

Kentucky Housing Corporation

Administrative Plan

- Housing Choice Voucher
- Moderate Rehabilitation
- Project-Based Voucher Assistance
- Family Self-Sufficiency
- Assisted Living
- Enhanced Vouchers
- Homeownership Vouchers
- Mainstream Vouchers
- Non-Elderly Disabled
- Veterans Affairs Supportive Housing
- Family Unification Program

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1.0 Introduction

Kentucky Housing Corporation (KHC) is a de jure municipal corporation and political subdivision of state government under contract with the U.S. Department of Housing and Urban Development (HUD) to administer rental assistance throughout the Commonwealth. However, in certain areas of the commonwealth, there are local PHAs who may also administer the Housing Choice Voucher Program.

2.0 Purpose of the Plan

The purpose of the Administrative Plan is to establish policies for KHC staff to follow in carrying out the programs in a manner consistent with HUD requirements and goals and objectives contained in KHC's Annual and Five-Year Plan. This Administrative Plan addresses policies as they relate to the operation of the Housing Choice Voucher (HCV) Program administered by KHC when regulatory guidance is not specified. Special programs also addressed in this plan include the Family Self-Sufficiency Program, Project-Based Voucher Assistance, Mainstream Voucher Program, Non-Elderly Disabled, Assisted Living, Enhanced Housing Choice Vouchers, Veterans Affairs Supportive Housing, Homeownership Vouchers, Recovery Kentucky Centers, Moderate Rehabilitation Programs, and Family Unification Program.

KHC is responsible for complying with all changes in HUD regulations pertaining to these programs. If such changes conflict with this Plan, HUD regulations will have precedence. The KHC Board of Directors must approve the original Plan and any changes. A copy of the approved Plan and/or changes will be provided to HUD.

Applicable regulations include:

- 24 Code of Federal Regulations (CFR)
- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 982: Tenant-Based Assistance
- 24 CFR Part 983: Project-Based Voucher Assistance

2.1 Rules and Regulations

This Administrative Plan is set forth to define KHC's policies for operation of the housing programs in the context of federal laws and regulations. Federal regulations, HUD memos, notices and guidelines or other applicable law governs all issues related to Section 8 not addressed in this document.

2.2 Primary Activities

- Administering the HCV Program in compliance with the federal guidelines and regulations.
- Maintaining a professional and courteous relationship with all parties involved in administering this program. Staff will exhibit good customer service to participating families and owners.
- Maintaining effective management and service delivery systems to assure efficient administration of the program.
- Issuing assistance to eligible families.
- Providing educational activities for families/owners.
- Obtaining verifications and determining family rent.
- Administering a waiting list.
- Inspecting assisted units for compliance with Housing Quality Standards (HQS) and performing

rent comparability.

- Making housing assistance payments/utility allowance payments.
- Conducting initial, annual and interim recertification of income, family composition and redetermination of rent portions.
- Conducting monitoring HQS inspections.

3.0 Mission Statement

KHC was created to provide safe, decent, affordable housing opportunities for very low-, low- and moderate-income Kentuckians. KHC's mission is to invest in quality housing solutions for families and communities across Kentucky. Recognizing that housing is a basic human need, KHC is committed to pursue all partnerships and resources necessary to promote, develop and provide affordable housing, thereby improving the quality of life for all Kentuckians in need. In order to achieve this mission, KHC will:

- Recognize participants as our ultimate customer.
- Improve service delivery efforts through effective and efficient program management.
- Seek problem-solving partnerships with participants, landlords, community, and government leadership.
- Apply resources to effective, efficient management and operation of the rental assistance programs.

3.1 KHC Code of Conduct

KHC employees are bound by the Executive Branch Code of Ethics contained in Kentucky Revised Statutes (KRS) Chapter 11A, the KHC Code of Ethics adopted by the KHC Board of Directors and the requirements of KRS 198A.210 as it pertains to conflict of interest. KHC also requires compliance with the conflict of interest requirements of the HCV Program contained in 24 CFR 982.161 and 24 CFR Parts 84 and 85. KHC employees are expected to exercise the utmost discretion in all matters relating to KHC whether they occur on or off the job. Each employee's conduct must, at all times, be in a manner befitting his or her status as a representative of KHC. KHC employees must avoid any action, which might adversely affect the confidence of KHC. KHC employees must always display behavior, which is independent and impartial when dealing with work-related matters. KHC's corporate values of respect, commitment and integrity are expected to be adhered to at all times.

KHC recognizes the importance of protecting the organization, its operations, its employees and its assets against financial risks, operational breaches and unethical activities. To remain worthy of public trust, KHC recognizes a zero-tolerance policy regarding fraud and corruption. KHC's code of conduct covers all KHC employees and officers. Additionally, the policy covers all KHC vendors, customers and partners to the extent that any KHC resources are involved or impacted.

KHC employees must not use their position or the knowledge gained as a result of their position for private or personal advantage. Regardless of the circumstances, if employees sense that a course of action they have pursued, are presently pursuing or are contemplating pursuing may involve them in a conflict of interest with their employer, they should immediately communicate all the facts to their

supervisor.

3.2 Outside Employment

KHC employees may not perform duties during KHC's regular work hours, which are not related to their employment at KHC. Specifically, KHC employees must never perform duties related to outside employment during their work hours at KHC and must never utilize KHC resources in fulfillment of duties not related to their employment at KHC. KHC employees must obtain approval of any outside employment.

4.0 Fair Housing Policy

KHC prohibits discrimination on the basis of race, color, religion, sex, national origin, sexual orientation or gender identity, ancestry, age, disability, familial, marital or veteran status with regard to fair housing and equal employment opportunity. Inquiries regarding sexual orientation or gender identity are prohibited for purposes of determining eligibility or otherwise making housing available.

To further its commitment to full compliance with applicable Civil Rights laws, KHC will provide federal/state/local information to voucher holders regarding unlawful discrimination and any recourse available to families who believe they are victims of a discriminatory act. This information will be made available during the family briefing session, and all applicable Fair Housing Information and Discrimination Complaint Forms will be made a part of the Voucher holder's briefing packet and available upon request from the rental assistance department.

Families that claim illegal discrimination has prevented them from leasing a unit can request an extension of the family's search time (voucher extension beyond the 60 days). KHC staff will provide housing search assistance by providing the family with a list of participating landlords.

KHC staff will attend Fair Housing training and be informed of the importance of affirmatively furthering Fair Housing and providing equal opportunity to all families, including providing reasonable accommodations to persons with disabilities, as a part of the overall commitment to quality customer service. Fair Housing posters are posted throughout KHC offices and the Equal Opportunity logo will be used on all outreach materials. When made available, staff will attend local Fair Housing update training sponsored by HUD and other local organizations to keep current with new developments.

Except as otherwise provided in 24 CFR 8.21(c)(1), 8.24(a), 8.25, and 8.31, no individual with disabilities shall be denied the benefits of, be excluded from participation in or otherwise be subjected to discrimination because KHC's facilities are inaccessible to or unusable by persons with disabilities. Posters and housing information are displayed in locations throughout KHC's offices in such a manner as to be easily readable from a wheelchair.

KHC'S offices are accessible to persons with disabilities. Accessibility for the hearing impaired is available at TTY 711.

5.0 Reasonable Accommodation Policy

It is the policy of KHC to be service directed in the administration of our housing programs and to exercise and demonstrate a high level of professionalism while providing housing services to families. A participant with a disability must first ask for a specific change to a policy or practice in writing as an accommodation of their disability before KHC will treat a person differently than anyone else. KHC's policies and practices will be designed to provide assurances that persons with disabilities will be given reasonable accommodations, upon request, so that they may fully access and utilize the housing programs and related services. This policy is intended to afford persons with disabilities an equal opportunity to obtain the same result, to gain the same benefit or to reach the same level of achievement as those who do not have disabilities and is applicable to all situations described in this Administrative Plan including when a family initiates contact with KHC, when KHC initiates contact with a family including when a family applies and when KHC schedules or reschedules appointments of any kind.

To be eligible to request a reasonable accommodation, the requester must first certify (if apparent) or verify (if not apparent) that they are a person with a disability under the following ADA definition:

- 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
- Being regarded as having such an impairment

Note: This is not the same as the HUD definition used for purposes of determining allowances.

Rehabilitated former drug users and alcoholics are covered under the ADA. However, a current drug user is not covered. In accordance with 24 CFR § 5.403, individuals are not considered disabled for eligibility purposes solely on the basis of any drug or alcohol dependence. Individuals whose drug or alcohol addiction is a material factor to their disability are excluded from the definition. Individuals are considered disabled if disabling mental and physical limitations would persist if drug or alcohol abuse discontinued.

Once the person's status as a qualified person with a disability is confirmed and KHC has received all requested documentation or information from the participant or applicant, KHC will review the request and make an applicable determination within 30 calendar days.

If KHC requests additional paperwork or information to process the request, and the applicant or participant does not respond within 90 days, the participant or applicant will be required to submit a new request for a reasonable accommodation.

Participants, whose requests were denied, will be given an opportunity for an informal hearing. See Appendix L.

If at any time, KHC retracts a previously approved reasonable accommodation which results in a reduction in bedroom size, the reduced payment standard will be applied at the family's next annual recertification.

5.1 Verification of Disability

KHC will verify disabilities under definitions in the Fair Housing Amendments Act of 1988, Section 504 of the 1973 Rehabilitation Act and Americans with Disabilities Act.

6.0 Privacy Rights

Applicants and participants, including all adults in their households, are required to sign the HUD Form 9886 Authorization for Release of Information and KHC's Authorization for Release of Information. These documents incorporate the Federal Privacy Act Statement and describe the conditions under which HUD/KHC will release family information.

KHC's policy regarding release of information is in accordance with state and local laws, which may restrict the release of family information.

KHC's legal department must approve all requests for access and granting release of information.

7.0 Outreach

KHC will encourage participation of owners of suitable units located outside areas of low-income or minority concentration by distributing and communicating information concerning property owners leasing units under the HCV Program.

