting list will ever be completely closed. However, the waiting list may be closed to the lowest priority groups should there be sufficient applicants from the higher priority groups to fill all expected program vacancies for at least one year. Should the waiting list be closed to any eligible priority groups and BRHP determines that additional applicants are needed, the waiting list will be opened and a public advertisement and notice will be posted.

All notices and advertising announcing the opening of the waiting list will include:

- The date(s) the list(s) will be open.
- The office hours and location where applications are available and will be accepted.
- Eligibility guidelines.
- Preferences for the selection of applicants.
- Any limitations that may apply.

### **PRE-APPLICATION AND WAITING LIST**

Applicants will be placed on the Baltimore Housing Mobility Program waiting list. The order of admission from the waiting list will be based on the preferences provided in the *Thompson* Settlement Agreement and then by date and time of the applicant's Housing Choice Voucher Application. All applications will be date and time stamped upon receipt.

The waiting list will contain the following information for each applicant listed:

- Applicant name
- Head of Household Social Security Number
- Family unit size
- Date and time of application
- Category or categories of preferences for which the family qualifies under the eligibility definition of the Thompson settlement.
- Qualification for any preference
- Racial or ethnic designation of the head of household
- Disability status

### **WAITING LIST MAINTENANCE**

Periodically, BRHP will mail update notices to applicants on the list requesting updated information and an indication of whether the applicant remains interested in the Baltimore Housing Mobility Program. The applicant will be required to respond to the request for information within a specified time period. Each update notice will include offering the applicant an opportunity for an informal review if the family is withdrawn from the waiting list.

If the applicant fails to respond to BRHP's request for updated information or any notice is returned as undeliverable, a second letter will be sent to the last known address as a final attempt to locate the applicant and determine their continued interest. Should the applicant fail to respond to the second letter, the applicant will be sent a denial letter and the applicant's name will be withdrawn from the

Baltimore Housing Mobility Program. Any applicant whose name is withdrawn under this procedure, but who remains eligible for the Program, may reapply.

## **ELIGIBILITY AND PREFERENCES**

### **Eligibility**

The *Thompson* Settlement Agreement defines eligibility and establishes the order of priority among the eligible categories in the Baltimore Housing Mobility Program. Applicants will be selected for entry into the counseling program, according to the priorities identified in the Settlement Agreement. All applicants must also meet HUD's general eligibility requirements of the Housing Choice Voucher program. To qualify for a preference as an applicant on HABC's waiting list for public housing or vouchers, an applicant must also qualify for HABC's local residency preference.

### **Local Preferences**

Points will be awarded for each of the *Thompson* Settlement Agreement priorities (local preferences). The local preference points are as follows:

1. Families residing in HABC family public housing, families displaced or relocated from HABC family developments that were demolished, and all families who lived in HABC family public housing at any time between January 31, 1995 and the present will receive 3 points.
2. Qualified applicants on the waiting list for HABC family public housing will receive 2 points.
3. Qualified applicants on HABC's waiting list for vouchers, and other qualified families who live in census tracts of Baltimore City with 75% or more African American occupancy, will receive 1 points.

### **Ranking Preferences**

In addition to the local preference categories above, there are ranking preferences. Applicants who claim one or more of the ranking preferences will receive additional preference points as follows:

- Public housing families with prior applications for Housing Choice Vouchers or requests for transfer will receive 1 additional point.
- Families with an urgent need for relocation, including but not limited to a documented health condition of a family member or the need of a family member to obtain housing closer to a place of employment, education, or training will receive 1 additional point.
- Families with one or more children will receive 3 additional points, provided that a head of household is employed, willing to participate in an appropriate job-training program, or unable to do so because he/she is a person with disabilities or is age 62 or older (Refusal to participate in an FSS program as provided in 24 CFR Part 984 shall not deprive a family of a ranking preference under this subsection).
- Families with one or more children under the age of eight (8) will receive 2 additional points.
- Families with one or more children under the age of eight (8) who are living in a neighborhood with a poverty rate of 30% or higher will receive 2 additional points

### **Non-Waiting List Admissions**

Participants in other *Thompson* related ACC Scattered Site housing programs (i.e. Broadway 58, Thompson 22, etc.) who have lived in an ACC Unit for at least one year, and who have completed the BRHP pre-placement counseling program, may be admitted to the tenant based, project based and/or homeownership programs operated as a part of the Baltimore Housing Mobility Program, without

having to reapply to the waiting list. To qualify for admission, the participant must be in good standing with their current program and must have completed the pre-placement counseling program before leasing their ACC Unit, or must do so before they will be issued a voucher. The family must also agree to use the mobility voucher in an opportunity area for at least two (2) years.

#### **VERIFICATION OF THOMPSON ELIGIBILITY**

HABC shall provide BRHP with lists of displaced former residents of HABC family public housing. HABC also has granted BRHP access to its electronic applicant database system to verify current public housing status and/or waiting list status, as well as access to any lists or databases of public housing families who have requested to transfer. For the purpose of determining eligibility and preference status, the applicant to the Baltimore Housing Mobility Program must be the head of household identified on the displaced list and/or HABC's electronic database.

In cases where BRHP is not able to document/prove that an applicant meets the eligibility requirements, the applicant will be provided the opportunity to appeal the decision. BRHP will send a letter via first class mail informing the applicant that they do not meet the eligibility requirements. The letter will include a list outlining eligibility for the program. Applicants who believe they have been improperly determined ineligible will be provided the opportunity to submit proof of eligibility. The new information will be reviewed by BRHP and if acceptable, the applicant will be placed onto the waiting list. If BRHP is not able to prove qualification for a preference with the supplemental information provided by the applicant, a denial notice will be mailed via first class mail. No further appeals will be granted.

#### **VERIFICATION OF RESIDENCY**

To verify that an applicant is a current resident of the City of Baltimore at the required times, the applicant must provide a copy of an executed lease and rent receipts. If a lease and rent receipts are not available, the applicant must provide at least one of the following documents:

- Government agency record clearly identifying the head of household, household members and unit address
- Utility bills in the name of the head of household and/or spouse
- Current drivers' license, Maryland Identification Card or voter registration card.

#### **SCREENING**

BRHP will screen each applicant family with respect to the following:

- Whether or not the applicant has a debt to BRHP, HABC or any other PHA as required by HUD regulations. If the applicant has such a debt, BRHP will determine whether there is a current repayment agreement and, if so, whether payments are current under the agreement. Applicants with such debts must either pay the amount outstanding or enter into an acceptable repayment agreement with the relevant party in order to have their application processed.
- BRHP will review the criminal record of the applicant to determine if any household member has been arrested, convicted for violent criminal activity or drug related criminal activity in the five years prior to the date of initial eligibility screening or whether any family member is subject to a lifetime registration requirement under a state sex offender registration program.
- BRHP will screen each applicant to determine when they have been evicted from any federally assisted housing program.

Applicants with any such history will be denied participation in the Baltimore Housing Mobility Program.

BRHP will notify applicants if they are screened out of the Mobility Counseling program for the above reasons. The notice will include the date of the determination, the reason for the determination, and the process to request an informal hearing.

### **ORIENTATION WORKSHOP**

Applicants who have been determined to be *Thompson* eligible and who have passed the initial screening will be scheduled for a Workshop conducted by BRHP. During the workshop families are introduced to the basic concepts of mobility counseling and provided with basic financial literacy training, including an understanding of the importance of budgeting, saving and debt elimination/reduction. At the conclusion of the workshop, families are enrolled in the pre placement counseling program.

### **INITIAL COUNSELING**

The issuance of a *Thompson* voucher to a family will occur only after the family successfully completes the initial stage of counseling. The initial stage of counseling may include:

- Initial home visit
- Completion of family assessment interview
- Execution of an individual Action Plan)
- Demonstrated progress towards the completion of required counseling or training activities as specified in the Action Plan.
- Completion of required workshops

Once the family completes the initial stage of counseling, BRHP will advise the family regarding its assessment of the family's readiness to begin the housing search. At the family's request, BRHP may delay issuance of a *Thompson* voucher, even after the family has completed the initial stage of counseling, if the family has significant credit or rental history problems that must be addressed in order to have a reasonable chance of success in its housing search.

BRHP will provide encouragement, counseling and referrals to help the family repair its credit or rental history or to provide an explanation to use with prospective landlords to overcome the difficulties in renting in the private housing market. BRHP will clearly explain to the family the likely lack of success if these issues are not resolved. However, if the family still wishes to be issued a *Thompson* voucher, is otherwise eligible and has completed the initial stage of counseling, BRHP will issue the *Thompson* voucher. BRHP will refer such families only to landlords whose screening criteria the family meets.

### **MOBILITY COUNSELING PROGRAM**

BRHP will maintain a compendium of services with contact information for use by counselors to make effective referrals and for families to find needed services. A list of these services will be provided to each family prior to move in. BRHP will conduct outreach to community groups in opportunity areas, including seeking volunteers to welcome families and helping families become oriented to their new community after move in.

BRHP will provide or refer families to agencies that provide the counseling services needed by the family as identified in the Individual Family Plan. This counseling will focus primarily on counseling related to the family's access to housing in opportunity areas and on counseling to help remove barriers to that

access (credit repair, substance abuse, etc.) BRHP will also provide referral to other community counseling and services needed by the family to promote self-sufficiency.

### **ELIGIBILITY PROCESS**

When families are ready to receive a voucher, BRHP will obtain all the necessary information to confirm *Thompson* eligibility and gather information regarding the applicant's income, assets, and family composition.

At the time of initial certification, applicants will be required to certify all information they provide to BRHP and sign verification forms permitting the release of information from verifying agencies. Documentation of all verifications will be placed in the applicant file. Family income, assets, and all factors related to eligibility will be verified prior to issuance of a voucher.

### **VERIFICATIONS**

BRHP will follow the HUD verification hierarchy guidelines. If verification is not returned within seven (7) calendar days, BRHP will continue to the next level of verification. Whenever third-party verifications are not used, BRHP will note in the file the reason and action taken.

All includable income (listed on page 11 of this Administrative Plan) will be verified by BRHP. BRHP is not required to verify excluded income sources (beginning on page 12 of this Administrative Plan) that may be reported by families. Verification of family composition will be fulfilled by submitting birth certificates for all children in the family. Documentation of child custody must be submitted once it has been determined that the mother and father do not live together or custody is with someone other than the birth parent.

BRHP must receive information verifying that an applicant is eligible within the period of 240 days before BRHP issues a tenant based voucher to the family and/or the family enters into a project based lease agreement.

In cases where a tenant based voucher is issued to a family or a family enters into a project based lease agreement after the 240 eligibility period expires, BRHP will re-verify that the family is eligible within 90 days of the voucher issuance or the date the project based lease is executed.

If the recalculation of the eligibility increases the family contribution, the increased contributions by the family will be made effective on the first day of the month following at least 30 calendar days' notice to the family.

If the recalculation of the eligibility decreases the family contribution, the decreased contributions by the family will be made effective retroactively to the effective day of the assisted lease agreement.

### **ELIGIBILITY FOR HOUSING CHOICE VOUCHER PROGRAM**

To be eligible for admission, an applicant must meet HUD and BRHP criteria for eligibility. Applicant households will be denied admission to the Baltimore Housing Mobility Program if the household:

- Does not meet the definition of "family."
- Has a household income that exceeds applicable HUD Income Limits.
- Has Ineligible Citizenship or Ineligible Immigrant Status.
- Has a member who has engaged in Drug Related or Violent Criminal Activity.

- Has a member subject to a lifetime registration requirement under a state sex offender registration program.
- Owes an outstanding debt to BRHP or any public housing agency.
- Breached an agreement with BRHP to pay amounts owed.
- Violated any Family Obligation during a previous participation in a Section 8 program and/or has been terminated from assistance in a Section 8 Program.
- Has a member who was evicted from any federally assisted housing program in the last five years.
- Does not supply BRHP or HUD with necessary information or does not provide information within the required timeframes.
- Does not sign and submit consent forms for obtaining information.
- Does not disclose and verify social security numbers for all family members.
- Has a member who refuses to sign or submit required consent forms.
- Has a member who was/is illegally using or possessing a controlled substance.
- Has a member who commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
- Has engaged in or threatened abusive or violent behavior toward BRHP personnel.
- Has a member who is convicted of manufacturing or producing methamphetamine or any other narcotic in violation of any federal, state or local law.

#### **DENIALS**

Denial of assistance for an applicant may include any or all of the following actions by BRHP:

- Denying or withdrawing a voucher.
- Refusing to enter into a HAP contract or approve a lease.
- Refusing to process or provide assistance under portability.

Ineligible families will be notified by mail and given the reason for the determination, with an opportunity to request an informal review (See Informal Review Section).

#### **PREVIOUS VIOLATION OF A FAMILY OBLIGATION**

A participant who has been denied participation in the Baltimore Housing Mobility Program for a violation of a Family Obligation cannot reapply to the Baltimore Housing Mobility Program for a period of one year from the date of denial, provided the waiting list is open at that time. This one year will allow the family time to establish references in relation to the Family Obligation violation and allow BRHP to determine if such a violation is likely to occur in the future. If the member who violated the Family Obligation is no longer part of the household, the family may not be required to wait the one-year period before re-application, provided the waiting list is open. Documentation must be provided by the family to verify that the person who committed the violation is no longer part of the household, and will not be a member of the household. Allowable documentation includes, but is not limited to: proof of residence, utility bills, lease, and/or court documents.

#### **COMPUTATION OF ANNUAL AND ADJUSTED INCOME, AND TOTAL TENANT PAYMENT SUBSIDY STANDARDS**

The following standards are used for assignment of the appropriate bedroom size on the voucher.

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

The intent of HUD requirements is that the smallest appropriate bedroom size be assigned to participant families without overcrowding. When determining the unit size, BRHP attempts to meet HUD’s intent and applies the following guidelines:

- Larger bedroom size may be granted for children of the same sex if there is more than six years difference in age.
- Minor children of the opposite sex may occupy separate bedrooms if one child is over the age of six.
- Unborn children will be included in the size of the household.
- A minor child who is temporarily away from the home because of placement in foster care is considered a member of the family in determining the family unit size, if it is documented that the child will return within six months.
- Should the head of household have a spouse/partner both individuals will share one bedroom.
- BRHP may approve a live-in aide to reside in the unit in a separate bedroom for a family consisting of one or more elderly persons or persons with disabilities.
- BRHP may assign a larger unit than permitted using the above standards if a person with a disability and/or a medical need requests a reasonable accommodation and provides documentation of need from a physician or other health professional.
- Families will not be required to use rooms other than bedrooms for sleeping purposes in the voucher size determination.
- Families may choose to rent smaller units than listed on the voucher applicable as long as the rent reasonableness and Housing Quality Standards (HQS) requirements are met. HQS requirements permit a maximum of two (2) persons per living per sleeping room in the unit.