KHC shall take affirmative actions to provide opportunities to participate in the program to all persons without regard to such factors as race, color, religion, sex, national origin, sexual orientation or gender identity, ancestry, age, disability, familial, marital or veteran status.

KHC will publicize and disseminate information to make known the availability of housing assistance and related services for very low-income families on a regular basis.

KHC will communicate the status of housing availability to other service providers in the community and advise them of housing eligibility factors and guidelines in order that they can make proper referrals for housing assistance.

In addition, KHC provides the following means to publicize and disseminate information to the public regarding rental assistance programs:

- KHC's website, press releases, advertisements, public relations through local media, including minority media.
- Locally held informational meetings.
- Toll-free telephone number and relay service for persons who are hearing-impaired.
- Availability of applications and information on KHC's website and all KHC offices.

KHC makes every effort to educate the public regarding the HCV rental assistance program. In addition,

KHC makes its programs as accessible as possible. The following kinds of activities are conducted in order that effective outreach is achieved:

- Information is disseminated through local media including minority media.
- Presentations are made to provide information on and publicize programs.
- Toll-free phone lines and a hearing-impaired line are available.
- Applications to the waiting list may be mailed to families directly upon request. Applications may also be completed online at www.kyhousing.org or through other announced methods.
- As funding allows, new owner orientations are conducted to attract participation.

8.0 Screening and Termination Policies

8.1 Purpose

It is the intention of KHC to fully endorse and implement a policy designed to:

- Help create and maintain a safe and drug-free community.
- Keep program participants free from threats to their personal and family safety.

8.2 Administration

All screening and termination of assistance procedures shall be administered fairly and in such a way as not to violate rights to privacy or discriminate based on race, color, religion, sex, national origin, sexual orientation or gender identity, ancestry, age, disability, familial, marital or veteran status with regard to fair housing and equal employment opportunity. Inquiries regarding sexual orientation or gender identity are prohibited for purposes of determining eligibility or otherwise making housing available.

Regardless of any other program policy or requirement, no applicant will be denied program participation and no participant will be terminated from the program based on or as a direct result of the fact that applicant or participant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking. KHC's policies implementing the requirements of the Violence Against Women Reauthorization Act of 2013 may be found in Section 43.3.

8.3 Applicants

To prevent future drug-related and other criminal activity, as well as other patterns of behavior that pose a threat to the health, safety or right to peaceful enjoyment of the premises by other residents and neighbors, KHC will assess applicants for activities related to **drugs, violence, and sex-offense crimes**. Assessment will apply upon receipt of completed leasing documents of all members of the household who are 18 years of age or older.

- KHC will access National Sex Offender Registry records for all program applicants age 18 or over.
- Program participants/applicants are subject to a review of criminal records.
- As the receiving PHA of a program participant through portability, KHC will accept the initial PHA's criminal background check if it has been conducted within the last six months.

8.4 Standards for Violation

Unless stated otherwise, the standards outlined below pertain to the HCV Program, Moderate Rehabilitation Program, Project-Based Vouchers, Family Self-Sufficiency, Enhanced Vouchers, Mainstream Program, Veterans Affairs Supportive Housing, Near Elderly/Disabled, Assisted Living, Homeownership Vouchers, and Family Unification Program Vouchers.

8.5 Use of Controlled Substances; Alcohol Abuse

KHC will deny participation in the program to applicants and will terminate assistance to participants in cases where:

- Criminal records indicate arrest and conviction of or a preponderance of evidence of criminal activity by the applicant, participant or household member(s).
- Abuse of alcohol in a way that may interfere with the health, safety or right to peaceful enjoyment of the premises by other residents and neighbors, including cases where KHC determines that there is a pattern of illegal use of a controlled substance or pattern of alcohol abuse. KHC will consider the use of a controlled substance or alcohol to be a pattern if there is more than one incident during the previous three months.

KHC will not deny program participation to applicants or terminate assistance to participants if the applicant/participant will apply the voucher to subsidize the rental expense of residing in a recovery center funded under KHC's Project-Based Voucher Program.

8.6 Violent Criminal Activity

KHC will deny participation in the program to applicants and will terminate assistance to participants who have engaged in violent criminal related activity in the past three years, which resulted in the arrest and conviction of the applicant, or participant, or other household member(s) or by preponderance of evidence that demonstrates criminal activity occurred. In making its determination of whether to deny participation or terminate assistance, KHC will consider the nature and severity of the conviction as well as any actions taken subsequent to the conviction that may indicate the applicant or participant poses a demonstrable risk to property or resident safety. KHC will use the arrest date of the violent criminal activity charge to determine the three-year period time frame when denying or terminating assistance for such charges.

“Engaged in or engaging in” violent criminal activity means any act within the past three years by applicants, participants, or household member(s) involving criminal activity that has as one of its elements the use, attempted use or threatened use of physical force against the person of another and which resulted in the arrest and conviction of the applicant, participant, or household member(s). KHC will use the arrest date of the violent criminal activity charge to determine the three-year period time frame when denying or terminating assistance for such charges.

- The existence of the above-referenced behavior by any household member, regardless of the applicant or participant's knowledge of the behavior shall be grounds for denial or termination of assistance.
- If the family violates the lease for violent criminal activity, KHC will terminate assistance.

- In appropriate cases, KHC may permit the family to continue receiving assistance provided that the family members determined to have engaged in the proscribed activities will not continue to reside in the unit. If the violating member is a minor, KHC may consider individual circumstances with the advice of Juvenile Court officials.

8.7 Drug-Related Criminal Activity

KHC will deny participation in the program to applicants and will terminate assistance to participants for drug-related criminal activity in the past three years, which resulted in the arrest and conviction of the applicant, participant, or other household member(s) or by preponderance of evidence that demonstrates criminal activity occurred. In making its determination of whether to deny participation or terminate assistance, KHC will consider the nature and severity of the conviction as well as any actions taken subsequent to the conviction that may indicate the applicant or participant poses a demonstrable risk to property or resident safety. KHC will use the arrest date of the drug-related activity charge to determine the three-year period time frame when denying or terminating assistance for such charges.

- The existence of the above-referenced behavior by any household member, regardless of the applicant or participant's knowledge of the behavior shall be grounds for denial or termination of assistance.
- In appropriate cases, KHC may permit the family to continue receiving assistance provided that the family member(s) determined to have engaged in the proscribed activities will not reside in the unit. If the violating member is a minor, KHC may consider individual circumstances with the advice of Juvenile Court officials.

8.8 Recovery Center Participants Only

For purposes of this subsection 8.7, KHC will not deny participation to applicants or terminate assistance to participants for drug-related criminal activity if the applicant/participant will apply the voucher to subsidize the rental expense of residing in a recovery center funded under KHC's Project-Based Voucher Program. Further, subject to federal regulations which include 12 months of participation on the Project-Based Voucher Program, KHC may, at its discretion, allow HCV Program participation to persons who successfully complete a supervised drug rehabilitation program such as the Recovery Kentucky Program or its equivalent, provided however, that such persons remain drug-free. Further, persons successfully completing the Recovery Kentucky Program or its equivalent will be deemed to be engaged in or engaging in drug-related criminal activity if the person has, within the previous one-year period, been arrested and/or conviction of any drug-related criminal act.

Any applicant, participant or household member who has ever been convicted of drug-related criminal activity for the manufacture or production of methamphetamine on or near the premises of federally assisted housing is subject to a lifetime prohibition from the program. Lifetime prohibition will also be enforced for the head of household of federally assisted housing that has been determined to have been involved in the manufacture of production of methamphetamine.

8.9 Family Unification Program Participants Only

KHC will deny assistance to FUP participants based on the following criteria:

Any applicant, participant or household member who has ever been convicted of drug-related criminal activity for the manufacture or production of methamphetamine on or near the premises of federally assisted housing is subject to a lifetime prohibition from the program. Lifetime prohibition will also be enforced for the head of household of federally assisted housing that has been determined to have been involved in the manufacture or production of methamphetamine.

KHC will access National Sex Offender Registry records for all program applicants age 18 or over. Any applicant that appears on the National Sex Offender Registry will be denied assistance.

8.10 Threats of Violence

If any household member threatens the health or safety of the owner, property management staff or KHC staff, the family is subject to termination of assistance.

8.11 Enterprise Income Verification (EIV) National Repository

HUD maintains a national repository of debts owed to PHAs and adverse termination of former participants of the HCV Program. This information is maintained within HUD's EIV system which is used by PHAs to verify employment and income information of program participants, as well as to reduce administrative and rental assistance payment errors. The EIV system is designed to assist PHAs and HUD in ensuring families are eligible to participate in the HCV Program and determine the correct amount of rental assistance for which a family is eligible. All PHAs are required to use this system.

HUD requires PHAs, which administer the HCV Program, to report the following information at the end of a participant's participation in the HCV Program:

- Amount of any balance owed to the PHA (up to \$500,000).
- Whether or not a repayment agreement has been executed for the amount owed to a PHA.
- Whether or not a participant has filed bankruptcy.
- The negative reason for the participant's end of participation in the HCV Program.

This information will be available to HUD employees, PHA employees, and contractors of HUD and PHAs.

KHC will deny or terminate participation on the HCV program for the following reasons listed in the national repository:

- Money owed to KHC or any other PHA in connection with Section 8 or public housing assistance, including Section 8 multifamily housing. The family will have the opportunity to avoid denial or termination if they provide proof of payment in full or execution of a current (30 days) repayment contract within ten days of date of notification of program denial or termination. Denial or termination will apply only to monies owed in relation to over payment of housing assistance payments, tenant rent portion or payment for damages owed to a PHA and/or special claims reimbursed to the owner by the PHA.

If KHC becomes aware of the money owed after program participation begins, KHC will proceed with termination of the family's rental assistance due to program fraud. The participant may

avoid termination of rental assistance if they provide proof of payment in full or execution of a repayment contract within ten days of notification to the family. KHC will proceed with termination of rental assistance if at any time; proof is provided that the tenant has defaulted on any executed repayment contract.

KHC will only deny or terminate assistance for the head-of-household listed in the national repository. Household members including spouse or co-head listed in the repository will not be penalized for money owed.