Exceptions to these subsidy standards will be granted on a case-by-case basis, based on disability, health, or medical reasons, solely at the discretion of BRHP.

#### **ADMISSION DATE**

Admission to the Tenant Based component of the Baltimore Housing Mobility Program is determined by the effective date the first Housing Assistance Payments (HAP) contract, which must be the same date of the first lease that is executed. Admission to the Project Based component of the Baltimore Housing Mobility Program is determined by the date the Program participant’s lease becomes effective.

#### **BRIEFING**

BRHP will conduct a briefing related to the Baltimore Housing Mobility Program in compliance with HUD requirements and addressing the special needs of the Program.

All eligible applicants are required to attend a briefing before a voucher is issued. The head of household and all adult family members must attend the briefing. The briefings may be group or individual meetings. Each family will receive a briefing packet containing the following:

- The term of the voucher
- A description of BRHP's policy on granting extensions or suspensions of term and how a family can request extensions
- Information on computing the Total Tenant Payment and Housing Assistance Payment
- Information on the Payment Standards and Utility Allowance Schedule
- Family rent burden
- What the family should consider in deciding whether to lease a unit such as unit condition, reasonableness of rent, cost of tenant paid utilities, whether the unit is energy efficient, and location of unit to public transportation, employment, schools and shopping
- Where the family may lease a unit using portability and how portability works
- Request for inspection and the process obtaining an inspection
- BRHP's policy on providing information to prospective landlords
- BRHP's subsidy standards including any exception to these standards
- HUD brochure on selecting a unit
- Fair Housing Brochure and information, HUD 401 and a Discrimination Complaint Form HUD903
- List of landlords or real estate agents who may be willing to lease a unit or may be able to help the family locate a unit
- Notice that if the family includes a disabled person, the family may request a current listing of accessible units that may be available
- Family program obligations
- Grounds under which BRHP may terminate the family's assistance
- Informal hearing and review process and how to request a hearing
- The HUD Tenancy Addendum
- Request for Tenancy Approval and RTA instructions
- Other items as BRHP may determine appropriate

The briefing will cover the information in the packet and discuss the following topics:

- A description of how the program works
- Family and owner responsibilities
- Where the family may lease a unit
- Information about opportunity areas
- Portability information
- Federal, State and Local Fair Housing Laws
- Assistance to Elderly and Individuals with Disabilities

If an applicant misses a scheduled briefing, without prior notification to the BRHP office, the applicant may be denied. If an applicant misses two scheduled briefing appointments, even if they have given prior notification to BRHP, he or she will be denied. Exceptions to the above include: reasonable accommodation, death, serious illness, and natural disasters. Exceptions must be supported by written verification of the reason, and approved by the BRHP Executive Director or designee.

BRHP will provide a listing of known available rental units that accept vouchers administered by the Baltimore Housing Mobility Program in opportunity areas, based upon bedroom size on the voucher, to all families when they are issued a voucher. Each participant's Briefing Packet also contains a referral

guide to various local agencies. BRHP will maintain a listing of handicapped accessible units for those participants requesting information on accessible units. BRHP will take appropriate steps to assure effective communication with disabled applicants and participants. In the event a BRHP participant has a special need or requires a reasonable accommodation, the participant will be referred to the BRHP 504 Coordinator.

BRHP will explain during the briefing the advantages of searching for a unit in an opportunity area and provide each family a map showing these areas.

At the conclusion of all Program Briefing Sessions, the family representative will be required to sign and date a Briefing Certification form to confirm that all rules and pertinent regulations were explained to them.

### **VOUCHER ISSUANCE**

Vouchers will be issued after the family has completed the initial counseling requirements unless the family requests that issuance be delayed because of problems with credit or rental history that need to be corrected in order for the family to be successful in leasing a unit in an opportunity area.

### **HEAD OF HOUSEHOLD DESIGNATION**

When there are two adults in the household, the family must designate who the head of household shall be. This designation is evidenced by signature on the voucher.

### **VOUCHER TERM AND EXTENSIONS**

The initial term of the *Thompson* voucher is sixty (60) days for families not currently leased with BRHP. If the family is unable to lease a unit within the initial sixty (60) day term, BRHP shall automatically extend the voucher for an additional sixty (60) days. homeownership The family will not have to apply for the first extension. Upon the expiration of the extended search period, and upon written request of the applicant, the term may be extended for an additional sixty (60) day term with the total not to exceed 180 days. The applicant must advise BRHP of the reason for the requested extension. The BRHP Executive Director or HCV Manager may grant additional extensions to households needing more time because of extenuating circumstances that would have prevented the family from completing a successful housing search during the initial and extended terms of the voucher. Examples of extenuating circumstances may include, but are not limited to, the need for a unit that accommodates a disabled household member, landlord/owner foreclosure or because of the difficulty in finding a very large unit (i.e., four or more bedrooms) needed by the household.

For vouchers issued to families currently leased with BRHP, the initial term of the voucher is sixty (60) days. Upon written request of the Participant, the term may be extended for an additional sixty (60) day term with the total not to exceed 180 days. The Participant must advise BRHP of the reason for the requested extension. The BRHP Executive Director or HCV Manager may grant additional extensions to households needing more time because of extenuating circumstances that would have prevented the family from completing a successful housing search during the initial and extended terms of the voucher. Examples of extenuating circumstances may include, but are not limited to, the need for a unit that accommodates a disabled household member, landlord/owner foreclosure or because of the difficulty in finding a very large unit (i.e., four or more bedrooms) needed by the household.

Submission of a Request for Tenancy Approval shall toll the running of the initial term or extended term. Tolling begins the day the RTA is received at the BRHP office and expires when the unit has completed the inspection process. The inspection process is completed when either:

- The unit passes inspection, or
- The RTA is cancelled because the unit cannot be inspected or does not pass inspection within the required number of inspections.

If a *Thompson* voucher holder is on any HABC waiting list for public housing, regular Section 8 assistance, and/or other type of assisted or subsidized housing, return of the *Thompson* voucher after the term or extension expires will not affect the *Thompson* voucher holder's standing on such other waiting lists.

### **PAYMENT STANDARD**

The payment standard used to calculate housing assistance will be the smaller of the unit size selected or the number of bedrooms listed on the voucher.

### **UTILITY ALLOWANCE**

The utility allowance schedule used to determine average utility usage for the family will be the smaller of the unit size selected or the number of bedrooms on the voucher.

### **MAXIMUM INITIAL RENT BURDEN**

A family must not pay more than 40 percent of the family's monthly adjusted income for rent when the family first receives BRHP assistance for a particular unit. This rule applies at initial lease up and each time the family moves to a new unit.

### **SECURITY DEPOSITS**

The landlord may collect a security deposit. The landlord determines the amount of the deposit in accordance with State and local laws. The Maryland Code, Real Property, Section 8 203 states the maximum amount which the landlord may require as a security deposit for each dwelling unit is the equivalent of two month's rent. BRHP prohibits security deposits in excess of private market practice or in excess of amounts charged to unassisted tenants.

BRHP will provide security deposit assistance funds on a one-time basis to a family, if BRHP determines that sufficient funds are available, provided they (1) are moving to a census tract designated as "opportunity" by BRHP and (2) that they have repaid any previously provided security deposit assistance loan made by BRHP. BRHP will only provide a family security deposit assistance funds equal to one month's rent, less a \$200 to \$500 dollar family contribution, which will vary seasonally to encourage leasing in summer months.

### **PORTABILITY**

Vouchers issued as a part of the Baltimore Housing Mobility Program are not portable outside of the Baltimore metropolitan area until they are used initially for two years in an opportunity area within the Baltimore metropolitan housing market as defined by the Thompson settlement. Once the family has used its voucher for two years, the voucher then may be used outside of the Baltimore metropolitan area. The portability feature allows a participating family to move to another jurisdiction outside of the Baltimore metropolitan area with continued assistance. In the second year, the voucher holder may apply to BRHP for a hardship exemption based on a change in family circumstances that necessitates relocation to a non-opportunity area, such as a documented health condition of a family member or the need of a family member to obtain housing closer to a place of employment, education or training.

The portability feature allows a participating voucher family to move from one jurisdiction to another with continued assistance. Voucher holders may move anywhere there is a Housing Agency that administers a Housing Choice Voucher program. Families must also meet the income eligibility requirements in the area to which the family plans to move. In this case, the family is considered “continuously assisted” and the Low Income Limit is used to determine eligibility.

Families must notify BRHP in writing when they want to move using the portability feature. When a family notifies BRHP that it wants to move under the portability procedures, BRHP will contact the receiving PHA. BRHP will confirm the following to the receiving PHA:

- The family is eligible for assistance
- A voucher has been issued to the family

If the participant is porting to an area that is in more than one PHA’s jurisdiction, BRHP may choose the PHA to which the participant must go. Families cannot exercise portability if money is owed to BRHP. Families that request a portable voucher must pay all monies owed to BRHP before the portable voucher will be processed.

### **INCOME DISREGARD**

HUD regulations require BRHP to disregard certain earned income of a qualified disabled family member. 100 percent of earned income will be disregarded between biennial recertifications. If the start date of the earned income is less than two (2) years at the time of the next recertification, the income will be included at the next action occurring after two (2) years.

In order to receive this earned income disregard, the family member must be disabled and:

- The increase must be from employment income.
- The member was previously unemployed for one or more years prior to employment.
- The earned income increase was during participation in any economic, self-sufficiency, or job training program.
- The increase is during or within six months of receiving assistance, benefits or services under any State program for TANF. The total amount of the increase over a 6-month period must be at least \$500.00.

BRHP will follow HUD regulations in applying the Earned Income Disregard.

### **LANDLORD SELECTION OF TENANTS**

The landlord selects the tenant and is responsible for tenant screening. The landlord is responsible for determining whether the family is suitable for tenancy. BRHP’s decision to admit an applicant to the program is not based on an applicant’s suitability for tenancy.

At the landlord’s/owner’s request, BRHP will provide the landlord the following information on potential participants or applicants:

- Participant’s current and previous address
- Participant’s current and previous landlords’ names, addresses, and phone numbers

### **SEARCH ASSISTANCE**

To the extent possible, BRHP will refer families to at least three identified vacancies in opportunity areas in neighborhoods selected by the family. BRHP will also assist with transportation assistance and will visit or talk with prospective landlords with or on behalf of families who want and request this assistance.

### **REQUEST FOR TENANCY APPROVAL**

The family must submit a completed Request for Tenancy Approval (RTA) during the term or extension of the voucher. BRHP will not permit a family to submit more than one RTA at a time. The landlord must indicate on the RTA the proposed rent, the types of utilities and who pays utilities.

An RTA will be denied if it is not completed in its entirety by both the participant and landlord. It may be denied if:

- The unit is not in BRHP's legal jurisdiction
- The unit does not meet rent reasonableness and a reasonable rent cannot be negotiated with the owner
- The participant's rent portion is over the maximum 40 percent rent burden
- BRHP denies participation to the landlord for a reason identified in the "Disapproval of Landlord" section.
- BRHP has barred the unit from Program participation
- The unit is in a multifamily rental development with more than 50 units and more than 20 percent of the units in that development already have families receiving some form of Section 8 assistance.
- BRHP may deny the RTA for non-receipt of all required documents within fifteen (15) calendar days of receipt of the RTA

The family and the landlord will be notified if the RTA cannot be approved. If the RTA cannot be corrected, BRHP will issue another RTA to the family to find a new unit.

With the submission of the completed RTA, the landlord will be required to submit the following documents:

- Lead-Based Paint State Certification of pre-1978 units
- In pre-1978 housing, the landlord is required to provide the tenant the Disclosure of Information on Lead Based and/or Lead Based Paint Hazards prior to execution of the Lease. The landlord must also provide BRHP a copy of the executed Disclosure Notice.
- 
- In jurisdictions where a rental license is required, a copy of the current rental license
- Owner Certification form
- Management agreement when an agent is submitting a RTA on behalf of the owner
- Landlord taxpayer ID number on a IRS Form W 9
- A direct deposit form for all payments to the landlord or agent

### **LEASING**

Voucher holders must submit a fully completed and executed Request for Tenancy Approval (RTA) prior to voucher expiration. Once this document is submitted, BRHP will determine if the unit is affordable, determine rent reasonableness, inspect the unit, and approve the owner.

After the unit has been approved by BRHP, the lease must be signed by the head of household and landlord prior to contract execution. A lease between the owner and tenant shall be in a standard form used by the owner for other unassisted tenants. The initial lease term cannot be for less than one year. The terms and conditions of the lease shall be consistent with State and local laws. Any revisions or new leases must be approved by BRHP prior to execution.

The lease must include the following items:

- The names of the owner, head of household, and all approved members determined by BRHP
- The unit rented (address, apartment number, and any other information needed to identify the contracted unit)
- The terms of the lease. Lease must be at least 365 days (one year) and any provisions for renewal
- The amount of monthly rent to owner
- Specify utility responsibilities for the owner and the tenant

The lease is to be current at all times and must be compatible with BRHP policies, as well as federal, state, and local laws.

### **SEPARATE AGREEMENTS**

The acceptable landlord/participant separate agreements include but are not limited to:

- Agreements for parking, furniture and/or appliances
- Late charges
- Pets and pet deposits
- Community rules or covenants
- Agreements to pay security deposit amounts in installments
- Agreements for storage space/facilities provided by the landlord
- Altered security deposit amounts
- Altered rent amounts
- Excess utilities
- Meals or supportive services.

Separate agreements must be attached to the Lease as a Lease Addendum. The landlord must provide BRHP a copy of the Lease Addendum indicating all separate agreements made.

The following types of landlord/participant separate agreements are not acceptable: The landlord may not charge the family extra amounts for items customarily included in rent in the locality, or provided at no additional cost, to unsubsidized tenants on the premises.

If BRHP determines that a participant willingly agreed to a separate agreement with the landlord that is not acceptable, the participant will be terminated from the program and the landlord will be barred from participation in the program. The participant may request an Informal Hearing regarding the termination.