- Criminal activity with violence (See Section 8.6)
- Criminal activity with drugs (See Section 8.7)
- Criminal activity/sex offender (See Section 8.6)

8.12 Discovery after Admission

KHC will terminate assistance for program participants if discovery of activity listed in 8.3 through 8.10 are discovered after program eligibility is determined for the family.

8.13 Notice of Termination/Denial of Assistance

In any case where KHC decides to terminate or deny assistance to the participant or applicant, KHC will give the participant or applicant written notice which states:

- The reason(s) for the proposed termination/denial.
- The effective date of the proposed termination.
- The participant/applicant's right, if they disagree, to request an informal hearing/review to be held before the termination of assistance if the family is a program participant.
- The date by which a request for an informal hearing must be received by KHC.

KHC will send a separate notice to the owner stating the Housing Assistance Payment Contract will be terminated due to the termination of assistance.

8.14 Reinstatement/Admission after Termination/Denial

If KHC previously denied admission or terminated assistance due to criminal activity, KHC may reconsider admission or reinstatement if credible evidence exists that members of the household are not currently engaging in, or during the previous three years, have not engaged in criminal activity.

8.15 Required Evidence

Preponderance of evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is evidence, which shows that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred. Preponderance of evidence may not be determined by the number of witnesses, but the greater weight of all evidence.

Credible evidence may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence can be considered credible evidence. Other credible evidence includes documentation of drug raids, arrest warrants and conviction records.

- KHC will pursue fact-finding efforts as needed to obtain credible evidence.
- KHC will consider all relevant circumstances when deciding to deny or terminate assistance.
- KHC will require a copy of written eviction notices from the owner, which must outline the reason(s) for eviction. In the event a participant is evicted due to activities described in this section, KHC will terminate assistance based upon an independent investigation and will not rely solely on the eviction by the owner.

8.16 Accessing Criminal Records

KHC will request official police records, court records, and eviction records from a public housing agency and/or record of incarceration for review. KHC will access National Crime Information Center (NCIC) records when situations warrant. All applicants, program participants and household members age 18 or over are subject to this review.

8.17 Confidentiality of Criminal Records

KHC will ensure that any criminal record received is maintained confidentially, is not misused or improperly disseminated and destroyed once the purpose for which it was requested is accomplished.

- All criminal reports, while needed, will be housed in a locked file with access limited to individuals responsible for screening and determining eligibility for initial and continued assistance, to upper level rental assistance management, Legal Department Staff, Audit Staff and Deputy Directors.
- Misuse of the above-referenced information by any KHC employee will be grounds for termination of employment.
- KHC employees will be informed that they are subject to a criminal penalty including a misdemeanor conviction and a civil fine for knowing and willfully violating confidentiality of nonpublic criminal records.
- If the participant or applicant is determined eligible for initial or continued assistance, the criminal report shall be shredded as soon as the information is no longer needed for determination of eligibility.
- If the participant's or applicant's assistance is denied or terminated, the criminal record information shall be shredded immediately upon completion of the review or hearing procedures and upon a final determination in the case.
- If the participant or applicant is denied assistance for a specified period, the criminal record shall be stored in a locked file as described above and shredded upon the expiration of the time period for filing a challenge to KHC's denial or termination of assistance.
- KHC will document in the family's file the circumstances under which the criminal report was obtained, the type of report obtained, the date the report was obtained and the date the report was destroyed.

9.0 Eligibility Determinations for Project- Based Owners

If the owner of a federally assisted housing unit (excluding the HCV Program) requests, KHC will access the following criminal records to assist the owner in making an eligibility determination:

- Kentucky Administrative Office of the Courts criminal records – includes local and state criminal records.
- Kentucky Department of Corrections KOOL System records – includes records of persons currently incarcerated in Kentucky including records of those persons on parole in the Kentucky penitentiary system.
- Kentucky State Police Sex Offender Registry – includes persons registered as sex offenders in the state of Kentucky.
- Federal Bureau of Prisons Records – includes records of persons incarcerated in the federal prison system at any time back to 1982.
- Other law enforcement records as appropriate and as are available.
- KHC will access National Crime Information Center (NCIC) records when situations warrant.

9.1 Requirements of Request for Assistance

Requests for assistance under this section must include the following:

- Owner’s written request - signed by the owner on KHC’s form and which includes required information.
- A release of information form signed by each applicant/participant for whom KHC will be reviewing records.
- Owner’s written standards for admission and lease enforcement.
- A fee of \$150.

Requests for assistance under this section will be sent to the KHC Legal Department for action. Upon receipt of records, KHC will make the determination whether the information provides a basis for denial of assistance or termination of the owner’s lease utilizing the owner’s standards and the requirements of the program regulations. In the event KHC intends to deny or terminate assistance based on criminal records in its possession, the family will be notified of the proposed action and will provide the family with a copy of the criminal record and the opportunity to dispute the information. KHC will only disclose the content of criminal records to the owner in connection with a judicial proceeding for eviction upon receipt of proof that a judicial proceeding for eviction has commenced.

10.0 Office Location

KHC’s office is located at 1231 Louisville Road, Frankfort, Kentucky and covers a statewide program jurisdiction. However, in certain areas of the commonwealth, there are local PHAs who may also administer the Housing Choice Voucher Program.

11.0 Selection of Program Participants

Families wishing to apply for housing assistance must complete an application for the waiting list. If applications are being accepted, applications may be completed online at www.kyhousing.org. Applications may also be available through email or other methods. All available options will be announced when the waiting list is open and accepting applications.

12.0 Eligibility

KHC accepts applications only from families whose head is at least 18 years of age or formally emancipated by order of a court of competent jurisdiction.

To be eligible for participation, an applicant must meet HUD's criteria, as well as any permissible additional criteria established by KHC.

For HUD eligibility, an applicant must:

- Be a "family" as defined under terminology.
- Be within the appropriate income limits.
- Furnish Social Security numbers for all family members. Individuals exempt from disclosure are tenants who do not contend to have eligible immigration status, tenants age 62 or older as of January 31, 2010, whose initial determination of eligibility was begun before January 31, 2010, or tenants who have previously disclosed a valid Social Security number.

Acceptable evidence of the Social Security number consists of:

- a. A copy of an original, valid Social Security number card issued by the Social Security Administration.
 - b. An original SSA-issued document, which contains the name and SSN of the individual.
 - c. A copy of an original document issued by a federal or state government agency, which contains the name of the individual and the Social Security number of the individual, along with other identifying information of the individual, i.e., date of birth.
- An applicant must furnish declaration of citizenship or eligible immigrant status and verification where required.
 - At least one member of the applicant family (can be a minor child or other adult) must be either a U.S. citizen or have eligible immigration status before KHC may provide any rental assistance.
 - Evidence of citizenship/eligible immigrant status will not be verified until the family is selected from the waiting list for final eligibility processing for issuance of a voucher unless KHC determines that such eligibility is in question, whether or not the family is at or near the top of the waiting list.
 - KHC will consider a Declaration of Section 214 Status form signed by each household member as proof of U.S. citizenship.
 - Head of household must be 18 years of age or older unless formally emancipated through

judicial action of a court of competent jurisdiction.

- The family must have properly completed all application requirements, including verifications.
- Misrepresentations of income, family composition, or any other information affecting eligibility will result in the family being denied assistance. In the event the misrepresentation is discovered after admission, the assistance will be terminated for such misrepresentation.
- Families reporting name changes for any household member must provide a copy of the Social Security card with the name change. This will document that the change has been recorded with the Social Security Administration office.
- 24 CFR 982.552(c)(v)(vi) If the applicant owes a prior debt to KHC or any other public housing agency (PHA) in connection with Section 8 or public housing assistance, including Section 8 multifamily housing, the family will be denied assistance and terminated from the waiting list as KHC becomes aware of the money owed. The family will have the opportunity to avoid denial or termination if they provide proof of payment in full or execution of a repayment contract within ten days of receiving a top of the waiting list letter. Denial or termination will apply only to monies owed in relation to over payment of housing assistance payments and/or special claims reimbursed to the owner by the PHA.

If KHC becomes aware of the money owed after program participation begins, KHC will proceed with termination of the family's rental assistance due to program fraud. The participant may avoid termination of rental assistance if they provide proof of payment in full or execution of a repayment contract within ten days of notification to the family.

If at any time after program participation begins the family fails to remain current with the terms of their repayment agreement, the family will be referred for termination of rental assistance.

The family's initial eligibility for placement on the waiting list will be made in accordance with the eligibility factors.

12.1 Family Composition

The applicant must qualify as a family. A family may be a single person or a group of persons.

Family

- Two or more persons who intend to share residency whose income and resources are available to meet the family's needs.
- Two or more elderly or disabled persons living together or one or more elderly, disabled persons living with one or more live-in aides is a family.

Single-Person

- An elderly person.
- A displaced person.
- A person with a disability. Please note: Individuals may not be considered disabled for eligibility purposes solely based on any drug or alcohol dependence.
- Any other single person.

A child who is temporarily away from home because of placement in foster care is considered a member of the family.

Head of Household

The head of household is the **adult** member of the family who is designated by the family as head, is wholly or partly responsible for paying the rent and has the legal capacity to enter a lease under state/local law. **Emancipated minors who qualify under state law will be recognized as head of household.**

Spouse of Head

Spouse is the marriage partner of the head of household.

For proper application of the Noncitizens Rule, the definition of spouse is the marriage partner who, in order to dissolve the relationship, would have to be divorced. The term "spouse" **does not** apply to boyfriends, girlfriends, significant others, or other adults.

Co-head

Co-head is an individual in the household that is equally responsible with the head of household for ensuring that the family fulfills program responsibilities but who is not a spouse.

- A family can have only one co-head.
- A family may have a spouse or co-head, but not both.
- Emancipated minors who qualify under state law may be a co-head.

Live-In Attendants

A family who qualifies may include a live-in aide. (See definition of Live-In Aide in Glossary.)

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

- Income of the live-in aide will not be counted for purposes of determining eligibility or level of benefits.
- Live-in aides are not subject to Noncitizen Rule requirements.
- Live-in aides **may not** be considered as a remaining member of the family.

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

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

As provided in PIH 2010-51, occasional, intermittent, multiple, or rotating care givers do not qualify as live-in aides. Therefore, an additional bedroom will not be approved for a live-in aide under these circumstances.

At any time, KHC will refuse to approve a person as a live-in aide or may withdraw such approval if:

- The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing programs.

- The person commits drug-related criminal activity or violent criminal activity.
- The person currently owes rent or other amounts to KHC or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.

Split Households Prior to Voucher Issuance

When a family on the waiting list splits into two otherwise eligible families due to divorce or legal separation and the new families claim the same placement on the waiting list and there is no court determination, KHC will make the decision taking into consideration the following factors:

- Which family member applied as head of household.
- Which family unit retains the children or any disabled or elderly members.
- Restrictions that were in place at the time the family applied.
- Recommendations of social service agencies or qualified professionals, such as child protective services.
- Documentation of these factors is the responsibility of the applicant families. If either or both families do not provide the documentation, they may be denied placement on the waiting list for failure to supply information requested by KHC.
- KHC will not deny admission to the program on the basis or as a direct result of the fact that the applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking. If, after being issued a voucher but prior to entering into a lease, a family member of an applicant applies for an emergency transfer under the process described in Section 59.0, KHC will process the emergency transfer request and issue a voucher to the family member if the family member is determined eligible under the provisions of Section 59.0.

Multiple Families in the Same Household

When families apply which consist of two families living together, such as a mother and father and a daughter with her own husband or children, there may only be one head of household.

Joint Custody of Children

Children who are subject to joint custody but live with one parent at least 51 percent of the time (defined as 183 days of the year, which do not have to run consecutively) will be considered members of that household. This may be demonstrated by a joint custody agreement or other court order stating the custody situation of the child. If no joint custody agreement or court order is in place, the family must provide other documentation demonstrating which family has primary custody of the child.

12.2 Income Limitations

To be eligible for assistance and issuance of a voucher, an applicant must have an annual income at the time of admission that does not exceed the low-income limits (80 percent of the area median income) for occupancy established by HUD.

To be income eligible the family may be under the low-income limit in any of the following categories:

- A very low-income family.
- A low-income family that is continuously assisted under the 1937 Housing Act. An applicant is continuously assisted if the family has received assistance under any 1937 Housing Act program within 20 days of voucher issuance. Programs include any housing federally assisted under the

1937 Housing Act.

- A low-income family physically displaced by rental rehabilitation activity under 24 CFR part 511.
- A low-income, non-purchasing family residing in a HOPE 1 or HOPE 2 Project.
- A low-income, non-purchasing family residing in a project subject to a homeownership program under 24 CFR 248.173.
- A low-income family or moderate-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of mortgage insurance contract under 24 CFR 248.165.
- A low-income family that qualifies for voucher assistance as a non-purchasing family residing in a project subject to a resident homeownership program.

To determine if the family is income eligible, KHC compares the annual income of the family to the applicable income limit for the family's size.

Families whose annual income exceeds the income limit will be denied admission and offered an informal review.

Portability: For initial lease-up at admission, families who exercise portability must be within the applicable income limit for the jurisdiction of the receiving PHA in which they want to live.

12.3 Mandatory Social Security Numbers

Families are required to provide verification of Social Security numbers for all family members. This requirement also applies to persons joining the family after admission to the program.

Individuals exempt from disclosure:

- Individuals who do not contend to have eligible immigration status.
- Tenants age 62+ as of January 31, 2010 whose initial determination of eligibility was begun before January 31, 2010.
- Tenants who have previously disclosed a valid Social Security number.
- Tenants under the age of 6 who have not been assigned a Social Security number.

Acceptable evidence of the Social Security number consists of:

- a. A copy of a valid, original Social Security number card issued by the Social Security Administration.
- b. An original SSA-issued document, which contains the name and SSN of the individual.
- c. A copy of an original document issued by a federal or state government agency, which contains the name of the individual and the Social Security number of the individual, along with other identifying information of the individual, i.e., date of birth.

Failure to furnish verification of Social Security numbers is grounds for denial or termination of assistance.

12.4 Citizenship/Eligible Immigration Status

In order to receive assistance, a family member must be a U.S. citizen or eligible immigrant. Individuals

who are neither, may elect not to contend their status. Eligible immigrants are persons who are in one of the immigrant categories as specified by HUD.

For the Citizenship/Eligible Immigration requirement, the status of each member of the family is considered individually before the family's status is defined.

Mixed Families

A family is eligible for assistance if a member of the household is an U.S. citizen or eligible immigrant. Families that include eligible and ineligible individuals are called "mixed." Such applicant families will be given notice that their assistance will be prorated and that they may request a hearing if they contest this determination.

All Members Ineligible

Applicant families that include no eligible members are ineligible for assistance. Such families will be denied admission and offered an opportunity for a hearing.

Noncitizen Students

Defined by HUD in the noncitizen regulations. Not eligible for assistance.

Appeals

For this eligibility requirement only, the applicant is entitled to a hearing exactly like those provided for participants.

Verification of Status Before Admission

KHC will not aid applicants prior to the verification of eligibility for the individual or at least one member of the family pursuant to this section.

12.5 Family Screening

KHC **will not** screen applicant and/or family behavior or suitability for tenancy. KHC will not be liable or responsible to the owner or other persons for the applicant and/or family's behavior or the applicant and/or family's conduct in tenancy.

The owner is responsible for screening and selection of the applicant and/or family to occupy the owner's unit. At or before KHC's approval of the tenancy, KHC will inform the owner that screening and selection for tenancy is the responsibility of the owner.

For current participants, KHC will provide the family's current and prior address as shown in KHC's records to the owner. For new participants, KHC will provide the name and address (if known to KHC) of the landlord at the family's current and prior address. The owner is responsible for screening families based on their tenancy histories, including such factors as:

- 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.
- Compliance with other essential conditions of tenancy.

KHC will advise families how to file a complaint if they have been discriminated against by an owner. KHC will advise the family to make a Fair Housing complaint. KHC may also report the owner to HUD (Fair Housing/Equal Opportunity) or the local Fair Housing Organization.

12.6 Ineligible Families

Families who are determined to be ineligible will be notified in writing of the reason for denial and given an opportunity to request an informal review or an informal hearing if they were denied due to noncitizen status.

12.7 Prohibited Admissions Criteria

Admission to the program may not be based on where the family lives before admission to the program. Admission to the program may not be based on:

- Discrimination because members of the family are unwed parents, recipients of public assistance or children born out of wedlock.
- Discrimination because a family includes children.
- Whether a family decides to participate in a family self-sufficiency program.

Any family denied assistance and/or terminated from the waiting list will receive an opportunity for an informal review. The family will have ten days from the date of the notice to request a review in writing.

13.0 Maintaining the Waiting List

KHC's objective is to ensure that applicants are placed in the proper order on the waiting list and selected from the waiting list for admissions in accordance with the policies in this Administrative Plan.

The following explains the policies, which KHC has adopted to administer the waiting list and explains KHC's system of applying them. By maintaining an accurate waiting list, KHC will be able to perform the activities which ensure that an adequate pool of qualified applicants will be available so that program funds are used in a timely manner.

KHC maintains one waiting list consisting of 87 counties. Applicants are selected in accordance with policies and income targeting requirements defined in this Administrative Plan. KHC will maintain information that permits proper selection from the waiting lists. Applicants will be placed on and selected from the waiting lists according to the date and time a completed preliminary application is received in KHC's offices.

A Preference Will Be Given to Applicants on the Waiting Lists for the Following:

- Applicants who at pre-application reside in and remain in KHC's 87-county jurisdiction while on the waiting list. Applicants who reach the top-of-the-waiting list and are determined ineligible for the preference will be returned to the waiting list by date and time of application. (Preference was effective July 1, 2016.)
- Mainstream 5: Effective July 1, 2016 through January 21, 2020, a preference was applied to

applicants whose head of household or spouse are elderly, over the age of 62. Effective January 22, 2020, all Mainstream 5 vouchers will serve households that include a non-elderly person(s) with disabilities, defined as any family that includes a person with disabilities who is at least 18 years old and not yet 62 years old. (This change will be applied July 1, 2020.)

- Mainstream: Households who certify homelessness for the Mainstream program whose head, spouse, or non-elderly household member (age 18-61) is a person with disabilities. If the head, spouse, or household member has not been designated as disabled by the Social Security Administration, certification of disability must be provided by a medical professional before the preference is applied. Applicants who reach the top- of-the-waiting list and are determined ineligible for the preference will be returned to the waiting list by date and time of application. (Preference will be effective July 1, 2020.)
- Kentucky households displaced from public housing, housing choice voucher participants, or applicants on KHC's waiting list that have been victims of a state- or federal- declared natural disaster within 120 days of the declaration. Participants/applicants must be identified by a state or federal emergency agency as victims of the disaster. The number of applicants than can be assisted under this preference will depend on available funding.
- Applicants seeking rental assistance who qualify for participation in The Learning Villa Scholar House Program located in Owensboro, Kentucky. The Scholar House Program participant is not required to reside in a Scholar House Program property in order to receive the waiting list preference. Upon eligibility determination and voucher issuance, the family's voucher is transferred to the Housing Authority of Owensboro for absorption or administration.
- Households receiving rental assistance through a government-funded, temporary, rental assistance program, i.e., state, federal, HOME, and received the assistance due to being homeless, at risk of homelessness, or victims of domestic violence. **Verification from the agency providing the temporary assistance must be received prior to preference approval.** The verification must document the reason the family received the temporary assistance, as well as, the effective date the assistance began and the effective date of the initial lease. Applicants in this category will be placed on the waiting list for a preference at the time their initial, one-year lease term expires. Their annual recertification date will be used as their application date.

Referral Programs Which Bypass the Waiting List

VETT/KY MOVING ON

A maximum of 100 housing choice vouchers will be utilized by KHC to provide housing assistance to the following two populations. Applications for these vouchers will be accepted through a KHC approved qualified referral agency.