### **RENT REASONABLENESS**

Rent reasonableness will be determined for all new leases and rent increases. A reasonable rent to the owner is defined as not more than rent charged:

1. For comparable units in the private unassisted market and

2. For comparable unassisted units in the premises.

BRHP will not approve a subsidized tenancy until a determination has been made that the rent to the owner is reasonable. The reasonableness of the rent requested by the owner will be determined by considering the following factors:

- Location
- Quality
- Size
- Unit type
- Age of the contract unit
- Amenities
- Housing services
- Maintenance
- Utilities provided by the owner in accordance with the lease

BRHP will contract with a rent comparison service to obtain rents for comparable units. If BRHP determines that the amount of rent requested by the owner is not reasonable, BRHP will attempt to negotiate the rent with the owner. Failure by the owner to accept the rent determined to be reasonable will result in disapproval of the unit for the program.

Pursuant to HABC's MTW authority and the *Thompson* Settlement Agreement, the BRHP has adopted payment standards, which are listed in Attachment A.

#### **DISAPPROVAL OF LANDLORD**

BRHP will not approve a unit if the owner has a history of failing to terminate tenancy for lease violations in units assisted under Section 8 or any other federally assisted housing program.

BRHP will also deny owner participation for one or more of the following reasons:

- The owner is debarred, suspended or subject to a limited denial of participation (LDP) by HUD
- If directed by HUD because the Federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act
- If directed by HUD because a court or administrative agency has determined that the owner has violated the Fair Housing Act
- The owner has violated obligations under any Section 8 HAP contract
- BRHP has obtained documentation that the owner has committed fraud under any Federal housing program
- The owner has engaged in drug related criminal activity or any violent criminal activity
- The owner has been debarred from participating in the Housing Choice Voucher program by BRHP or other PHAs in the Metropolitan Baltimore area
- The landlord engages in or threatens abusive or violent behavior toward BRHP personnel

The individual circumstances and seriousness of such conditions will be considered prior to disapproval of an owner.

#### **RESTRICTION ON RENTING TO RELATIVES**

Pursuant to requirements at 24 CFR 982.152 and 982.153, participants may not lease units, which are owned by a relative (defined as the parent, child, grandparent, grandchild, sister, or brother) of any member of the recipient's household. The exception to this rule is if BRHP determines that approving a unit owned by a relative would provide reasonable accommodation for a family member who is a person with disabilities.

### **CONTRACT EXECUTION**

With respect to tenant based vouchers, the term of the HAP contract begins on the day the unit is approved by BRHP or the first day of the lease provided the unit is approved by BRHP, and ends on the last day of the lease. BRHP is not responsible for any part of the rent prior to the date the unit passes the inspection or prior to the execution of the HAP.

After the unit passes Housing Quality Standards (HQS) inspection, the HAP contract is subsequently executed on behalf of BRHP if all required paperwork is properly completed. A copy of the contract is then mailed to the landlord.

The HAP contract must be executed no later than 60 days from the beginning of the lease term. If a HAP contract has not been executed by BRHP within the 60 day time limit, the HAP contract will be voided. New leases and contracts must be executed. BRHP cannot pay any housing assistance payment to the landlord until the HAP contract has been executed.

With respect to the Section 8 project based units, the HAP contracts are executed after BRHP confirms the rent reasonableness calculation performed by BRHP. BRHP delivers the executed HAP contract to the landlord. The individual leases are entered after the HAP contract is executed. A lease will not be approved until the unit passes an HQS inspection by BRHP. A lease may not be effective before the effective date of the HAP contract.

### **PENALTIES FOR LATE HAP PAYMENT**

BRHP will pay the housing assistance payment promptly when due the landlord. For contracts that have been entered into before the effective date of HABC's MTW Plan, and pursuant to executed HAP contracts that provide for the payment of late fees, BRHP may pay late fees. If housing assistance payments are not paid promptly when due after the first two calendar months of the HAP contract term, BRHP shall pay the owner penalties in accordance with generally accepted practices and law, as applicable in the local housing market, governing penalties for late payment by a tenant, or \$50.00, whichever is lower. However, BRHP shall not be obligated to pay any late payment penalty if HUD determines the late payment by BRHP is due to factors beyond BRHP's control. BRHP shall not be obligated to pay any late payment penalty if housing assistance payments by BRHP are delayed or denied as a remedy for owner breach of the HAP contract (including any of the following BRHP remedies: recovery of over payments, suspension of housing assistance payments, abatement or reduction of housing assistance payments, termination of housing assistance payments, and termination of the contract).

BRHP is not responsible for payment of late fees caused by: the tenant's late payment of rent; late HUD fund transfer; HAP payments on hold (HQS, etc.), or for any other HUD allowed reason.

For the purpose of this administrative plan, payment is considered to be made timely, if mailed on or before the tenth day of the month in which the payment is due.

### **POST PLACEMENT COUNSELING**

The counseling programs for the Baltimore Housing Mobility Program include substantial follow up counseling with program families. These activities may include, but are not limited to:

- Follow up telephone call within 60 days of move-in
- Home visit within 30 days of move in
- Follow up home visit at least 2 months before the end of the initial one year lease
- Follow up home visit 16 months after initial move in
- Follow up home visit 21 months after initial move in
- Additional home visits and follow-up telephone calls as needed
- Second mover assistance

This also includes follow up with program landlords and participation, as requested and needed, in any participant landlord disputes.

Families who need services after they have moved into an opportunity area will be advised by BRHP of the locations of the needed services in their county. In addition, post placement counseling services, as specified in the *Thompson* Settlement Agreement and BRHP's contract, will be provided by BRHP and integrated with services provided by existing public and private social service agencies.

### **3. CONTINUED PROGRAM PARTICIPATION**

#### **PARTICIPANT**

A participant in the Baltimore Housing Mobility Program is a family that has been admitted to the Baltimore Regional Housing Program upon an executed HAP contract and lease. The family becomes a participant on the effective date of the first HAP contract executed on behalf of the families in the tenant based component and on the effective date of the each family's lease in the project based component.

#### **REGULAR RECERTIFICATION**

Recertifications may be completed by mail. BRHP may select a percentage of families for recertification interviews for quality control purposes. Families will be mailed one recertification packet asking for information needed to complete the recertification. If the family does not provide the requested information within the specified time frame, the family may be terminated from the Program. Follow up requests may be made of the family to provide additional information needed to complete the recertification. This follow up information must be provided within the specified time frame, or the family may be terminated from the Program.

BRHP is responsible for reexamination and verification of family income. BRHP must conduct a reexamination of household income and composition for all families at least one time every 25 months.

#### **INTERIM RECERTIFICATIONS DUE TO CHANGES IN FAMILY INCOME OR COMPOSITION**

The participant must report changes in income and must report all changes in family composition within ten (10) days and in writing to BRHP. Interim recertifications do not affect the timing of regular recertifications.

#### **Income Changes**

BRHP may schedule special recertifications every 60 calendar days for families reporting an annual income of less than twenty-four hundred dollars (\$2,400.00).

Decreases in the tenant's Total Tenant Payment (TTP) will be effective the first day of the month following the month in which the change is reported.

Increases in TTP will become effective on the first day of the second month following the date that notice is provided to the family. Increases to the TTP will only be processed for families with total annual income that is less than twenty four hundred dollars (\$2,400.00) or where changes in family composition has resulted in an increase in income. However, a family who has a voucher to move may choose to have an interim increase processed if their annual income does exceed \$2,400.

Annual cost of living increases in public assistance benefits will be performed at the time of the participant's regular recertification.

If a participant's rent is increased due to unreported income, the increase will be effective retroactive to the date of the increase in income.

If the participant's rent is decreased due to unreported change in income, the decrease will be effective the first day of the month after completion of the re-determination.

### **Family Composition Changes**

If the family requests to add an adult member to the household, (spouse, common law spouse, birth child, legal guardian child, disabled adult child, etc.), the family must provide all required information for that person. This information includes, but is not limited to: photo identification card, social security number, birth certificate, proof of familial relationship (**see Chapter 2: Definition of Family**) and income information. The family must submit written approval from the Landlord to add a member to the household. If the person meets BRHP eligibility requirements, but the Landlord does not grant approval to add the person to the household, the family must move to another BRHP eligible unit if the family is in good standing with the current landlord, in order to add the person and keep their BRHP assistance. If there is a change in family unit size resulting from a change in family size or composition, the new family unit size will be used to compute the payment standard. If the family is responsible for delays in completing an interim recertification, BRHP may terminate assistance.

### **Welfare Reductions**

BRHP may deny a request for an interim recertification based on a reduction in participant income from welfare after obtaining written verification from the welfare agency that the family's benefits have been reduced because of:

- Noncompliance with economic self-sufficiency program
- Failure to comply with work activities requirements
- Fraud

This rule does not apply if the welfare reduction is the result of the expiration of a lifetime limit on receiving benefits, or where the family has complied with welfare program requirements but cannot obtain employment. This provision is subject to the BRHP informal hearing procedure. Written notice to the family will be provided if such a request is denied.

### **HUD Income Discrepancies**

When BRHP receives a HUD notice that a family has been sent an income discrepancy letter, BRHP will contact the family by mail and by phone 30 days following the date of the notification. BRHP will request that the family promptly furnish any letter or other HUD notice concerning verification of the family's income. If the family fails to respond, BRHP will request that HUD send another letter to the family. After an additional 30 days, BRHP will send another letter to the family scheduling an interview to complete IRS forms 4506 and 8821. If the family does not cooperate with the income discrepancy process, the family's participation may be terminated.

### **FAMILY ABSENCE FROM THE UNIT**

The family may be absent from the unit for brief periods. Absence from the unit is defined as no family member residing in the unit for more than 30 days. If the family is going to be absent from the unit and wishes to retain its voucher, the family must make a written request in advance for such absence to be approved in advance by BRHP. The family must also submit written approval from the landlord for the absence. In the case of family absence, assistance payments are terminated and the family is responsible for the full contract rent. The family may not be absent from the unit for a period of more than 180 days during a 12 month period in any circumstances or for any reason. If the family is absent from the unit for more than 180 days, the family will be terminated from the program. The family will be eligible to re-apply for the program when the waiting list is opened.

## **FAMILY BREAK UP**

In the case of family break up, BRHP has the discretion to decide which members of an assisted family will continue to receive the housing assistance. The factors to be considered may include: whether the assistance should remain with family members remaining in the original assisted unit; the interest of minor children or of ill, elderly or disabled family members; and whether family members are forced to leave the unit as a result of actual or threatened physical violence against family members by a spouse or other member of the household.

If a court determines the disposition of property between members of the assisted family in a divorce or separation under the settlement or judicial decree, BRHP will follow the court's determination of which family members continue to receive assistance in the program.

All cases of family break up must be documented and verified. Acceptable documents include separation papers, divorce papers, and abandonment papers.

Voluntary transfer of the Housing Choice Voucher to an adult member currently residing in the assisted unit will be approved or denied at the sole discretion of BRHP.

## **RENT INCREASES**

At all times during the assisted tenancy, the rent to the landlord may not exceed the reasonable rent as most recently determined by BRHP. BRHP will redetermine the reasonableness of the rent:

- Before any increase in the rent to the owner
- If there is a 5 percent decrease in the published FMR
- If directed by HUD.

Rent increases will not be approved unless the rent is reasonable; the unit is in decent, safe, and sanitary condition; and the landlord is in compliance with the terms of the HAP contract and lease. The Contract Rent may not be increased during the initial term of the lease. After the initial term, landlords may request an increase at any time but must provide written notice of any proposed increase to the family in accordance with the lease and any applicable state and local laws. The notice of a rent increase is similar to a notice to terminate the lease, and must comply with the State and local laws relating to the notice required to terminate a tenancy (See Landlord Termination Section). The landlord must provide BRHP with 60 days written notice of a rent increase to the family.

Families who wish to move because of the owner's rent increase, are required to give the owner proper notice under the lease and notify BRHP at least thirty (30) days in advance.

## **UNDER HOUSED OR OVER HOUSED PARTICIPANTS**

BRHP will upgrade a family's voucher to the appropriate bedroom size at the time of regular recertification, move, rent increase, or interim recertification or if the family is under-housed.

Participants who are over-housed will be required to relinquish their voucher and will be issued a voucher in the appropriate bedroom size at the time of recertification, move, rent increase, or at the time of an interim recertification. After the initial term of a project based lease, an over-housed family will be subject to a voucher adjustment and may be required to move to a smaller unit. Failure of the family to report an over-housed situation may result in required repayment of the excess of subsidized rent and/or termination from the Program.

## **FAMILY MOVES**

The family's recertification date does not change when the family moves.

If the family is in the initial 12 month lease term, the family must obtain a Mutual Rescission of the Lease from the landlord in order to move. Unless there is a documented threat to health or safety, the family may utilize the Mutual Rescission Procedure only once in a twelve-month period (See Tenant Terminations of Tenancy – Terminations Section).

Families who move during the initial twenty-four (24) months of participation in the Baltimore Housing Mobility Program are required to select a unit in an opportunity area. In the second year, however, the voucher holder may apply to BRHP for a hardship exemption based on a change in family circumstances that necessitates relocation to a non-opportunity area, such as a documented health condition of a family member or the need of a family member to obtain housing closer to a place of employment, education or training.

If the initial lease term has passed, the family must vacate the unit in compliance with the lease, provide landlord with adequate notice, and provide BRHP with 30 days written notice (See Tenant Terminations of Tenancy – Terminations Section). Provided all obligations have been met, the family will be issued a voucher to lease a new unit. The voucher number will remain the same, unless the bedroom size has changed. The voucher term and extensions will apply as stated above.

The verified family composition, income, assets and expenses that are in effect at the time of the move request will be used when calculating the family's Total Tenant Payment ("TTP") for the new unit. A special recertification of the family income and composition is not required for the purpose of the move.

At any time, BRHP may deny permission to move due to the following:

- If the family does not notify BRHP and the owner before the family moves out of the unit or terminates the lease;
- If the family has not reimbursed a PHA for any amounts paid to a landlord under a HAP Contract;
- If the family breaches an agreement with a PHA to pay amounts owed to a PHA;
- If the family does not allow BRHP and landlord to inspect/repair the unit at a reasonable time during the day and after reasonable notice;
- If the family is responsible for an HQS breach caused by the family;
- If the family commits any serious or repeated violations of the lease, including any drug related criminal or violent criminal activity (the family must promptly give BRHP a copy of any landlord eviction notice);
- If the family owes a PHA money for any reason;
- If BRHP does not have sufficient funding for continued assistance; or
- Any other HUD allowed reason.

## **TERMINATIONS**

### **Landlord Terminations of the Lease**

The landlord may terminate the lease for lease violations at any time. The landlord may terminate the lease for any other reason after the period of the initial lease in accordance with the lease provisions and with appropriate notice as set forth below.

The landlord must follow state and local laws in giving termination notice to the family, and must provide BRHP a copy of the termination notice immediately.

Maryland Code, Real Property Sec.8 208 (a) (5) and Sec. 8 501 and Sec. 8 402 states: The length of notice from landlord to tenant to terminate the tenancy as required by state law is as follows: In the case of tenancies from year to year, notice in writing must be given at least three months before the end of the current year of the tenancy. Baltimore City law requires the landlord to give at least 60 days written notice before the end of the year, month, or week when the tenant is to leave.

The landlord may give a written 30-day breach of lease notice that states the alleged cause, anytime during the tenancy. In Baltimore City, the notice must be given before the end of the week or month that the landlord wants the tenant to leave. Outside of Baltimore City, the landlord can give an immediate written 30-day breach notice.

An owner may evict the resident from the unit by instituting a court action and for one of the following reasons:

- Serious violation (including but not limited to failure to pay rent or other amounts due under the lease) or repeated violation of the terms and conditions of the lease;
- Violation of Federal, State or local law which imposes obligations on the resident in connection with the occupancy or use of the dwelling unit and surrounding premises; or
- Other good cause, which includes but is not limited to:
  - The tenant's failure to accept the offer of a new lease in accordance with HUD regulations;
  - A history of disturbances of neighbors or destruction of property;
  - Living or housekeeping habits resulting in damage to the unit or property;
  - Criminal activity by family members involving crimes of physical violence to persons or property;
  - A business or economic reason; or
  - The owner's desire to utilize the unit for personal or family use.

During the term of the lease the landlord may not terminate the tenancy of the family for nonpayment of the BRHP housing assistance payment.

### **Tenant Terminations of the Lease**

The family may not terminate the lease in the first term of the lease unless a mutual rescission is signed by both the landlord and the family. The family must give the proper move notice to the landlord, per the lease and State and local laws.

Maryland Code, Real Property Sec. 8.208 (a) (5) and Sec. 8.501 and Public Local Laws of Baltimore City, Sec. 9.16 state: A tenant occupying a dwelling for a term of one year and wishing to terminate the tenancy must give the landlord 30 days' written notice before the end of the rental period. The family must provide BRHP a 30-day written notice to move. However, BRHP may issue a family a voucher before receiving the 30-day written notice to move.

### **Termination of the HAP Contract**

BRHP may terminate the HAP contract for the following reasons, which are not exclusive:

- When a family vacates the unit either in violation of the lease or by mutual agreement with the landlord before termination of the lease/contract;
- The lease is terminated by the landlord or the family;
- The landlord will not renew the HAP contract or extend the current lease;
- The sole participant dies;
- There has been no HAP for 180 days;
- BRHP terminates assistance for the family;
- There is a HAP contract violation (such as not maintaining HQS);
- There is any fraud or bribery or other corrupt or criminal act in connection with Federal housing programs;
- The Landlord has a history or practice of failing to terminate tenancy of tenants of assisted units for activity by the tenant, any member of the household, a guest or another person under the control of any member of the household that:
  - a) Threatens the right to peaceful enjoyment of the premises by other residents;
  - b) Threatens the health or safety of other residents, or employees of the PHA or BRHP, or of owner employees or other persons engaged in management of the housing;
  - c) Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or,
  - d) Commits drug related criminal activity or violent criminal activity;
- Engaging in any drug related criminal activity or any violent criminal activity; or
- Any failure to comply with mortgage insurance/loan program regulations, or bribery or other corrupt or criminal act in connection with the program (only for projects with mortgages insured or loans made from HUD).

### **BRHP Program Terminations**

Termination of assistance by BRHP of a program participant may include any or all of the following actions:

- Refusing to enter into a HAP contract or approve a lease;
- Terminating housing assistance payments under an outstanding HAP contract; or refusing to process or provide assistance under portability procedures.

BRHP may terminate for the following reasons:

- The family is guilty of program abuse or fraud in any Federal Housing Assistance program;
- The family has not reimbursed BRHP for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease, or if the family breaches an agreement with BRHP to pay amounts owed to BRHP;
- Any household member refuses to sign or submit consent forms;
- Any family member commits serious or repeated lease violation(s), For example, non-payment of rent is considered a serious lease violation;
- The family is evicted from the program for serious or repeated lease violation(s);
- Any family member or guest damages the unit;
- Any family member is subject to a lifetime registration requirement under a state sex offender registration program;
- No Housing Assistance Payment has been paid on the family's behalf for six months, or 180 days;

- The family does not report an increase of income or change of family composition within 10 days;
- The family allows an unreported or unapproved guest(s) to live at the assisted address. BRHP will assume a guest lives in the assisted unit if the guest(s) uses the family's mailing address over a period of more than 1 month, if the same guest(s) is observed at the home by BRHP staff during home visits, evidence of sleeping areas for more than the approved family, evidence of belongings in the home clearly unrelated to the approved family, sightings of reoccurring guests made by neighbors, or any combination of the aforementioned.
- The family has appropriate household members who do not provide their Social Security information and documentation within the time required and specified by BRHP;
- The family does not comply with HQS;
- Any family member violates any family obligations under the program;
- Any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
- The family currently owes rent or other amounts to BRHP or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act;
- Any household member engages in drug related or violent criminal activity;
- Any household member is convicted of manufacturing or producing methamphetamine on the premises of the assisted unit;
- Illegal use of a controlled substance by any family member;
- Alcohol abuse by any family member;
- Any family member does not establish citizenship or eligible immigration status;
- The family engages in or threatens abusive or violent behavior toward BRHP personnel;
- Any household member illegally possesses weapons; or
- Any other HUD allowed reason.

BRHP may impose, as a condition of continued assistance for other family members, a requirement that the family members who participated in or were culpable for the action or failure will not ever reside in the unit.

In any case where BRHP decides to terminate assistance to the family, BRHP will give both the family and the owner a 30-day written termination notice which states:

- Reasons for the termination;
- Effective date of the termination;
- Family's right to request an informal hearing; and
- Family's responsibility to pay the full rent to the owner if they remain in the assisted unit after the termination effective date.

## **4. HOUSING QUALITY STANDARDS INSPECTIONS**

### **GENERAL PROVISIONS**

BRHP performs Housing Quality Standards (HQS) inspections to ensure that landlords maintain dwellings at no less than the standards required by HUD's HQS and all applicable local requirements. Participants must allow landlords and BRHP, and landlords must allow BRHP, to conduct inspections of their units at reasonable times and after reasonable notice. Participants who do not cooperate with the scheduling and do not attend an inspection may be terminated from the Program. Participants must allow the landlord to make repairs to the unit to meet HQS standards. If the participant does not allow the landlord to make required repairs to the unit, the participant may be terminated from the Program. Landlords and participants must maintain the unit in accordance with Housing Quality Standards, other HUD regulations, and any other requirement established by BRHP. Failure to do so could result in abated HAP payment, termination of the HAP contract, or termination of program assistance.

The Baltimore Housing Mobility Program utilizes units in several counties. BRHP recognizes that each PHA in a particular county may have differing HQS procedures. BRHP inspection procedures address these differences and delineate how BRHP will manage the differing inspection standards. BRHP retains the right to perform inspections in all areas of the Baltimore Housing Mobility Program jurisdictions in the manner determined most efficient and cost effective by BRHP.

### **INITIAL INSPECTIONS**

When a participant submits an RTA and before any unit is approved under the Program, BRHP requires, at a minimum, unit compliance with the Section 8 Housing Quality Standards (HQS). Units must pass inspection prior to execution of the lease and HAP contract.

The landlord and/or his/her agent are encouraged to be present at the initial inspection and are required to allow access to the unit. Provided the unit passes HQS inspection and the rent has been determined by BRHP to be reasonable, the landlord and participant may enter into the Lease on the day the unit passes HQS inspection.

Inspections may only be rescheduled once.

The participant and landlord will be advised if the unit fails HQS. The landlord will be given 30 calendar days to correct any violations. The date of reinspection will be assigned on the second date after the first inspection. If the unit fails HQS a second time, the unit will not be considered suitable for the participant and the participant must locate another unit. The participant must be issued a voucher following the failed second inspection and will then be eligible to submit a RTA for a different unit.

### **PERIODIC REINSPECTIONS**

BRHP uses a Risk-Based inspection process in order to ensure that the highest housing quality standards are maintained and that BRHP resources are utilized in an efficient and effective manner. BRHP will attempt to inspect all units under contract in accordance with its housing quality standards at least once every two (2) years.

Homeownership units are not subject to biennial inspections. Rental units, which have met inspection standards consistently, may be inspected on a two year schedule (a minimum of one inspection every 25 months). Rental units, which do not have such a track record, will be inspected on a more frequent

basis. BRHP reserves the right to set and modify the inspection schedule for each unit. Special inspections may be scheduled at any time at BRHP's discretion.

The landlord and/or participant, or an adult (age 18 or over) representative of the landlord or participant, must be present at the inspection so that the Inspector may gain access to the unit. If the participant does not attend the inspection and does not make arrangements for the Inspector to gain access to the unit, the participant may be terminated from the Program. If the participant indicates appropriate extenuating circumstances, a second inspection may be scheduled at the discretion of BRHP.

The Inspection Office schedules inspection appointments. Appointments will be changed or rescheduled only once and only if the participant has a very good reason such as an emergency situation. The reason for the emergency must be documented.

If the unit fails to meet HQS, an inspection will occur in 30 calendar days. If the failed items are of an emergency nature, the landlord or tenant must repair the items within 24 hours. If the unit fails the re-inspection, one of the following actions will occur:

- The rent to owner will be abated or the contract cancelled (owner caused fails)
- The participant will be terminated from the program (participant caused fails)

Pursuant to HABC's MTW authority, BRHP may expand its risk-based inspection process, allowing owners and families to self-certify that non-emergency items identified as "fail" during an HQS inspection have been repaired. Only units located in the allowable areas will be eligible for the program. The fail items must be minor and determined to be non-emergency to be eligible for self-certification. The self-certification process will require the owner and tenant family to certify that the repairs have been made. The process will include a rigorous quality control component.

### **COMPLAINT/SPECIAL INSPECTIONS**

A participant or a landlord may request a Complaint Inspection. Complaint/special inspections have the same requirements as Annual Inspections. Failure to comply with notices of violation resulting from complaint/special inspections will result in sanctions as stated above for annual inspections.

### **QUALITY CONTROL INSPECTIONS**

Quality control inspections will be performed for the number required by SEMAP. The inspection will ascertain that each inspector is conducting accurate and complete inspections and to assure consistency in application of HQS and BRHP requirements.

### **EMERGENCY FAIL ITEMS**

An emergency item may include, but is not limited to:

- No electricity
- No running water
- Major plumbing leaks, flooding or sewer backup
- Natural gas leak or fumes from fuel burning appliances/equipment
- No heat as defined by the local code in the appropriate jurisdiction
- No fuel when heating equipment is powered by gas, oil or propane and heat is required to meet local code in the unit's jurisdiction
- No functioning toilet in the unit

- Any electrical fixture or equipment that smokes, sparks, or short circuits creating a fire hazard
- Uninhabitable units due to fire, tornado, flood, hurricane, or destroyed/vandalized units that prevent a tenant from using the bathroom or kitchen
- Any life threatening condition as determined by the Inspector and approved by the Inspector's Supervisor.

If the unit fails HQS because the owner is responsible for the noncompliance and the owner does not make corrections within the allotted 30 calendar days or 24 hours, the HAP contract will be abated and/or terminated by the end of the month following failure to comply with BRHP notices. Abatement may be retroactive to the date the unit initially failed the HQS inspection.

If the unit does not meet HQS requirements because of an action on the part of the tenant and the actions are not corrected within the allotted 30 calendar days or 24 hours, BRHP will process the tenant for termination of assistance.

### **LEAD BASED PAINT**

At a minimum, BRHP will comply with HUD requirements 24 CFR Part 35, Subpart M, Tenant Based Rental Assistance. Compliance with State and local law will apply as described in 24 CFR Part 35, Subpart B, Section 35.150(b).

### **EXTENSIONS**

The landlord may request repair time frame extensions. Requests must be in writing and must demonstrate need for extension (e.g. weather delays, construction delays). Extensions will not be given for failures that are a threat to health and safety. Extensions will be granted at the sole discretion of BRHP.

Participants may only request extensions if the landlord approves the extension in writing.

### **RENT ABATEMENT AND CONTRACT TERMINATIONS FOR HQS VIOLATIONS**

BRHP will send the owner advance written notification, in accordance with the HAP contract, when BRHP plans to abate payments. BRHP will also notify the family of this action and inform the family of its responsibility, based on applicable State or local law, for the payment of the tenant share of rent to the owner. When an owner fails to correct cited repairs within the specified time frame, housing assistance payments will be abated at the end of the month in which the failed reinspection occurred, and will continue until the earlier of when:

- The owner corrects the deficiencies as documented by an BRHP inspection, in which case the housing assistance payments may be resumed as of the date of the passed inspection; or
- The HAP contract expires or is terminated.

BRHP will not resume HAP payments until the owner has corrected the deficiencies.

BRHP will terminate HAP contracts that are under abatement the earlier of:

- The month the family living in the unit has moved.
- Six months after the last payment was made. BRHP retains the right to terminate a HAP contract at any time (See Contract Terminations Section).

HAP contracts will be abated immediately, in cases of owner failure to repair life threatening conditions within the required 24 hour time period. Immediate contract terminations may also occur.

#### **FAMILY CAUSED HQS FAILURES**

The family is responsible for a breach of the HQS that is caused by any of the following:

- The family fails to pay for any utilities that the landlord is not required to pay for, but which are to be paid by the participant by the lease agreement;
- The family fails to provide and maintain any appliances that the landlord is not required to provide, but which are to be provided by the participant lease agreement ; or
- Any member of the household or guest damages the dwelling unit or premises (damages beyond ordinary wear and tear).If an HQS breach caused by the family is life threatening, the family must correct the defect within 24 hours. For other family caused defects, the family must correct the defect within no more than 30 calendar days.

If the family has caused a breach of the HQS, BRHP will take prompt and vigorous action to enforce the family obligations. BRHP may terminate assistance for the family in accordance with HUD regulations.

#### **LANDLORD AND UNIT NON-COMPLIANCE**

BRHP reserves the right, at its discretion, to deny future units to be added to the program, deny or limit rent increases, increase the frequency of inspections or take any other administrative action deemed appropriate.