VETT Program

Homeless veteran individuals or households who served in the military and received either an

administrative separation from service or a bad conduct discharge. The preference will not be given to veterans who have been terminated within the last 12 months from KHC's tenant assistance programs for failure to comply with their family obligations. The veteran must meet one of the following homeless conditions:

1. Lacks a fixed, regular, and adequate nighttime residence, meaning:
 - a. Has a primary nighttime residence that is a public or private place not meant for human habitation.
 - b. Is living in a publicly or privately-operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs).
 - c. Is exiting an institution where (s)he has resided for 90 days or less and (s)he resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.
2. Will imminently lose their primary nighttime residence, provided that:
 - a. Residence will be lost within 14 days of the date of application for homeless assistance.
 - b. No subsequent residence has been identified.
 - c. The individual or family lacks the resources or support networks needed to obtain permanent housing.
3. Is fleeing, or is attempting to flee, domestic violence and:
 - a. Has no other residence.
 - b. Lacks the resources or support networks to obtain other permanent housing.

Kentucky Moving On Program

Through the Kentucky Moving On Program preference, KHC will provide housing assistance to eligible individuals and households to transition from Continuum of Care (CoC)-funded Permanent Supportive Housing (PSH) programs to the HCV program. Eligible persons will be referred to KHC by authorized KY Balance of State Continuum of Care (KY BoS CoC) PSH grant recipients and sub-recipients. Designated PSH programs will use a common housing readiness assessment tool approved by the KY BoS CoC Advisory Board to identify individuals and families who have achieved housing stability and no longer require the intensive case management and supportive services provided by the PSH program in order to maintain housing. The referral process and requirements will be developed and approved in partnership between the KY BoS CoC Advisory Board and KHC. To ensure PSH resources are prioritized for persons with the highest needs, the referring program will be required to fill its housing bed/unit made available after the transition of its participant to the HCV program with a chronically homeless individual or family in accordance with CPD Notice 16-11. The Kentucky Moving On Program will allow formerly homeless families and individuals still in need of housing subsidies to maintain housing stability with the provision of the HCV affordable housing resource while having the critically important added benefit of freeing up scarce PSH beds/units and supportive services for chronically homeless persons in emergency shelters, living outside, or other places not meant for human habitation.

Referrals will not be accepted for the Kentucky Moving On Program if the family has been terminated within the last 12 months from KHC's rental assistance programs for failure to comply with their family obligations.

Family Unification Program

KHC will accept families and youths documented and/or certified by the Public Child Welfare Agency (PCWA) as eligible for the FUP.

FUP-Eligible Families are defined as families the PCWA has documented and/or certified as a family for whom the lack of adequate housing is a primary factor in:

- The imminent placement of the family's child(ren) in out-of-home care; or
- The delay in the discharge of the child(ren) to the family from out-of-home care; and
- PHA has determined eligible for a Housing Choice Voucher.

FUP-Eligible Youth is defined as a youth the PCWA has documented and/or certified to be at least 18 years old, and not more than 24 years of age, and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act, and is homeless or is at risk of becoming homeless at age 16 or older. When necessary, certification of a youth being homeless or at risk of becoming homeless may come from a Balance of State Continuum of Care partner. FUP eligible youth are encouraged to apply to the HCV waiting list when it is open.

If there are no FUP vouchers available, the PHA will, upon receipt of the referral of FUP-eligible family or youth, compare the names with those already on the HCV waiting list. If the family or youth is not already on the waiting list, the PHA will add the family or youth to the waiting list with a FUP preference. If the HCV waiting list is closed, the PHA will reopen it to add FUP-eligible families and youth.

If the family or youth is already on the waiting list, the PHA will update the family or youth's waiting list record noting the FUP preference.

Mainstream (Non-Elderly, Disabled effective July 1, 2020)

Referrals received from Balance of State Continuum of Care (BoS CoC) partners. Referral jurisdiction will match that of the BoS CoC's jurisdiction (118 counties). Referrals must include one of the following targeted groups:

- Transitioning out of institutional or other segregated settings serving persons with disabilities
- At serious risk of institutionalization
- Currently experiencing homelessness
- Previously experienced homelessness and is a resident of permanent supportive housing or a rapid rehousing program, or other temporary tenant-based rental assistance program
- At risk of homelessness

The waiting list for all programs shall be maintained in KHC's office according to the following procedures:

- An applicant completes and provides a preliminary application to be placed on the waiting list and KHC accepts the information to be correct. At the time the applicant reaches the top of the waiting list, a complete application and required verification will be obtained to determine eligibility. Assistance will be issued in the name of the applicant, unless otherwise requested by applicant.
- Anyone who completes a preliminary application will be applying for all programs available. The applicant will have the right of refusal of any form of assistance without losing their place on the waiting list until all forms of available programs are exhausted. Once a form of assistance has been refused, it will not be offered again. If an applicant chooses to be returned to the waiting list for another form of assistance, the request must be made by the applicant in writing. An exception may be made if requiring the request in writing places a hardship on the applicant. In this case, the request and the hardship will be documented.
- A household will be given an offer of only one type of assistance at a time. A second offer will not be made until there is some disposition of the first offer.
- If an applicant elects to accept a form of assistance (e.g., goes through the process and is issued a HCV), the applicant will not receive any other offer of assistance based upon that application. Under the Moderate Rehabilitation and Project-Based Voucher Programs, no other assistance will be offered when the household signs the Intent to Lease or Request for Tenancy Approval form. This policy only applies to HCV assistance.
- An applicant on the waiting list may update their application at any time. This update information should include household members, income, address and other pertinent information. Applicants must update their application in writing or update online at www.kyhousing.org. An exception may be made if requiring the application update in writing places a hardship on the household. In this case, the update and the hardship will be documented.
- An applicant may be placed on the waiting list in only one county. If an applicant wishes to transfer to another county, he/she may update the county online at www.kyhousing.org or by contacting KHC in writing to update their application. An exception may be made if requiring the application update in writing places a hardship on the family. In this case, the update and the hardship will be documented. His/her placement on the new list will be based upon the original application date.
 - When an applicant reaches the top of the waiting list and a vacancy exists, the applicant will be notified in writing that assistance is available. Applicants will have 60 days from the date of the written notice to contact KHC. If the applicant fails to respond to the letter of invitation or fails to complete their paperwork, the application will be removed from the waiting list and the applicant will need to reapply by completing a new application.
 - If the mail is returned to KHC with no forwarding address, the applicant will be removed from the waiting list and will need to reapply by completing a new application. However, if the applicant contacts KHC within 60 days of the mail out, the applicant will be mailed the appropriate paperwork.

13.1 Pre-application Acceptance Schedule

When KHC opens the waiting list and begins accepting applications, notification will be made of the availability and nature of housing assistance for eligible households to the public through KHC's website, eGram, social media, minority media and other suitable means.

The notice will contain the date applications will be accepted and the methods for application submission.

13.2 Termination from the Waiting List

If an applicant is found to be ineligible because they are over income, the applicant will be terminated from the waiting list and no assistance can be offered. An applicant will be denied access or terminated from the waiting list if:

1. The applicant owes money to any public housing agency or federally subsidized program. The applicant will be given an opportunity to make immediate arrangements to pay the monies owed in full or enter into a repayment agreement with the applicable agency. Documentation of payment-in-full or a copy of an executed repayment agreement will be required within ten days of the notice of money owed. Upon receipt of the required documentation, KHC will continue the process to determine eligibility.
2. The applicant has violated any family obligation under the program.
3. The applicant fails to respond to the letter of invitation (TOWL) or fails to complete paperwork. The applicant will be removed from the waiting list and will have to reapply by completing a new application.
4. The mail is returned to KHC with no forwarding address. The applicant will be removed from the waiting list and will need to reapply by completing a new application.
5. For reasons listed in Section 8.0 of the Drug Free/Physical Violence/Alcohol Abuse Housing Policy.

All applicants who are denied assistance or are terminated from the waiting list will receive notice including the reason(s) for the action and an opportunity for an informal review should they disagree. An applicant will have ten days from the date of the notice to request an informal review in writing.

13.3 Project-Based Properties Serving Special Populations

Project-based voucher properties serving special populations may maintain their own waiting lists with KHC approval. A Tenant Selection Plan for administering the waiting list in a nondiscriminatory way must be provided to KHC.

13.4 Project-Based Properties Using KHC's Waiting List

If KHC is unable to fill a project-based property's vacancy after two draws from the waiting list, or if KHC's waiting list is exhausted, the project-based owner will be given written approval to refer applicants from their waiting list to KHC for eligibility determination.

14.0 Subsidy Standards

According to 24 CFR 982.401(d)(2)(ii), Housing Quality Standards (HQS) allow two persons per bedroom or living/sleeping room. KHC will use the following subsidy guidelines to determine the number of bedrooms required to accommodate each family with consideration given to overcrowding and over housing. Two persons shall be generally assigned for each bedroom except for opposite sex age six and over. These guidelines apply in determining the bedroom size to be listed on the Housing Choice Voucher.

Number of Bedrooms	Number of Persons Minimum	Number of Persons Maximum
0	1	2
1	1	2
2	2	4
3	3	6
4	4	8
5	5	10

For program participants:

- Upon the birth of a child, if the birth qualifies the family for a larger bedroom size, a transfer may be issued as an exception to the existing policy upon request from the head of household. Otherwise, the family will be issued a voucher reflecting the increase in household at annual recertification.
- An additional bedroom will be granted if a household member will be turning 6 within 60 days of a process and the event would qualify the family for an additional bedroom. The 60-day window is defined as within 60 days before the effective date of the process or within 60 days after the effective date of the process.

For program applicants, transfers and port-in participants:

- When issuing a voucher, an unborn child will be considered as an additional household member when determining bedroom size. Verification of the pregnancy by a health care provider is required to determine appropriate bedroom size.
- When the family composition changes prior to lease-up but is reported to KHC after lease-up and results in the family leasing an over-sized unit and the family's rent portion exceeds 40 percent of their adjusted gross income, the family will be issued a transfer voucher for the appropriate bedroom size. The family and the landlord will be notified the housing assistance payments will terminate for the leased unit at the end of the following month. The family will be required to transfer to an eligible unit.

Exception to policy will be granted for homeownership voucher participants who have a pending change (e.g., pregnant or five-year old turning six) that will take place within a year (365 days or less) of the purchase of their home. The pending change will be considered to determine the

bedroom size for their voucher to homeownership purchase.

- For the Project-Based Voucher and Moderate Rehabilitation Programs, with HAP contracts executed prior to May 1, 2005, owners may set their own reasonable guidelines. Owners must put these guidelines in writing and obtain approval from KHC staff.

HAP contracts executed on or after May 1, 2005, must adhere to KHC's subsidy standards.

In the case of chronic serious illness requiring special medical equipment, a deviation from this guideline may be permitted with current detailed documentation from a licensed physician or other qualified medical professional. **Approval of this request will be made by the Legal Department staff or their designee.**

When a program participant, applicant, transfer, or port-in participant requests an additional bedroom for a live-in aide, such request will be granted if a reasonable accommodation is requested and approved pursuant to KHC's reasonable accommodation policy.

General Guidelines

Examples:

- A household consists of a single parent, one-year-old boy and five-year-old girl.
The family qualifies for a two-bedroom voucher.
- A household consists of a couple, one-year-old boy and a five-year-old girl.
The family qualifies for a two-bedroom voucher. (If the five-year-old girl has a birthday within 60 days of the process and turns six, the family would qualify for a three-bedroom voucher.)
- A household consists of a couple who are expecting a child.
The family qualifies for a two-bedroom voucher. (Family must provide verification of the pregnancy completed by a health-care provider.
- A household consists of a couple, an eight-year-old boy, a four-year-old daughter, a twelve-year-old daughter and are expecting a child.
When issuing an initial voucher, the family qualifies for a three-bedroom voucher. If a girl is born, the family qualifies for a four-bedroom voucher to be issued at the next annual recertification unless the birth of the girl presents an overcrowding issue. Overcrowding would be address upon notification to KHC by the family. If a boy is born, the family remains eligible for a three-bedroom voucher. (Family must provide verification of the pregnancy by a health-care provider.
- A household consists of a single parent and one-year-old child.
The family qualifies for a one-bedroom voucher.
- A household consists of a couple and 2 six-year-old girls.
The family qualifies for a two-bedroom voucher.
- A household consists of a single parent, a one-year-old boy and a six-year-old girl.
The family qualifies for a two-bedroom voucher.
- A household consists of a mother, grandmother and a three-year-old boy.
The family qualifies for a two-bedroom voucher.
- A household consists of a mother, grandmother and a seven-year-old girl.

- *The family qualifies for a two-bedroom voucher.*
- A household consists of a mother, grandmother and seven-year-old boy.
The family qualifies for a three-bedroom voucher.
- A household consists of a single parent, 6-year-old boy and a 17-year-old boy.
The family qualifies for a two-bedroom voucher.
- A household consists of a couple, a 12-year-old girl and a 17-year-old girl.
The family qualifies for a two-bedroom voucher.

A family may choose, at family's expense, a different size unit than indicated above as federal regulations allow but may not be overcrowded. In some instances, a living room may be used as a bedroom and up to two additional persons may be allowed in the unit.

Project-Based Overcrowded, Under-Occupied and Accessible Units

If KHC determines that a project-based voucher unit is a wrong-size unit or a unit with accessible features that the family does not require and the unit is needed by a family that requires the accessibility features, KHC will promptly notify the family and the owner of this determination. KHC will offer continued assistance in another project-based unit within the same property or, if none is available, an HCV will be offered at the family's next annual reexamination if available and the family remains program eligible. If a family is occupying an accessible unit that the family does not require and the unit is needed by a family that does require the accessibility features, and there is no other project-based unit that meets subsidy standards for the family, the family will be offered an HCV before their next annual recertification if one is available.

15.0 Set-Asides and Targeted Funding

KHC will use set-aside vouchers and special funding that is awarded for targeted populations according to the program specifications.

Changes in applicant's circumstances while on the waiting list may affect the family's entitlement to targeted funding. Applicants may notify KHC in writing when their circumstances change.

Set-Asides

Elderly persons residing in state-certified assisted living developments.

Targeted Funding

HUD may award special funding for certain family types. Families may apply for assistance at any time and will be placed on the regular waiting list. When a specific type of funding becomes available, the waiting list will be searched for the first available family meeting the targeted funding criteria.

15.1 Elderly Assisted Living Residents

A set-aside of 50 HCVs will be made available for elderly individuals currently residing in state-certified assisted living developments. Eligible participants must submit a KHC form completed by the managing agent of the assisted living development. Assistance through KHC is limited to rental costs attributed to the assisted living unit. The cost for services is not included. In addition, established rent limits will be

applicable.

KHC reserves the right to reject an agency's verification if it is determined that all criteria for this set-aside have not been met. If KHC rejects the set-aside application, the applicant will be given the opportunity to request an informal review.

15.2 Recovery Centers

Recovery Kentucky is a joint effort by the Governor's Office for Local Development (GOLD), the Department of Corrections (DOC) and Kentucky Housing Corporation (KHC) to help pay for the construction and operation of 14 Recovery Centers. The centers serve individuals who have a history of substance abuse, with an emphasis on homelessness, those at-risk of becoming homeless and those referred by the judicial system. The agencies involved in Recovery Kentucky developed a financial plan that makes available construction and operational financing for the centers. The Recovery Centers are a major component of the state's solution to confront the drug epidemic. The Centers help men and women recover from addiction, find permanent housing if needed and help them gain control of their lives so they can be productive citizens of their communities. Studies indicate that drug addiction is one of the leading causes of homelessness in Kentucky. Project-based vouchers will be utilized to pay subsidy. The participants in the recovery centers are referred by the Department of Corrections, social service agencies, homeless shelters and other applicable agencies who are working with this targeted population.

A list of the Recovery Centers and their county locations are listed below.

1. Brighton Recovery Center for Women/Boone County
2. CenterPoint Recovery Center for Men/McCracken County
3. The Transitions Grateful Life Center for Men/Kenton County
4. Liberty Place for Women/Madison County
5. Owensboro Regional Recovery Center for Men/Daviess County
6. The Healing Place of Campbellsville/Taylor County
7. Trilogy Center for Women/Christian County
8. Women's Addiction Recovery Manor/Henderson County
9. Cumberland Hope Community Center for Women/Harlan County
10. Morehead Inspiration Center for Men/Rowan County
11. Men's Addiction Recovery Campus/Warren County
12. Hickory Hill Recovery Center/Knott County
13. Genesis Recover Center/Carter County
14. Sky Hope Recovery Center, LLP/ Pulaski County

15.3 Special Admissions – Targeted Funding

If HUD awards program funding to KHC that is targeted for specifically named families, KHC will admit these families under a special admission procedure. Special admission families will be admitted outside of the regular waiting list process. They are not required to be on the waiting list.

The following special admission programs are administered by KHC, subject to availability:

- Enhanced Vouchers Assisted Living: When HUD awards special funding for certain family types (targeted funding), families who qualify are placed on the regular waiting list. When a specific type of funding becomes available, the waiting list is searched for the first available family meeting the targeted funding criteria. Applicants who are admitted under targeted funding are not identified as special admission. The following targeted funding programs are administered by KHC, subject to availability:
 - Mainstream for Persons with Disabilities
 - Non-Elderly, Disabled (NED) Families: Money Follows the Person applicant will receive a preference for a NED voucher prior to other qualifying NED applicants.
 - HUD-Veteran Affairs Supportive Housing (VASH) Targeted funding is administered in the same manner as the HCV Program. In the event KHC rejects an applicant for special admission or targeted funding, the applicant will be given the opportunity to request an informal review.
 - VETT/Kentucky Moving On
 - Family Unification Vouchers

15.4 Enhanced Vouchers

When HUD-insured Section 8 project-based contracts are terminated by HUD or owner action, including expirations without renewal, enhanced vouchers will be issued to eligible families residing in the unit and electing to remain in the unit at the time of action. The enhanced voucher will be issued based on KHC's subsidy standard. Unless the family submits a request and is approved for a reasonable accommodation for the additional bedroom or bedrooms, families residing in units larger than they qualify for under KHC's subsidy standards are determined to be "over-housed."

- Availability of Appropriate Size Units in the Project
 - Once KHC determines a family is over-housed, KHC will notify the family and explain the requirements of this section.
 - KHC will inform the owner of the bedroom size for which the family qualifies under KHC subsidy standards.
 - The owner must identify all appropriate size units that are available at the project.
 - The over-housed family must relocate to an appropriate size unit if one is available in the property in order to receive enhanced voucher assistance. The family and owner will enter into a lease, and KHC will issue execute a HAP contract on behalf of the family for the appropriate size unit. The enhanced voucher HAP calculation is based on the gross rent of the appropriate size unit.
 - If an appropriate size unit exists and is available for occupancy, and the family refuses to move to the appropriate size unit, KHC will calculate the family's HAP payment for the over-size unit based on KHC's voucher subsidy formula using KHC's applicable payment standard. The family will be responsible for any amount of the gross rent not covered by the HAP payment.

- No Appropriate Size Units Currently Available
 - If an appropriately sized unit is not currently available, KHC will execute a voucher HAP contract on behalf of the family for the over-size unit, provided rent is reasonable and the unit complies with all other Section 8 HCV program requirements.
 - The enhanced voucher housing subsidy calculation will continue to be based on the gross rent for the over-size unit until an appropriate size unit at the project becomes available for occupancy by the family.
 - The owner must immediately inform KHC and the family when an appropriate size unit will become available in the project.
 - KHC will maintain a record of enhanced voucher families living in over-size units and monitor the availability of appropriate size units at the project by contacting the owner once per quarter. KHC will maintain a record of contact made with owners concerning the availability or expected availability of units.
- Appropriate Size Unit does not Physically Exist at the Project
 - If the family wishes to remain at the project with enhanced voucher assistance, and an appropriate size unit does not physically exist at the project, but a bedroom size unit is available that is smaller than the family's current unit but not smaller than the unit size for which the family qualifies under KHC subsidy standards, the family must move to the smaller bedroom size unit within 30 days. The family and owner will enter into a new lease and KHC will execute a new voucher HAP contract with the owner for the smaller bedroom size unit. The enhanced voucher subsidy calculation is based on the gross rent for the smaller bedroom size unit.
 - If an over-housed enhanced voucher family refuses to move to the smaller bedroom size unit, and one exists and is available for occupancy, the KHC will calculate the family's housing assistance payment for the over-sized unit based on the normally applicable voucher subsidy formula using the KHC's payment standard. The family will be responsible for any amount of the gross rent not covered by the housing assistance payment.