## **5. COLLECTION PROCEDURES**

### **PARTICIPANT REPAYMENT AGREEMENTS**

If a participant owes money to BRHP, BRHP may require the participant to enter into a repayment agreement or may require full repayment on demand. If the participant does not comply with the repayment agreement, BRHP may terminate the participant from the program and may refer the debt to a Collection Agency.

BRHP reserves the right to not enter into a repayment agreement at any time for unreported income or willful fraud and may instead terminate the participant from the program.

BRHP reserves the right to charge the market interest rate on all repayment agreements. A down payment of 30 percent of the total repayment agreement may be required from participants entering into repayment agreements.

Repayment agreements will have a monthly payment schedule, based on the financial capabilities of the family and the amount owed. The minimum monthly payment should be \$25.00 and the maximum term of a repayment agreement should not exceed 24 months.

A late payment of 30 days or longer is considered default of the repayment agreement.

BRHP reserves the right to turn repayment agreements over to an independent collection agency at any time.

Failure to repay may result in termination from the program.

### **LANDLORDS**

If it is determined that a landlord owes BRHP for overpayment of housing assistance payments, the landlord will be notified in writing of the overpayment amount. If the landlord does not repay the amount due, the HAP contract may be terminated and the landlord may be banned from the Program. BRHP reserves the right to turn landlord debts into a collection agency. If the landlord has current HAP contracts, amounts owed will be collected from amounts due under those contracts.

## **6. HOMEOWNERSHIP PROGRAM**

### **GENERAL**

BRHP's homeownership program offers two different types of assistance: homeownership with second mortgage assistance and regular homeownership assistance.

### **OVERVIEW OF SECOND MORTGAGE HOMEOWNERSHIP PROGRAMS**

The *Thompson* Partial Consent Decree stipulated (to the extent practicable, lawful, feasible and affordable), the creation of homeownership units in opportunity areas identified in the Partial Consent Decree (the "Homeownership Demonstration Program" or "HDP"). BRHP is operating the HDP under a Homeownership Plan consisting of two parts:

- Direct Homeownership second mortgage program
- Section 8 Direct Homeownership second mortgage program

HUD has approved the Direct Homeownership second mortgage program and the Section 8 Direct Homeownership second mortgage program, and both programs are underway. They are capped at 55 vouchers, funded by HABC from its regular voucher funds.

BRHP may, from time to time, make changes to the HDP. These program modifications will be proposed as amendments to this Administrative Plan.

### **DIRECT PURCHASE SECOND MORTGAGE PROGRAM**

The direct purchase second mortgage program is for applicants with incomes of no less than \$18,000 per year. Participants in this initiative do not receive a Section 8 homeownership voucher. If a family is determined to have financial need for voucher assistance, the family will participate in the Section 8 direct purchase program. A soft second mortgage of HOPE VI funds is available through this program. Participants in the direct purchase program who experience hardship paying their mortgage due to serious illness, disability, long term unemployment or other hardships that jeopardize housing stability or may lead to foreclosure may be enrolled into the Section 8 Direct Homeownership Program. The Direct Purchase Participant must meet with the BRHP Homeownership Counselor; agree to develop a plan to correct the current conditions and meet all Section 8 Direct Homeownership Program requirements, excluding the requirement to be a first time homebuyer.

### **SECTION 8 DIRECT HOMEOWNERSHIP SECOND MORTGAGE PROGRAM**

The Section 8 Direct Homeownership Second Mortgage Program allows very low income residents to achieve homeownership in opportunity areas using a Section 8 homeownership voucher and a HOPE VI funded soft second mortgage averaging \$80,000. At commencement of monthly homeownership assistance payments for the family, the adult members of a non-disabled family who will own the home must meet collectively a minimum non-welfare annual income requirement that is not less than the Federal minimum hourly wage multiplied by 2,000 hours. In addition to meeting the income requirement, one or more adult members of the family who will own the home must be employed on a full-time basis (an average of 30 hours per week) and have been continuously employed for the year prior to the beginning of homeownership assistance. For a disabled family (a family whose head, spouse or sole member is a person with disabilities), the adult members who will own the home must have an annual income that is not less than the monthly Federal Supplemental Security Income (SSI) benefit for an individual living alone multiplied by 12.

Families determined by BRHP to be eligible and who select the Section 8 Direct Purchase Program will be reviewed by BRHP regarding their readiness for this program. Families that currently meet the qualifications set forth in 24 CFR 982 regarding participation in the Section 8 homeownership voucher program and who have acceptable credit histories will be offered an opportunity to participate in the Section 8 Direct Homeownership Program. BRHP will assist families in qualifying for a first mortgage from either a BRHP pre-qualified private lender or another lender of their choice, choosing a real estate agent, choosing a home, negotiating a contract to purchase the home, having the home inspected, and closing on the first and second mortgages. BRHP will also provide support on homeownership issues during the homeowner's first year in the home.

#### **REMEDIAL HOMEOWNERSHIP VOUCHER PROGRAM**

Up to five percent (5%) of the annual allocation of *Thompson* vouchers (PCD Leased and Remedial) may be designated for the regular homeownership program. Except for the value of the monthly ongoing housing assistance (HAP), no other financial support will be provided by the Program. These units are not included as a part of the 55 homeownership vouchers provided from HABC Non-Thompson vouchers through the Section 8 Direct Homeownership second mortgage program.

#### **PROGRAM ELIGIBILITY**

BRHP will determine applicants' eligibility for the Homeownership Programs, per the pertinent Sections of this Plan.

#### **PROGRAM COUNSELING**

Participants in the homeownership program must complete a pre-purchase workshop from a HUD approved housing counseling agency and participate and complete all other counseling requirements, as defined by BRHP.

#### **PROGRAM DESCRIPTION**

The Homeownership Program will use homeownership vouchers and/or second mortgages in addition to assist those who qualify for a mortgage but have a very low or extremely low income. At commencement of monthly homeownership assistance payments for the family, the adult members of a non-disabled family who will own the home must meet collectively a minimum non-welfare annual income requirement that is not less than the Federal minimum hourly wage multiplied by 2,000 hours.

In addition to meeting the income requirement, one or more adult members of the family who will own the home must be employed on a full time basis (an average of 30 hours per week) and have been continuously employed for the year prior to the beginning of homeownership assistance. For a disabled family (a family whose head, spouse or sole member is a person with disabilities), the adult members who will own the home must have an annual income that is not less than the monthly Federal Supplemental Security Income (SSI) benefit for an individual living alone multiplied by 12.

Additional Program Provisions:

- All homeownership units must be located in opportunity areas
- Project based units that are a part of a lease purchase program may be approved
- Adjustable rate mortgages are prohibited
- Balloon loans are prohibited
  - For participants in the Second Mortgage Homeownership Program the second mortgage loan will not be considered a balloon loan for the purposes of this section; and

- The first \$20,000 of the loan is reduced by 20% each year from year six to year ten until a maximum reduction of \$20,000 is reached, as defined in the second mortgage loan documents

### **ELIGIBLE PROPERTIES**

To be eligible for Homeownership Program, a home must be located in an opportunity area. Additionally, an eligible home must have a sale price that equals no more than the maximum affordable sale price as determined by BRHP. The homes must pass inspection by a registered home inspector to be chosen by the homebuyer, require no buyer performed work to pass inspection and meet HUD Housing Quality Standards (HQS).

### **ELIGIBLE PARTICIPANTS**

The category of persons eligible to participate in the Direct Homeownership second mortgage program and the Section 8 Direct Homeownership second mortgage program are all families displaced or relocated from developments that were demolished in preparation for the HOPE VI developments, all families who lived in public housing between January 31, 1995 and April 17, 1996 (if they can verify residence) and all families residing in public housing at any time from April 17, 1996 to present. In addition, families who were on HABC's waiting list for public housing or a Section 8 voucher as of August 1, 2002 who were grandfathered into the HDP by agreement with Plaintiffs' counsel are eligible for the direct purchase program.

Participation in the remedial homeownership voucher program is available to families with children currently participating in the Baltimore Housing Mobility Program who meet all of the homeownership program requirements, and who have first lived in an opportunity area for at least 24 consecutive months and rented through the Baltimore Housing Mobility Program.

### **FINANCING THE HOME PURCHASE**

Purchasers participating in the Section 8 Direct Homeownership Program will have two loans: a first mortgage based upon the purchaser's income and the HUD Housing Choice Voucher Payment Standard less qualified expenses and a second mortgage funded from HOPE VI.

Participants in both the Direct Purchase and the Section 8 Direct Homeownership Program will receive second mortgages funded with HOPE VI funds. The second mortgages will be calculated by summing all the acquisition costs, including closing costs and home warranty, and subtracting from that figure the amount of the first mortgage for which the homebuyer qualifies.

A total of \$20,000 of the second mortgage will be forgiven at an annual rate of 20 percent per year beginning in the sixth year, so that at the end of the 10 year, a maximum of \$20,000 will be forgiven. Thus, a homeowner with an \$80,000 second mortgage after closing will have a remaining balance of \$60,000 at the end of the 10 year. This remaining balance will remain as a mortgage during the term of ownership. However, no interest or principal payments will be required as long as the family resides in the home or until the first mortgage is refinanced. In the event of refinancing, payment is due on the second mortgage to the extent of equity withdrawal and the HOPE VI mortgage must remain in second position. The home must also remain as the primary residence of the homeowner. If the home is leased or sold, the remaining balance is due and payable to BRHP.

In the Regular Homeownership Voucher Program, participants may have one (1) or two (2) loans. In the single loan model, the participant will apply for a loan from a lender who will either count the HAP as

income (gross up model) or count the HAP as an additional mortgage payment (offset model). In the two mortgage model, the participant qualifies for a first mortgage based upon the borrower's income and standard lending and underwriting requirements and then qualifies for a second mortgage, using the HAP as the resource for the monthly payments.

#### **YEAR 16 FUND**

When homeowners who receive a Section 8 homeownership voucher pay back the subordinate mortgage loan upon sale or transfer of the property, the funds will become program income and will be placed in the Year 16 Loan Fund. The purpose of this fund is to provide mortgage assistance when the Section 8 subsidy terminates at the end of 15 years. The fund will be administered by BRHP or a contractor selected by the BRHP. If a homeowner reaches the end of the 15 year Section 8 subsidy, and BRHP determines that the homeowner cannot afford the first mortgage without the Section 8 subsidy or cannot afford to make the payments of refinancing the remaining principle balance, then BRHP may make a loan in an amount that allows the homeowner to remain in the home. The loan will bear no interest and will be due upon sale or transfer of the property.

## 7. INFORMAL REVIEW AND HEARING POLICY

### INFORMAL REVIEWS

Applicants will receive written notice notifying them that they have been denied from the Program and the reason(s) why. The notice will also advise the applicants of their right to an informal review. An applicant must request an informal review in writing within 14 calendar days of the date of the denial notice.

An informal review will be scheduled in a reasonable amount of time from the date of the request from the applicant. If the applicant does not request a review in accordance with the policy, then the disposition of the denial will become final.

Upon the written request of the applicant or BRHP, the review may be postponed and rescheduled to the next available regularly scheduled review date. A review may be postponed once. If the applicant fails to appear at the second scheduled review, the disposition of the denial will become final. An applicant may request an informal review for the following determinations:

- Denial of eligibility
- Listing on the waiting list maintained by BRHP
- Issuance of a voucher
- Participation in any of the components of the Baltimore Housing Mobility Program
- Denial of a hardship exception requested by a family in the second year of participation due to a change in circumstances necessitating relocation to a non-opportunity area.

Informal reviews will not be granted to applicants who dispute the following actions:

- Denial of a preference
- The number of bedrooms entered on the voucher
- A determination that a unit does not meet or comply with Housing Quality Standards
- A determination that a proposed lease is unacceptable
- A decision not to approve a request for an extension of the term of the voucher
- General policy issues or class grievances

Any informal reviews requested as a result of a denial of participation by BRHP on the basis that the family's name is not included in the documentation provided by HABC for the eligibility/preference category claimed by the family will be conducted by BRHP.

### INFORMAL HEARINGS

Participants will receive a written notice notifying them that they will be terminated from the Baltimore Housing Mobility Program and the reason(s) why. The notice will also advise the participant of their right to an informal hearing, that the participant must request the informal hearing in writing within 14 calendar days of the date of the termination notice and where the notice should be sent.

An informal hearing will be scheduled in a reasonable amount of time from the date of the request for an informal hearing. If the participant does not request a hearing in accordance with the policy, then the disposition of the termination will become final.

Upon the written request of the participant or BRHP, the hearing may be postponed and rescheduled to the next available regularly scheduled hearing date. A hearing may be postponed once. If the participant fails to appear at the second scheduled hearing, the disposition of the Termination will become final.

Families will be provided an opportunity for an Informal Hearing to consider decisions with respect to the family's individual circumstance, in the following situations:

- Determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment.
- Determination of the appropriate utility allowance (if any) for tenant paid utilities from BRHP's utility allowance schedule.
- Determination of the family unit size under the PHA subsidy standards.
- Determination that a program family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the PHA subsidy standards, or BRHP's determination to deny the family request for an exception from the standards.
- Determination to terminate or deny assistance for a participant family because of the family's action or failure to act.
- Determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under BRHP policy and HUD rules.

An opportunity for an Informal Hearing is not required for the following decisions:

- Discretionary administrative determinations, general policy issues, or class grievances.
- Determination that an assisted housing unit does not meet program HQS, has not been maintained by the owner to those same standards, in order to meet decent, safe, and sanitary guideline interpretations. This provision includes consideration for changes in family composition.
- A determination to exercise or not to exercise any right or remedy against the landlord under the provisions of the HAP contract including the termination of the HAP.
- Determination not to extend or suspend the term of the voucher.
- Establishment of BRHP schedule of utility allowances for families in the program.
- Determination not to approve a unit or lease.
- Determination of the number of bedrooms stipulated on the voucher.

### **CONDUCTING THE REVIEW/HEARING**

The review/hearing will be conducted by a person designated by BRHP (Review/Hearing Officer), who did not make the initial decision to deny the applicant or terminate the participant, or is not the subordinate of that person.

During the review/hearing, BRHP and the applicant/participant may have present all witnesses and potential witnesses in the matter, and those persons shall be permitted to observe the entire hearing. The applicant/participant will be afforded a fair review/hearing provided the basic safeguards of due process, which shall include:

- The opportunity to examine before the review/hearing, and at the expense of the applicant/participant, to copy all documents, records and regulations of BRHP that are relevant to the review/hearing.
- The right to be represented by counsel or other person selected as a representative.
- The right to a private review/hearing unless the applicant/participant requests a public review/hearing.