16.0 Income Targeting

In accordance with the Quality Housing and Work Responsibility Act of 1998, each fiscal year KHC will reserve a minimum of 75 percent of its HCV new admissions for families whose income does not exceed 30 percent of the area median income. HUD refers to these families as "extremely low-income families."

KHC's income targeting requirement does not apply to low-income families continuously assisted as provided for under the 1937 Housing Act.

KHC is also exempted from this requirement where KHC is aiding low-income or moderate-income families entitled to preservation assistance under the tenant-based program as a result of a mortgage prepayment or opt-out.

17.0 Missed Appointments

Our objective is to have a policy which would allow us to administer this program timely and efficiently and at the same time accommodate the needs of the families we serve.

Families will be scheduled for one appointment. This appointment may be rescheduled only once at the participant's request. If the participant misses both scheduled appointments, their rental assistance will be referred for termination. The scheduling of these appointments must be documented. In case of an emergency, which can be documented, an appointment will be rescheduled without penalty to the family.

An appointment for the same activity may only be rescheduled once at the request of the family.

This policy applies to the scheduling of any type of appointment necessary in the administration of this program. These appointments include but are not limited to inspections, briefings, etc. Missed biennial re-inspection appointments must be scheduled and conducted within 14-21 calendar days of original inspection. All other missed appointments for inspections must be rescheduled and conducted within 30 calendar days of the original inspection date.

If a family indicates a letter scheduling an appointment was not received, one of two items below will be required:

- The letter was returned to KHC or addressed incorrectly.
- The family has filed a complaint with the post office for problems with mail receipt in the prior four months.

18.0 Third-Party Verification Requirements

The PHA must obtain and document in the tenant file third-party verification of the following factors, or must document in the tenant file why third-party verification was not available:

- Reported family annual income.
- The value of assets.
- Expenses related to deductions from annual income.
- Other factors that affect the determination of adjusted income.

18.1 Levels of Verification Methods

To prevent fraud and abuse in the rental assistance programs, the United States Code (USC) and Code of Federal Regulations (CFR) allow HUD and PHAs to obtain information about applicants and participants to determine their eligibility or level of benefits. KHC will use the Enterprise Income Verification (EIV) System whenever possible to verify the following: current or previous wages and salaries from

employers, wage information and unemployment compensation from the state agency charged with the administration of the state unemployment law and income information from the Commissioner of Social Security and Secretary of the Treasury.

EIV replaces, to a large extent, the more time consuming and less accurate third-party verification process of contacting individual employers identified by the family or reviewing outdated income verification documents. However, whenever necessary, KHC may continue to use third-party verification to complement EIV, for example, when the family disputes the data. KHC will not consider EIV as an automatic substitute for other third-party verification and may supplement other verification documentation, such as original current family provided documents. KHC will begin with the highest level of verification methods. The use of lower level verification methods will place a higher burden on KHC to justify its use of that particular verification method rather than a higher level of verification methods. The methods of verification used by KHC are listed below in the order in which they will be used:

<u>Level</u>	<u>Verification Technique</u>	<u>Ranking</u>
6	Upfront Income Verification (UIV) using HUD’s Enterprise Income Verification (EIV) system (not available for income verifications of applicants)	Highest (Mandatory)
5	Upfront Income Verification (UIV) using non-HUD system	Highest (Optional)
4	Written Third-Party Verification	<p>High (Mandatory to supplement EIV-reported income sources and when EIV has no data;</p> <p>Mandatory for non-EIV reported income sources;</p> <p>Mandatory when tenant disputes EIV-reported employment and income information and is unable to provide acceptable documentation to support dispute)</p>

3	Written Third-Party Verification Form	Medium-Low (Mandatory if written third-party verification documents are not available or rejected by the PHA; and when the applicant or tenant is unable to provide acceptable documentation)
2	Oral Third-Party Verification	Low (Mandatory written third-party verification is not available)
1		Low (Use as a last resort when unable to obtain any type of third-party verification)

Note: *This verification hierarchy applies to income determinations for applicants and participants. However, EIV is not available for verifying income of applicants.*

Third-Party Verification Techniques

- **Upfront Income Verification (UIV) (Level 6/5):** The verification of income before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for several individuals.
- **Written Third-Party Verification (Level 4):** An original or authentic document generated by a third-party source dated either within the 60-day period preceding the reexamination or PHA request date. KHC’s request date shall begin 120 days preceding the reexamination effective date or 60 days prior to voucher issuance. Such documentation may be in the possession of the tenant (or applicant) and is commonly referred to as tenant-provided documents. It is HUD’s position that such tenant-provided documents are written third-party verification since these documents originated from a third-party source. KHC may, at its discretion, reject any tenant-provided documents and follow up directly with the source to obtain necessary verification of information.

Examples of acceptable tenant-provided documentation (generated by a third-party source) include, but are not limited to: *pay stubs, payroll summary report, employer notice/letter of hire/termination, SSA benefit verification letter, bank statements, child support payment stubs, welfare benefit letters and/or printouts and unemployment monetary benefit notices. Current tenant-provided documents must be used for income and rent determinations.

*Per HUD guidance, a minimum of two current and consecutive pay stubs are required for determining annual income from wages. For new income sources or when two pay stubs are not available, annual income should be projected based on the information from a traditional written, third-party verification form or the best available information.

Note: Documents older than 60 days (from the PHA interview/determination or request date) are

acceptable for confirming effective dates of income.

Written Third-Party Verification Form (Level 3): Also, known as a traditional, third-party verification. This is a standardized form to collect information from a third-party source. The form is completed by the third-party by hand (in writing or typeset). PHAs send the form directly to the third-party source by mail, fax, or e-mail.

It is HUD's position that the administrative burden and risk associated with use of the traditional third-party verification form may be reduced by PHAs relying on acceptable documents that are generated by a third-party, but in the possession of and provided by the tenant (or applicant). Many documents in the possession of the tenant are derived from third-party sources (i.e. employers, federal, state and/or local agencies, banks, etc.).

HUD recognizes that third-party verification request forms sent to third-party sources often are not returned. In other instances, the person who completes the verification form may provide incomplete information; or some tenants may collude with the third-party source to provide false information; or the tenant intercepts the form and provides false information.

HUD requires PHAs to rely on documents that originate from a third-party source's computerized system and/or database, as this process reduces the likelihood of incorrect or falsified information being provided on the third-party verification request form. The use of acceptable tenant-provided documents, which originate from a third-party source, will improve the integrity of information used to determine a family's income and rent and ultimately reduce improper subsidy payments. This verification process will also streamline the income verification process.

- **Oral Third-Party Verification (Level 2):** Independent verification of information by contacting the individual income/expense source(s), as identified through the UIV technique or identified by the family, via telephone or in-person visit. PHA staff should document in the tenant file, the date and time of the telephone call (or visit to the third party), the name of the person contacted and telephone number, along with the confirmed information.

This verification method is commonly used if the independent source does not respond to the PHA's faxed, mailed or e-mailed request for information in within ten (10) business days.

Non-Third-Party Verification Technique

- **Tenant Declaration (Level 1):** The tenant submits an affidavit or notarized statement of reported income and/or expenses to the KHC. This verification method should be used as a last resort when KHC has not been successful in obtaining information via all other verification techniques. When the KHC relies on tenant declaration, KHC must document in the tenant file why third-party verification was not available.

Exceptions to Third-Party Verification Requirements

HUD is aware that in some situations, third-party verification is not available for a variety of reasons.

Oftentimes, the PHA may have made numerous attempts to obtain the required verifications with no success, or it may not be cost effective to obtain third-party verification of income, assets or expenses, when the impact on total tenant payment is minimal. In these cases, the PHA is **required to document in the family file the reason(s) why third-party verification was not available.**

Third Party Verification Requirements

For the Public Housing and the HCV programs, respectively, the PHA must obtain and document in the tenant file third-party verification of the following factors, or must document in the tenant file why third-party verification was not available: (i) reported family annual income; (ii) the value of assets; (iii) expenses related to deductions from annual income; and (iv) other factors that affect the determination of adjusted income.

How to comply with and reduce administrative burden of third-party verification requirements of family annual income.

PHAs can comply with and reduce administrative burden of third-party verification requirements for employment, wage, unemployment compensation and social security benefits, and any other information that is verifiable using EIV by:

Reviewing the EIV Income Report to confirm/validate tenant-reported income; and

1. Printing and maintaining an EIV Income Report (or an EIV Individual Control Number (ICN) page for interim reexaminations as prescribed in Notice PIH 2010-19 Section 12 in the tenant file; and
2. Obtaining current acceptable tenant-provided documentation to supplement EIV information; and
3. Using current tenant-provided documentation and/or third-party verification to calculate annual income.

Note: Social Security benefit information in EIV is updated every three months. If the tenant agrees with the EIV-reported benefit information, PHAs do not need to obtain or request a benefit verification letter from the tenant. See PIH Notice 2010-03 for guidance on verifying Social Security benefit income through the EIV system.

The PHA may also reduce the administrative burden of obtaining third party verification by relying on acceptable documents that are generated by a third-party but provided by the tenant. Many documents in the possession of the tenant are derived from third party sources (i.e. employers, federal, state and/or local agencies, banks, etc.).