- BRHP and the applicant/family have the right to present evidence and arguments in support of their positions; to controvert evidence relied on by the other party; and to cross examine all witnesses on whose testimony or information they rely.
- A decision based solely and exclusively upon the facts presented at the review/hearing.
- Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.
- The applicant/participant must give BRHP the opportunity to examine, at BRHP offices, before the review/hearing, any applicant/participant documents that are directly related to the review/hearing. BRHP must be allowed to copy any such documents. If the applicant/participant does not make the document available to BRHP upon request, the applicant/participant may not rely on that document in the review/hearing.
- The Review/Hearing Officer will consider only those issues presented in the original notice, and will not consider new issues or evidence of which the participant had no notice.

The Review/Hearing Officer will, within ten working days, give a final written decision to the applicant/participant and BRHP stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family shall be based on a preponderance of the evidence presented at the review/hearing. The decision will be mailed to the applicant/participant at the address the applicant/participant has on file with BRHP.

If the applicant/participant or BRHP fails to appear at the scheduled review/hearing, the Review/Hearing Officer may make a determination that the party has waived his right to a hearing. Both BRHP and the applicant/participant shall be notified in writing of the determination by the Review/Hearing Officer.

The review/hearing will be conducted informally by the Review/Hearing Officer. The Review/Hearing Officer shall require BRHP, the applicant/participant, counsel, and other participants or spectators to conduct themselves in an orderly fashion. Failure to comply with the directions of the Review/Hearing Officer to maintain order may result in exclusion from the proceedings or in a decision adverse to the interest of the disorderly party and granting or denial of the relief sought, as appropriate.

#### **APPLICABILITY OF REVIEW/HEARING DECISION**

BRHP is not bound by an Informal Review or a Hearing decision concerning:

- A matter for which BRHP is not required to provide an opportunity for an informal review/hearing.
- A matter that exceeds the authority of the person conducting the review/hearing under these hearing procedures.
- A determination that is contrary to HUD regulations, requirements, and state, federal or local law.

If BRHP should determine it is not bound by such a review/hearing decision, it will promptly notify the family of the decision in writing and of the reasons for the determination. In these cases, BRHP may allow the family the opportunity to request another review/hearing.

## **8. FRAUD POLICY**

### **ALLEGATIONS OF POSSIBLE ABUSE AND FRAUD**

All information regarding allegations of possible abuse and fraud will be documented and placed in the applicant/participant file. All allegations, complaints and tips will be evaluated to determine if follow up is warranted.

BRHP will conduct any necessary follow up investigation, which may include:

- Credit Bureau Inquiries
- Verification of Credit
- Employers and Ex Employers
- Neighbors/Witnesses
- Other Agencies, i.e. Social Services
- Public Records, i.e. real estate, marriage, divorce, judgments, court or police records, state wage records, utility records, postal records, motor vehicle records.
- Applicant/Participant family interviews.

### **CORRECTIVE ACTION OR TERMINATION ACTION**

BRHP will determine if the applicant/family should be denied/terminated based on the supporting documents, or if other corrective action should occur, i.e. repayment agreement.

### **DISPOSITION OF CASES**

In all cases involving monies owed, the BRHP Executive Director may elect one or more of the following actions:

- Refer the case to the local or State District Attorney, notify HUD's Office of Inspector General, and terminate rental assistance.
- Terminate assistance and demand payment of restitution in full.
- Terminate assistance and execute a repayment agreement in accordance with the BRHP Repayment Procedure.
- Terminate assistance and pursue restitution through civil litigation, and/or refer the case to a Collection Agency.
- Continue assistance at the correct rent and demand repayment of restitution in full.
- Continue assistance at the correct rent and execute a repayment agreement in accordance with BRHP's Repayment Procedure.

### **NOTIFICATION TO APPLICANT/PARTICIPANT**

BRHP will notify the applicant/participant in writing. The notice will include:

- The action being taken.
- The reason for the action.
- The date the action will take place.
- The participant's right to an informal review/hearing, and the form and date by which the request for such review/hearing must be received.

## 9. PROJECT BASED ASSISTANCE

### INTRODUCTION

Unless stated below, facets of the Project Based Assistance (PBA) component of the Baltimore Housing Mobility Program are the same as listed in other areas of this Administrative Plan.

### PROGRAM OBJECTIVES

The *Thompson* Settlement Agreement provides for project based vouchers to be used to contract with owners of rental units in opportunity areas in Metropolitan Baltimore. The PBA component of the Baltimore Housing Mobility Program is subject to the HUD regulations for project based vouchers, except where provisions of the *Thompson* Settlement Agreement prevail and/or a waiver has been approved pursuant to HABC's MTW authority. The project based voucher program enables BRHP to enter into a long term (up to 20 years) Housing Assistance Payments (HAP) contract with a private owner for one or more rental units. These units must be occupied by eligible households as determined by BRHP under the program regulations and the Plan.

### PROGRAM DESCRIPTION

The project based voucher component of the Baltimore Housing Mobility Program is available to owners of existing units and to owners who are constructing or rehabilitating rental property in selected areas of the Baltimore Metropolitan Area. Owners sign a contract agreeing to lease a designated number of their units to program eligible households, and subsidy funds are committed for those units for up to 20 years, subject to appropriations.

#### *Overview of PBV Program [24 CFR 983.5, 24 CFR 983.6, AND FR NOTICE 1/18/17]*

The project-based voucher (PBV) program allows BRHP, which already administers a tenant-based voucher program under a contract with Housing Authority of Baltimore City, pursuant to an annual contributions contract (ACC) it has with HUD, to take up to 20 percent of its voucher program unit limitation calculation and attach the funding to specific units rather than using it for tenant-based assistance [24 CFR 983.6]. BRHP may only operate a PBV program if doing so is consistent with the BRHP's Annual Plan, and the goal of de-concentrating poverty and expanding housing and economic opportunities.

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

Much of the tenant-based voucher program regulations also apply to the PBV program. Consequently, many of BRHP's policies related to tenant-based assistance also apply to PBV assistance. The provisions

of the tenant-based voucher regulations that do not apply to the PBV program are listed at 24 CFR 983.2.

## **OWNER PROPOSALS**

BRHP's PBV program selects proposals in accordance with regulatory requirements. There are two methods that may be used: Request for PBV Proposals or Selection based on Previous Competition.

Additionally, BRHP may use the Qualifications-Based Selection (QBS) method of procurement to select a development partner(s) who will have the option of making available recourse pre-development loan funds from a HOPE VI Grant for new construction and for rehabilitation projects involving acquisition with moderate or substantial rehabilitation.

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

Policies and procedures for selecting PBV proposals are designed and actually operated to provide broad public notice of the opportunity to offer PBV proposals for consideration by BRHP's PBV Program. The public notice procedures may include posting on BRHP's website, publication of the public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice. The public notice of the request for PBV proposals must specify the submission deadline. However, if the request for PBV proposals is a rolling solicitation, BRHP will provide notice that the submission deadline shall be the date until either all vouchers and/or capital available under the request are no longer available or BRHP discontinues the solicitation, whichever date may occur first. Detailed application and selection information must be provided at the request of interested parties.

### **Request for Proposals for Newly Constructed, Rehabilitated, and/or Existing Housing**

The program will solicit proposals by using a request for proposals to select proposals on a competitive basis in response to the program's needs. The program will not limit proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites.

The program will advertise its request for proposals (RFP) for rehabilitated and newly constructed housing in the following newspapers and trade journals, either in print or electronic format:

Baltimore Sun, Public Housing Authority Directors Association and Council of Large Public Housing Authorities

In addition, BRHP shall post the RFP on its electronic web site.

The program will publish its advertisement in the newspapers and trade journals mentioned above for at least one day per week for three consecutive weeks. The advertisement will specify the number of units the program estimates that it will be able to assist. Proposals will be due at the office of BRHP no earlier than by close of business thirty (30) calendar days from the date of issuance, unless otherwise extended.

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

BRHP will rate and rank proposals for rehabilitated and newly constructed housing and existing units using the following criteria:

**Opportunity Area:** Area of proposed housing is consistent with the goal of de-concentrating poverty and expanding housing and economic opportunities. The amount of points awarded will be based on the extent to which the property provides increased opportunity as evidenced by the site description information.

**Mix of Incomes:** The highest points in this section will be given to proposed developments that result in a substantial mix of incomes, including market rate units.

**Experience:** Evaluation will include previous experience of the developer/owner and/or management agent in developing, leasing and managing properties such as the proposed development, including a track record in project-based or tenant-based Section 8 housing.

Maximum points may be awarded for this factor by demonstrating that the owner/management have:

- Successfully developed and operated two or more housing projects of comparable or greater scope within the last five years, demonstrating occupancy rates above 90%, consistently meeting HQS, and having no loan defaults, foreclosure actions, bankruptcies, or outstanding construction, tax, judgment or similar liens; and
- Successfully owned and operated 20 or more units with Housing Choice Voucher assistance within the last five years.

**Quality of Housing Design:** Developments must be well-designed, with building architecture, structure and mass that complement the existing neighborhood. Exterior architectural features and design elements should add interest and/or functionality, create unity with nearby architectural style, and generally improve the appearance of the building(s). Amenities, size of units and accessibility will also be factors contributing to the points allocated in this category.

**Financial Plan:** The reasonableness of the proposed plan to finance and sustain the development will be evaluated to ensure long-term viability of the development as affordable housing under a HAP contract.

## **Selection of Proposal based on Previous Competition**

BRHP may select a proposal that was previously selected based on a competition. This may include selection of a proposal for housing assisted under a federal, state, or local government housing assistance program that was subject to a competition in accordance with the requirements of the applicable program, community development program, or supportive services program that requires competitive selection of proposals (e.g., HOME, and units for which competitively awarded LIHTCs have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements within 3 years of the PBV proposal selection date, and the earlier competitive selection proposal did not involve any consideration that the project would receive PBV assistance. In such case, BRHP need not conduct another competition.

## **Request for Qualifications for Development Partners**

The QBS method is conducted using a Request for Qualifications (RFQ). BRHP may select development partners through an RFQ if the procurement activity includes mixed finance development and/or the expenditure of HOPE VI funds to provide capital assistance for the development of project-based units for the PBV program.

If using an RFQ, BRHP will request technical qualifications statements from prospective developers and then rank the statements according to their qualifications as related to the project(s) and as best meets the criteria stated in the RFQ. BRHP will then open negotiations with the top-ranked developer with intentions to reach agreement on fair and reasonable terms. If agreement cannot be reached, BRHP will terminate negotiations with the developer and proceed to the next-highest rated developer until terms, which may include price, determined to be fair and reasonable to both parties are obtained. Once negotiations have been terminated with a developer, BRHP may not go back to that developer for additional negotiations.

## **PHA-Owned Units [24 CFR 983.51(e), 983.59, and Notice PIH 2015-05]**

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

In the case of BRHP-owned units, the term of the HAP contract and any HAP contract renewal must be agreed upon by BRHP and a HUD-approved independent entity. In addition, an independent entity must determine the rent to owner, the re-determined rent to owner, and reasonable rent. Housing quality standards inspections must also be conducted by an independent entity.

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

BRHP may submit a proposal for project-based housing that is owned or controlled by BRHP. If the proposal for BRHP-owned housing is selected, BRHP will use the independent entity to review BRHP's selection and to administer the PBV program. BRHP will obtain HUD approval of independent entity prior to selecting the proposal for BRHP-owned housing.

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

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

The program will give prompt written notice to the party that submitted a selected proposal and must also give prompt public notice of such selection. Public notice procedures may include publication of

public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice.

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

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

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

### **HOUSING TYPE [24 CFR 983.52]**

The program may attach PBV assistance for units in existing housing or for newly constructed or rehabilitated housing developed under and in accordance with an Agreement that was executed prior to the start of construction. A housing unit is considered an existing unit for purposes of the PBV program, if, at the time of notice of BRHP's selection, the units substantially comply with HQS. Units for which new construction or rehabilitation began after the owner's proposal submission but prior to the execution of the HAP do not subsequently qualify as existing housing. Units that were newly constructed or rehabilitated in violation of program requirements also do not qualify as existing housing.

### ***PROHIBITION OF ASSISTANCE FOR CERTAIN UNITS***

#### **Ineligible Housing Types [24 CFR 983.53]**

The program may not attach or pay PBV assistance to shared housing units; units on the grounds of a penal reformatory, medical, mental, or similar public or private institution; nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care (except that assistance may be provided in assisted living facilities); units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students; manufactured homes; and transitional housing. In addition, the program may not attach or pay PBV assistance for a unit occupied by an owner and may not select or enter into an agreement to enter into a HAP contract or HAP contract for a unit occupied by a family ineligible for participation in the PBV program. A member of a cooperative who owns shares in the project assisted under the PBV program is not considered an owner for purposes of participation in the PBV program. Finally, PBV assistance may not be attached to units for which construction or rehabilitation has started after the proposal submission and prior to the execution of an AHAP.

## **Subsidized Housing [24 CFR 983.54]**

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

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

## **SUBSIDY LAYERING REQUIREMENTS [24 CFR 983.55, FR NOTICE 11/24/08, FR NOTICE 7/9/10, AND FR NOTICE 6/25/14]**

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

Subsidy layering requirements do not apply to existing housing. A further subsidy layering review is not required for new construction or rehabilitation if HUD's designee has conducted a review that included a review of PBV assistance in accordance with the PBV subsidy layering guidelines.

The program must submit the necessary documentation to HUD for a subsidy layering review. Except in cases noted above, the program may not enter into an agreement to enter into a HAP contract or a HAP contract until HUD, or a HUD-approved housing credit agency (HCA), has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements. However, in order to satisfy applicable requirements, HCAs must conduct subsidy layering reviews in compliance with the guidelines set forth in the *Federal Register* notice published July 9, 2010.

## **CAP ON NUMBER OF PBV UNITS IN EACH PROJECT**

### **25 Percent per Project Cap [24 CFR 983.56, FR NOTICE 1/18/17]**

In general, the program may not select a proposal to provide PBV assistance for units in a project or enter into an Agreement or a HAP contract to provide PBV assistance for units in a project, if the total number of dwelling units in the project that will receive PBV assistance during the term of the PBV HAP

contract is more than 25 percent of the number of dwelling units (assisted or unassisted) in the project, or 25 total units in a project, whichever is greater.

#### **Exceptions to 25 Percent per Project Cap [24 CFR 983.56(b)]**

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

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

BRHP will not require families living in excepted units to receive supportive services. Therefore, excepted units will be limited to units in single-family buildings and those made available for elderly or disabled families.

#### **Promoting Partially-Assisted Projects [24 CFR 983.56(c)]**

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

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

#### Program Policy:

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

## **SITE SELECTION STANDARDS**

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

The program may not select a proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an Agreement or HAP contract for units on the site, unless the program has determined that PBV assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities.

In addition, prior to selecting a proposal, the program must determine that the site is suitable from the standpoint of facilitating and furthering full compliance with the applicable Civil Rights Laws, regulations, and Executive Orders, and that the site meets the HQS site and neighborhood standards at 24 CFR 982.401(l). In order to ensure that the site meets the foregoing prescribed objectives of the program, BRHP will adhere to the following guidelines:

- It is BRHP's goal to select sites for PBV housing that provide for deconcentrating poverty and expanding housing and economic opportunities. In complying with this goal, BRHP will limit

approval of sites for PBV housing in census tracts that have poverty concentrations of 20 percent or less.

- However, BRHP will grant exceptions to the 20 percent standard where BRHP determines that the PBV assistance will complement other local redevelopment activities designed to deconcentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations greater than 20 percent, such as sites in:
  - Sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration;
  - The project is necessary to meet overriding housing needs that cannot be met in that housing market areas; or
  - The distribution of PBV assisted units is reasonable and over a period of several years will approach an appropriate balance of housing choices within and outside of minority concentration.
- A census tract in which the proposed PBV development will be located in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community;
- A census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition and HOPE VI redevelopment;
- A census tract in which the proposed PBV development will be located is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area;
- A census tract where new market rate units are being developed where such market rate units will positively impact the poverty rate in the area;
- A census tract where there has been an overall decline in the poverty rate within the past five years; or
- A census tract where there are meaningful opportunities for educational and economic advancement.

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

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

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

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

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

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

## **Geographical Location Requirements: High Opportunity Areas**

The proposed units for PBV assistance must be located in the counties of Carroll, Baltimore, Harford, Howard, Anne Arundel or Baltimore City, in a high opportunity area, as identified by BRHP. A list of the current approved census tracts and corresponding payment standards for the PBV program will be maintained by BRHP and provided upon request. Proposed units located outside of these approved census tracts will not be considered. Opportunity areas may change over time due to varying factors, and BRHP reserves the right to change the list of approved census tracts with corresponding payment standards targeted for project-based development in order to be in compliance with HUD site and neighborhood standards as well as the objectives of the PBV program. All are encouraged to contact BRHP prior to submission of any proposals for any updates.

### **ENVIRONMENTAL REVIEW [24 CFR 983.58]**

The activities under the PBV program are subject to HUD environmental regulations in 24 CFR parts 50 and 58. The *responsible entity* is responsible for performing the federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). The program may not enter into an Agreement or enter into a HAP contract until it has complied with the environmental review requirements.

In the case of existing housing, the responsible entity that is responsible for the environmental review under 24 CFR part 58 must determine whether or not PBV assistance is categorically excluded from

review under the National Environmental Policy Act and whether or not the assistance is subject to review under the laws and authorities listed in 24 CFR 58.5.

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

The program will supply all available, relevant information necessary for the responsible entity to perform any required environmental review for any site. The program will require the owner to carry out mitigating measures required by the responsible entity (or HUD, if applicable) as a result of the environmental review.

## **DWELLING UNITS**

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

### ***HOUSING QUALITY STANDARDS [24 CFR 983.101]***

The housing quality standards (HQS) for the tenant-based program, including those for special housing types, generally apply to the PBV program. The physical condition standards at 24 CFR 5.703 do not apply to the PBV program.

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

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

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

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

#### **Turnover Inspections [24 CFR 983.103(c)]**

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

#### **Annual/Biennial Inspections [24 CFR 983.103(d); FR Notice 6/25/14]**

At least once every 24 months during the term of the HAP contract, the program must inspect a random sample consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS. Turnover inspections are not counted toward meeting this inspection requirement.

### **Other Inspections [24 CFR 983.103(e)]**

The program must inspect contract units whenever needed to determine that the contract units comply with HQS and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract.

### **Inspecting PHA-Owned Units [24 CFR 983.103(f)]**

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

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

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

## **HOUSING ACCESSIBILITY FOR PERSONS WITH DISABILITIES**

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

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

## **REHABILITATED AND NEWLY CONSTRUCTED UNITS [24 CFR 983.151]**

In order to offer PBV assistance in rehabilitated or newly constructed units, the program must enter into an Agreement with the owner of the property. The program may not enter into an Agreement if commencement of construction or rehabilitation has commenced after proposal submission. Construction begins when excavation or site preparation (including clearing of the land) begins for the housing. Rehabilitation begins with the physical commencement of rehabilitation activity on the housing.

In the Agreement the owner agrees to develop the contract units to comply with HQS, and the program agrees that upon timely completion of such development in accordance with the terms of the Agreement, the program will enter into a HAP contract with the owner for the contract units.

Upon implementation of section 106(a)(4)(F)(iii) of the Housing Opportunity Through Modernization Act of 2016 ("HOTMA"), BRHP may enter into a HAP contract with an owner for any unit that does not qualify as existing housing and is under construction or recently has been constructed whether or not

BRHP has executed an Agreement with the owner, provided that the owner demonstrates compliance with applicable requirements prior to execution of the HAP contract

### ***Content of the Agreement [24 CFR 983.152(d)]***

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

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

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

### ***CONDUCT OF DEVELOPMENT WORK***

#### **Labor Standards [24 CFR 983.154(b)]**

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

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

### **Equal Opportunity [24 CFR 983.154(c)]**

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

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

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

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

## **COMPLETION OF HOUSING**

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

### ***Evidence of Completion [24 CFR 983.155(b)]***

At a minimum, the owner must submit the following evidence of completion:

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

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

Owner will be required to submit BRHP's Owner Certification Form upon housing completion to evidence that the work has been completed in accordance with HQS and all requirements of the Agreement, and that owner has complied with labor standards and equal opportunity requirements in development of the housing.

### ***Acceptance of Completed Units [24 CFR 983.156]***

Upon notice from the owner that the housing is completed, the program must inspect to determine if the housing has been completed in accordance with the Agreement, including compliance with HQS and

any additional requirements imposed under the Agreement. The program must also determine if the owner has submitted all required evidence of completion.

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

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

## **HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP)**

The program will enter into a HAP contract with an owner for units that are receiving PBV assistance. The purpose of the HAP contract is to provide housing assistance payments for eligible families. Housing assistance is paid for contract units leased and occupied by eligible families during the HAP contract term. With the exception of single-family scattered-site projects, a HAP contract shall cover a single project. If multiple projects exist, each project is covered by a separate HAP contract. The HAP contract must be in the form required by HUD.

### ***HAP CONTRACT REQUIREMENTS***

#### **Contract Information [24 CFR 983.203]**

The HAP contract must specify the following information:

- The total number of contract units by number of bedrooms;
- The project's name, street address, city or county, state and zip code, block and lot number (if known), and any other information necessary to clearly identify the site and the building;
- The number of contract units in each building, the location of each contract unit, the area of each contract unit, and the number of bedrooms and bathrooms in each contract unit;
- Services, maintenance, and equipment to be supplied by the owner and included in the rent to owner;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner (included in rent) and utility services to be paid by the tenant;
- Features provided to comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8;
- The HAP contract term;
- The number of units in any project that will exceed the 25 percent per project cap, which will be set aside for occupancy by qualifying families (elderly and/or disabled families and families receiving supportive services); and
- The initial rent to owner for the first 12 months of the HAP contract term.

#### **Execution of the HAP Contract [24 CFR 983.204]**

The program will not enter into a HAP contract until each contract unit has been inspected and BRHP has determined that the unit complies with the Housing Quality Standards (HQS). For existing housing, the HAP contract must be executed promptly after the program selects the owner proposal and inspects the housing units. For newly constructed or rehabilitated housing the HAP contract must be executed after the program has inspected the completed units and has determined that the units have been

completed in accordance with the agreement to enter into HAP, and the owner furnishes all required evidence of completion, unless HUD implements HOTMA regulation obviating the requirement to enter into an Agreement for newly constructed or rehabilitated housing, in which case, the owner must demonstrate compliance with applicable requirements prior to the execution of the HAP contract.

### **Term of HAP Contract and Extensions [24 CFR 983.205]**

BRHP may enter into a HAP contract with an owner for an initial term of no less than one year and no more than 20 years for each contract unit. The length of the term of the HAP contract for any contract unit may not be less than one year, nor more than 20 years. In the case of BRHP-owned units, the term of the HAP contract must be agreed upon by BRHP and the independent entity approved by HUD. However, once HUD issues implementing regulations regarding the term of the HAP contract, the PBV program may elect to execute HAP contracts in accordance with newly published regulations.

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

At the time of the initial HAP contract term or any time before expiration of the HAP contract, the program may extend the term of the contract for an additional term of up to 20 years if BRHP determines an extension is appropriate to continue providing affordable housing for low-income families. A HAP contract extension may not exceed 20 years.

BRHP may provide for multiple extensions; however, in no circumstances may such extensions exceed 20 years, cumulatively. Extensions after the initial extension are allowed at the end of any extension term, provided that not more than 24 months prior to the expiration of the previous extension contract the program agrees to extend the term, and that such extension is appropriate to continue providing affordable housing for low-income families or to expand housing opportunities. Extensions after the initial extension term shall not begin prior to the expiration date of the previous extension term. Subsequent extensions are subject to the same limitations. All extensions must be on the form and subject to the conditions prescribed by HUD at the time of the extension. In the case of BRHP-owned units, any extension of the term of the HAP contract must be agreed upon by the BRHP and the independent entity approved by HUD [24 CFR 983.59(b)(2)].

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

- The cost of extending the contract and the amount of available budget authority;
- The condition of the contract units;
- The owner's record of compliance with obligations under the HAP contract and lease(s);
- Whether the location of the units continues to support the goals of de-concentrating poverty and expanding housing opportunities; and
- Whether the funding could be used more appropriately for tenant-based assistance.

### **Termination by BRHP [24 CFR 983.205(c)]**

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

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

### **Termination by Owner [24 CFR 983.205(d)]**

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

### **Statutory Notice Requirements: Contract Termination or Expiration [24 CFR 983.206]**

Not less than one year before the HAP contract terminates, or if the owner refuses to renew the HAP contract, the owner must notify the program and assisted tenants of the termination. The notice must be provided in the form prescribed by HUD. If the owner does not give timely notice, the owner must permit the tenants in assisted units to remain in their units for the required notice period with no increase in the tenant portion of their rent, and with no eviction as a result of the owner's inability to collect an increased tenant portion of rent. An owner may renew the terminating contract for a period of time sufficient to give tenants one-year advance notice under such terms as HUD may require.

### **Remedies for HQS Violations [24 CFR 983.208(b)]**

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

## ***AMENDMENTS TO THE HAP CONTRACT***

### **Substitution of Contract Units [24 CFR 983.207(a)]**

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

### **Addition of Contract Units [24 CFR 983.207(b)]**

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

### ***HAP CONTRACT YEAR, ANNIVERSARY AND EXPIRATION DATES [24 CFR 983.207(b) and 983.302(e)]***

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

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

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

### ***OWNER RESPONSIBILITIES UNDER THE HAP [24 CFR 983.210]***

- When the owner executes the HAP contract s/he certifies that at such execution and at all times during the term of the HAP contract:
- All contract units are in good condition and the owner is maintaining the premises and contract units in accordance with HQS;
- The owner is providing all services, maintenance, equipment and utilities as agreed to under the HAP contract and the leases;
- Each contract unit for which the owner is receiving HAP, is leased to an eligible family referred by the PHA, and the lease is in accordance with the HAP contract and HUD requirements;
- To the best of the owner's knowledge the family resides in the contract unit for which the owner is receiving HAP, and the unit is the family's only residence;
- The owner (including a principal or other interested party) is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit;
- The amount of the HAP the owner is receiving is correct under the HAP contract;
- The rent for contract units does not exceed rents charged by the owner for comparable unassisted units;
- Except for HAP and tenant rent, the owner has not received and will not receive any other payment or consideration for rental of the contract unit;
- The family does not own or have any interest in the contract unit (does not apply to family's membership in a cooperative); and
- Repair work on the project selected as an existing project that is performed after HAP execution within such post-execution period as specified by HUD may constitute development activity, and if determined to be development activity, the repair work undertaken shall be in compliance with Davis-Bacon wage requirements.

### ***ADDITIONAL HAP REQUIREMENTS***

#### **Housing Quality and Design Requirements [24 CFR 983.101(e) and 983.208(a)]**

The owner is required to maintain and operate the contract units and premises in accordance with HQS, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance, equipment, and utilities specified in the HAP contract with the program and in

the lease with each assisted family. In addition, maintenance, replacement and redecoration must be in accordance with the standard practice for the building as established by the owner.

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

### **Vacancy Payments [24 CFR 983.352(b)]**

At the discretion of the program, the HAP contract may provide for vacancy payments to the owner for a PHA-determined period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month.

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

The amount of the vacancy payment will be determined by the program and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit).

### **BRHP Vacancy Payments Policy**

As a part of its PBV program, BRHP offers vacancy payments to owners pursuant to the terms contained within the Project-Based HAP contract and consistent with BRHP policy set forth herein.

**Notice of Vacancy** – Owner must promptly notify BRHP in writing within 5 business days of receiving notice from the tenant or having knowledge of any vacancy or expected vacancy in contract unit.

- Failure to provide notice of vacancy to BRHP may determine owner ineligible to receive vacancy payment.
- Owner must provide BRHP with documentation, if available, of actual tenant move-out date.

**Limiting Loss/Lease-up** – BRHP shall immediately refer eligible participants from waiting list to unit. Owner must promptly make unit available for participants to lease.

**Move-Out Month HAP** - Owner may keep the housing assistance payment payable for the calendar month when the family moves out ("Move-Out Month") unless BRHP determines the vacancy is the owner's fault.

**Requesting Vacancy Payment**- Owner may send the completed Vacancy Payment Request Form ("Request") and supporting documentation within 10 business days of the date the unit is re-leased and no later than the last day of the third month following the Move-Out Month.

- Owner must provide any additional information required and requested by BRHP to verify that the owner is entitled to the vacancy payment.

**Calculation of Vacancy Period** – BRHP may pay a vacancy payment to the owner for the period in which the unit remains vacant commencing from the first month after the Move-Out Month for a period not exceeding two full months.

- A project-based unit must have been previously occupied by a participant for the owner to be eligible to receive a vacancy payment.
- The vacancy period shall never exceed two months following the Move-Out Month.
- Any amount of time in which the unit remains vacant as a result of owner performing maintenance, renovations or other repairs that prevent unit from being shown and/or leased will be disallowed and deducted from the vacancy period.
- No Vacancy Payment will be made if the unit remains vacant for a period of 120 days or more.

**Amount of Vacancy Payment** – Monthly Vacancy Payment will not exceed the most recent HAP portion of the monthly rent to owner under the assisted lease, minus any portion (tenant portion and/or HAP) of the rental payment received by the owner (including amounts available from the tenant’s security deposit pursuant to the terms of the lease). BRHP will determine on a case-by-case basis the amount of vacancy payment up to the monthly rent that owner is entitled to receive.

- Any rent (rent includes tenant portion, HAP and amounts available from security deposit retained by owner pursuant to the terms of the lease) received by owner for the vacancy period will be deducted from the total vacancy payment.
- BRHP will not pay for any time the unit remains vacant as a result of owner performing maintenance, renovations, or other repairs that prevent unit from being shown and/or leased to BRHP participants.
- No owner will be entitled to vacancy payments if BRHP determines the vacancy is a result of owner’s fault.
- Vacancy payment will be pro-rated based upon the amount of days in the two month period for which owner may be eligible for vacancy payment, if applicable.

## **OWNER SELECTION OF TENANTS**

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

### **BRHP Tenant Selection Policy**

As part of the PBV program, the owner must agree to select families from the BRHP waiting list. Owners must adopt commercially reasonable, non-discriminatory, written criteria for selecting among referred applicants. The tenant selection criteria must be provided to BRHP upon request and may be revised by BRHP to fit the needs of the PBV program.

### ***Leasing [24 CFR 983.253(a)]***

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

### ***Filling Vacancies [24 CFR 983.254(a)]***

The owner must promptly notify the program of any vacancy or expected vacancy in a contract unit. After receiving such notice, the program make every reasonable effort to promptly refer a sufficient

number of families for the owner to fill such vacancies. The program and the owner must make reasonable efforts to minimize the likelihood and length of any vacancy.

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

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

### ***TENANT SCREENING [24 CFR 983.255]***

#### **Program Responsibility**

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

#### **Owner Responsibility**

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

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

### **OCCUPANCY**

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

### ***LEASE [24 CFR 983.256]***

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

### **Form of Lease [24 CFR 983.256(b)]**

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

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

The program may review the owner's lease form to determine if the lease complies with state and local law.

### **Lease Requirements [24 CFR 983.256(c)]**

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

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

### **Tenancy Addendum [24 CFR 983.256(d)]**

The tenancy addendum in the lease must state:

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

### **Initial Term and Lease Renewal [24 CFR 983.256(f)]**

The initial lease term must be for at least one year. The lease must provide for automatic renewal after the initial term of the lease in either successive definitive terms (e.g. month-to-month or year-to-year) or an automatic indefinite extension of the lease term. For automatic indefinite extension of the lease term, the lease terminates if any of the following occur:

- The owner terminates the lease for good cause
- The tenant terminates the lease
- The owner and tenant agree to terminate the lease
- BRHP terminates the HAP contract
- BRHP terminates assistance for the family

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

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

The owner must notify BRHP in advance of any proposed change in the lease regarding the allocation of tenant and owner responsibilities for utilities. Such changes may only be made if approved by the program and in accordance with the terms of the lease relating to its amendment. The program must re-determine reasonable rent, in accordance with program requirements, based on any change in the allocation of the responsibility for utilities between the owner and the tenant. The re-determined reasonable rent will be used in calculation of the rent to owner from the effective date of the change.

### **Owner Termination of Tenancy [24 CFR 983.257]**

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

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

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

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

The lease may specify a maximum period of family absence from the unit that may be shorter than the maximum period permitted by program policy. According to program requirements, the family’s assistance must be terminated if they are absent from the unit for more than 180 consecutive days. BRHP termination of assistance actions due to family absence from the unit are subject to 24 CFR 981.312, except that the unit is not terminated from the HAP contract if the family is absent for longer than the maximum period permitted.

### **Continuation of Housing Assistance Payments [24 CFR 982.258]**

Housing assistance payments shall continue until the tenant rent equals the rent to owner. The cessation of housing assistance payments at such point will not affect the family's other rights under its lease, nor will such cessation preclude the resumption of payments as a result of later changes in income, rents, or other relevant circumstances if such changes occur within 180 days following the date of the last housing assistance payment by BRHP. After the 180-day period, the unit shall be removed from the HAP contract pursuant to 24 CFR 983.211.

### **Security Deposits [24 CFR 983.259]**

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

## MOVES

### *Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.260]*

If the program determines that a family is occupying a wrong size unit, based on the program's subsidy standards, or a unit with accessibility features that the family does not require, and the unit is needed by a family that does require the features, the program will promptly notify the family and the owner of this determination, and the program must offer the family the opportunity to receive continued housing assistance in another unit.

The program will offer the family the following types of continued assistance in the following order, based on the availability of assistance:

- PBV assistance in the same building or project;
- PBV assistance in another project; and
- Tenant-based voucher assistance.

If BRHP offers the family a tenant-based voucher, BRHP must terminate the housing assistance payments for a wrong-sized or accessible unit at the earlier of the expiration of the term of the family's voucher (including any extension granted by BRHP) or the date upon which the family vacates the unit. If the family does not move out of the wrong-sized unit or accessible unit by the expiration of the term of the family's voucher, BRHP must remove the unit from the HAP contract.

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

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

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

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

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

## RENT TO OWNER

The amount of the initial rent to an owner of units receiving PBV assistance is established at the beginning of the HAP contract term. Although for rehabilitated or newly constructed housing, the

Agreement states the estimated amount of the initial rent to owner, the actual amount of the initial rent to owner is established at the beginning of the HAP contract term.

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

### ***RENT LIMITS [24 CFR 983.301]***

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

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

### ***Certain Tax Credit Units [24 CFR 983.301(c)]***

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

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

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

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

### ***Definitions***

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

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

### **Reasonable Rent [24 CFR 983.301(e) and 983.302(c)(2)]**

The program must determine reasonable rent in accordance with 24 CFR 983.303. The rent to owner for each contract unit may at no time exceed the reasonable rent, except in cases where the program has elected within the HAP contract not to reduce rents below the initial rent to owner and, upon redetermination of the rent to owner, the reasonable rent would result in a rent below the initial rent. However, the rent to owner must be reduced in the following cases:

- To correct errors in calculations in accordance with HUD requirements;
- If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required pursuant to 24 CFR 983.55;
- If a decrease in rent to owner is required based on changes in the allocation of the responsibility for utilities between owner and tenant; and
- If the PHA has not elected within the HAP contract to establish the initial rent to owner as the rent floor, the rent to owner shall not at any time exceed the reasonable rent.

BRHP has elected not to reduce rents below the initial rent established within the HAP contract, even if the initial rent exceeds the reasonable rent upon redetermination. BRHP reserves the right to amend this policy due to the needs of the program at any given time.

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

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

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

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

### **Redetermination of Rent [24 CFR 983.302]**

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

### ***Rent Increase***

If an owner wishes to request an increase in the rent to owner from the program, it must be requested at the annual anniversary of the HAP contract. The request must be in writing and in the form and manner required by the program. The program may only make rent increases in accordance with the rent limits described previously. An owner's request for a rent increase must be submitted to the program 60 days prior to the anniversary date of the HAP contract, and must include the new rent amount the owner is proposing.

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

### ***Rent Decrease***

If there is a decrease in the rent to owner, as established in accordance with program requirements such as a change in the FMR or exception payment standard, or reasonable rent amount, the rent to owner must be decreased regardless of whether the owner requested a rent adjustment, except where the program has elected within the HAP contract to not reduce rents below the initial rent under the initial HAP contract.

### ***Notice of Rent Change***

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

## **BRHP Rent Redetermination Policy**

As a part of its PBV program, BRHP shall redetermine the rent to owner pursuant to the terms contained within the HAP contract and consistent with BRHP policy set forth herein.

***Time of Redetermination*** – BRHP will redetermine the rent to owner:

- Upon the owner's written request; or
- When there is a five percent (5%) or greater decrease in the published FMR.

***Rent Increase*** – BRHP will not make any increase other than an increase in the rent to Owner as determined pursuant to 24 CFR §983.301 and in accordance with the following:

- Owner must submit a completed and executed Rent Increase Request Form ("**RIRF**") to BRHP at least sixty (60) days prior to the annual anniversary date of the HAP contract.
- BRHP may, at its sole discretion, consider a RIRF received within 60 days prior to annual anniversary date of the HAP contract, but will not be required to do so.

Except for certain tax credit units as provided for in 24 CFR §983.301(c) and defined in paragraph iii of this section, the rent to Owner may not exceed the lowest of:

- An amount determined by BRHP, not to exceed one hundred ten percent (110%) of the applicable FMR (or any exception payment standard approved by the HUD Secretary) for the unit bedroom size minus any utility allowance;
- The reasonable rent; or
- The rent requested by the Owner.

A contract unit will be considered a tax credit unit if the following applies:

- A contract unit receives a low-income housing tax credit under the IRC of 1986;
- The unit is not located in a qualified census tract;
- In the same building, there are comparable tax credit units of the same unit bedroom size as the contract unit and the comparable tax credit units do not have any form of rental assistance other than the tax credit; and
- The tax credit rent exceeds the applicable FMR (or any exception payment standard) as determined in accordance with paragraph ii of this section

In the case of a tax credit unit, the rent to Owner may not exceed the lowest of:

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

Owner must be in compliance with all requirements of the HAP contract, including compliance with HQS. BRHP will not provide any retroactive increase of rent for any period of noncompliance.

**Rent Decrease** – If BRHP has elected within the HAP contract to not reduce rents below the initial rent to owner established at the beginning of the HAP contract term, the rent to owner shall not be reduced below the initial rent to Owner for dwelling units under the initial HAP contract. BRHP shall decrease the rent to owner based upon the following events:

- If there is a decrease in the rent to owner, as established in accordance with 24 CFR §983.301, BRHP shall reduce the rent to owner, regardless of whether the owner requested a rent adjustment or BRHP has elected within the HAP contract to not reduce rents below the initial rent to owner;
- To correct errors in calculations in accordance with HUD requirements;
- If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required pursuant to §983.55; or
- If a decrease in rent to owner is required based on changes in the allocation of responsibility for utilities between the owner and the Tenant.

**Notice of Rent Redetermination**- BRHP shall send written notice of the redetermined rent to owner, with a copy being sent to the tenant, specifying the amount of the redetermined rent and, if applicable, the date upon which the redetermined rent will become effective. The written notice of the redetermined rent to owner shall constitute an amendment of the rent to Owner specified in the HAP contract. The adjusted amount of rent to owner applies for the period of 12 calendar months from the annual anniversary of the HAP contract.

### ***PHA-Owned Units [24 CFR 983.301(g)]***

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

### **REASONABLE RENT [24 CFR 983.303]**

At the time the initial rent is established and all times during the term of the HAP contract, the rent to owner for a contract unit may not exceed the reasonable rent for the unit as determined by the program, except where the program has elected within the HAP contract to not reduce rents below the initial rent under the initial HAP contract.

### ***When Rent Reasonable Determinations Are Required***

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

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

### **How to Determine Reasonable Rent**

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

### **PHA-Owned Units**

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

### **Owner Certification of Reasonable Rent**

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

## ***EFFECT OF OTHER SUBSIDY AND RENT CONTROL***

In addition to the rent limits discussed above, other restrictions may limit the amount of rent to owner in a PBV unit.

### **Other Subsidy [24 CFR 983.304]**

To comply with HUD subsidy layering requirements, at the discretion of HUD or its designee, a program shall reduce the rent to owner because of other governmental subsidies, including tax credits or tax exemptions, grants, or other subsidized funding.

- For units receiving assistance under the HOME program, rents may not exceed rent limits as required by that program.
- For units in any of the following types of federally subsidized projects, the rent to owner may not exceed the subsidized rent (basic rent) or tax credit rent as determined in accordance with requirements for the applicable federal program:
  - An insured or non-insured Section 236 project;
  - A formerly insured or non-insured Section 236 project that continues to receive Interest Reduction Payment following a decoupling action;
  - A Section 221(d)(3) below market interest rate (BMIR) project;
  - A Section 515 project of the Rural Housing Service;
  - Any other type of federally subsidized project specified by HUD.

### ***Combining Subsidy***

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

### ***Rent Control [24 CFR 983.305]***

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

## **PAYMENTS TO OWNER**

### ***HOUSING ASSISTANCE PAYMENTS [24 CFR 983.351]***

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

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

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

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

### ***TENANT RENT TO OWNER [24 CFR 983.353]***

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

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

### **Tenant and Program Responsibilities**

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

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

### **Utility Reimbursements**

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

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

### **Other Charges by Owner**

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

### **REGIONAL PROJECT BASED VOUCHER INITIATIVE**

In December 2015, the U.S. Department of Housing and Urban Development (HUD) awarded the Howard County Housing Commission (HCHC) a three-year seed grant to launch the Baltimore Regional Project-Based Voucher (RPBV) program. The Baltimore Metropolitan Council (BMC), in combination with HCHC, the Anne Arundel County Housing Commission, the Baltimore County Office of Housing, the

Housing Authority of Baltimore City, Harford County Housing, the City of Annapolis Housing Authority (PHAs) and BRHP to carry out this program. The program is focused on creating more affordable units for families in high-opportunity neighborhoods throughout the region.

The PHAs and BRHP allocated a number of vouchers to a regional “pool,” for a total of 100 PBVs. HCHC contracted with BRHP for the administration of these 100 project-based vouchers. BRHP will manage the waiting list, mobility counseling, leasing process, inspections and ongoing requirements for the program. The policies related to these 100 Housing Choice Vouchers that are “project-based” in a variety of ways are documented in the RPBV program’s Administrative Plan, which will be available on the BMC website. The policies for the Regional PBV program may differ from the PHAs’ policies for their internally administered program. BRHP will be administering the vouchers on behalf of each participating agency in accordance with the RPBV program’s Administrative Plan.