When the PHA is Required to Request Written Third-Party Verification in Addition to EIV

The PHA must request written third-party verification under the following circumstances:

1. When the tenant disputes the EIV information and is unable to provide acceptable documentation to support his/her dispute (24 CFR §5.236(b));
2. When the PHA requires additional information that is not available in EIV and/or the tenant is unable to provide the PHA with current acceptable tenant-provided documentation. Examples of additional information includes, but is not limited to:
 - a. Effective dates of income (i.e., employment, unemployment compensation or Social

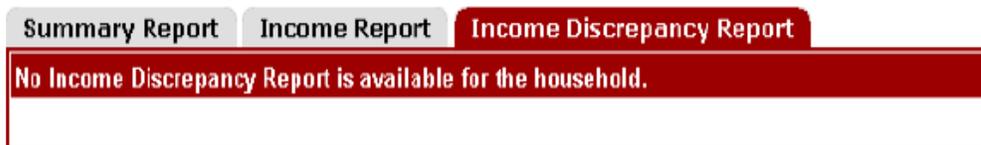
- Security benefits.)
- b. For new employment: pay rate, number of hours worked per week, pay frequency, etc.
- c. Confirmation of change in circumstances (i.e., reduced hours, reduced rate of pay, temporary leave of absence, etc.)

Note: 24 CFR §5.236(a), prohibits PHAs from taking adverse action based solely on EIV information.

Required File Documentation

Type of file documentation required to demonstrate PHA compliance with mandated use of EIV as a third-party source to verify tenant employment and income information.

1. For each **new admission** (form HUD-50058 action type 1), the PHA is required to do the following:
 - a. Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date.
 - b. Print and maintain a copy of the EIV Income Report in the tenant file.
 - c. Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.
2. For each **historical adjustment** (form HUD-50058 action type 14), the PHA is required to do the following:
 - a. Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date.
 - b. Print and maintain a copy of the EIV Income Report in the tenant file; and
 - c. Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.
3. For each **interim reexamination** of family income and composition (form HUD-50058 action type 3), the PHA is required to have the following documentation in the tenant file:
 - a. **ICN Page** when there is no household income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report. KHC staff will print the ICN page and place in the tenant file.



Note: The ICN Page is available from the Summary Report tab. See sample screen shot below:

[Print All](#)

Summary Report						
Certification Page		Income Report		Income Discrepancy Report		
Head of Household Identifiers						
Name:	MIKILA					
Social Security Number:	***-**-****					
Date of Birth (mm/dd/yyyy):	XX/XX/1989					
Program Type:	Sec.8 Vouchers					
Project:						
Unit Address:	*****					
Participant Code:						
Annual Reexamination Date:	05/01/2010					
Tenant Data from Form 50058 as of:	10/20/2009					
Most Recent Type of Action:	3-Interim Reexamination					
Effective Date:	10/01/2009					
Household Members						
Member SSN	Member First Name	Member Last Name	Date of Birth	Age	Relationship	Identity Verification Status
-**-*	MIKILA		XX/XX/1989	20	Head	Verified
-**-*	MALAYA		XX/XX/2009		Other youth under 18	Verified
The month and day values in the Date of Birth field have been masked for security reasons.						
Provide ICN						
Confidential Privacy Act Data. Civil and Criminal penalties apply.						
Report Generated By: JH0000 NICOLE M. CARSON						

4. For each **annual reexamination** (form HUD-50058 action type 2), of family income and composition, the PHA is required to have the following documentation in the tenant file:
 - a. **No Dispute of EIV Information:** EIV Income Report, current acceptable tenant-provided documentation, and *if necessary* (as determined by the PHA), traditional third-party verification form(s). See examples 1 and 3 below.
 - b. **Disputed EIV Information:** EIV Income report, current acceptable tenant-provided documentation, and/or traditional third-party verification form(s) for disputed information. See example 2 below.
 - c. **Tenant-reported income not verifiable through EIV system:** Current tenant-provided documents, and *if necessary* (as determined by the PHA), traditional third-party verification form(s). See example 3 below.

Example 1: No Disputed EIV Information & Tenant Provided Documents

You are conducting an annual reexam with tenant, Mary Jones. Ms. Jones reports that she is employed at the ABC Box Company. You pull up the EIV income report for the Jones family, which shows quarterly wages from the ABC Box Company for the full year of 2015, and the first two quarters of 2016. Last year's (2016) annual reexam reflects wages from the same employer. There is no other income information on the report. The PHA may streamline the income verification process by requesting Ms. Jones provide current pay stubs dated within the last 60 days of the interview or PHA request date. The PHA must obtain a minimum of two current and consecutive pay stubs from Ms. Jones. Since there is no disparity between tenant-reported and EIV-reported income, KHC may obtain original and current tenant-provided pay stubs to calculate annual income.

The PHA may **not** use quarterly EIV wage (or unemployment benefit) information to calculate annual income since this information is at least six months old and more current income information (from pay stubs) is available.

Example 2: Disputed EIV Information & No Tenant-Provided Documents

You are conducting an annual reexam with tenant, Bob Miller. Mr. Miller reports that his only source of income is monetary support from his sister, Betty Miller. You pull up the EIV income report for the Miller family, which shows quarterly wages from the Home Depot for the full year of 2015, and the first two quarters of 2016. There is no other income information on the EIV report. Last year's (2016) annual reexam reflects no wage information and the only source of income is other non-wage income (monetary support from family member).

You inform Mr. Miller that the EIV system shows wages from the Home Depot and ask him to provide you with current pay stubs. Mr. Miller states that he does not work there and has no pay stubs.

Because Mr. Miller disputes the EIV-reported income and is unable to provide documents to support his dispute, the PHA **must** request written third-party verification from Home Depot. You mail a third-party verification request form to the address listed for Home Depot.

A few days later, you receive the third-party verification request form back from Home Depot, which indicates that Mr. Miller has been employed there since January 5, 2008, and a payroll summary report, showing Mr. Miller's bi-weekly gross and net pay since January 2008. Since the disputed EIV information has been confirmed to be correct by the independent third-party source (Home Depot), the PHA will use the income information from the payroll summary report to calculate annual income. The PHA would also calculate the retroactive rent (using the information provided by Home Depot) since Mr. Miller failed to disclose his employment at the 2008 and 2009, annual reexams. The PHA would also inform Mr. Miller of this retroactive rent and take actions according to PHA-established policies.

Example 3: Tenant Unreported Income, Income not Verifiable through EIV & Tenant- Provided Documents

You are conducting an annual reexam with tenant, Sharon Duvet. Ms. Duvet reports that her only source of income is child support and provides you with four current and consecutive child support pay stubs. You pull up the EIV Income Report for the Duvet family, which shows hire date at the District Police Department effective January 9, 2012; quarterly wages from the District Police Department for the full years of 2012, 2013, 2014, and 2015, and the first two quarters of 2016. There is no other income information on the EIV Income Report. Last year's (2016) annual reexam reflects income from only child support. You inform Ms. Duvet that the EIV system is showing wages from the District Police Department and you ask her to provide you with current pay stubs. Ms. Duvet admits that she has been working at the District Police Department and indicates that she can provide you with current pay stubs. You inform Ms. Duvet that you will also have to calculate her retroactive rent for the previous years in which she did not disclose her employment. You go over the EIV-reported wages with Ms. Duvet and she indicates that she does not dispute the information. Since Ms. Duvet does not dispute the EIV-reported information, the PHA may use the tenant provided documents to calculate income and rent for the 2017 annual reexam and use the EIV-reported earnings for years 2005 through 2008, to calculate the retroactive rent Ms. Duvet will owe. The PHA should require Ms. Duvet to provide her last pay stub from 2016, or her 2016 W- 2, to calculate the retroactive rent for 2016. The PHA will use the tenant-provided child support pay stubs (child support income is not available in EIV) to calculate annual income from this source.

What if the tenant does *not* provide the PHA with requested information? If the tenant does not provide the requested information, the PHA may mail or fax a third-party verification request form to the third-party source. The PHA is **required** to request third party verification when the tenant disputes EIV information and the tenant is unable to provide acceptable documentation to support disputed information. However, the PHA should **also** remind the tenant that s/he is required to supply any information requested by the PHA for use in a regularly scheduled annual or interim reexamination of family income and composition.

The PHA may **determine** that the tenant is not in compliance with program requirements and terminate tenancy or assistance, or both, if the tenant fails to provide the requested information in a timely manner (as prescribed by the PHA).

19.0 Briefing

The purpose of the briefing is to inform a family about the program. The briefing includes information about leasing under the HCV program, obligations of the family and policies and procedures of KHC. New families (specifically head of household) are required to participate in either a face-to-face, phone, or online program briefing at the time a Statement of Family Responsibility or HCV is issued.

Participants issued **HCVs for the Scholar House Program will be briefed by the administering PHA.**

Under certain circumstances, such as the Recovery Kentucky program, a Memorandum of Understanding may be executed with the Recovery Kentucky program center to allow their staff to conduct briefings.

Portability Briefings

Upon management approval, participants who are exercising portability to KHC's jurisdiction may be briefed via telephone if the family is unable to participate in an online briefing and if requiring the participant to travel to a KHC briefing site would cause undue hardship.

Items discussed during the briefing include:

- Review of briefing summary, which requires the signature of the head of household.
- Family and Owner responsibilities/reasons for termination of assistance.
- Where a family may lease a unit, including renting a dwelling unit inside or outside KHC's jurisdiction.
- If the family is currently living in a high poverty census tract in KHC's jurisdiction, the briefing must also explain the advantages of moving to an area that does not have a high concentration of poor families.
- How to find a unit and what types are eligible for the program.
- Listing of participating owners and handicapped accessible units.
- Discussion of fair market rents, payment standards, utility allowances, family rent portion, HCV subsidy, bedroom size and security deposit.
- HQS.
- Lead-based paint.

- HCV expiration and extensions.
- Fair housing information.
- Subsidy standards.
- Hearing procedures.
- Other items determined pertinent by KHC.
- Leasing documents which include:
 - Lease/Tenancy Addendum
 - Request for Tenancy Approval
 - Housing Assistance Payments Contract
 - Lead-Based Paint Form
 - W-9 Form
-

20.0 Briefing Packet

A briefing packet is provided for each participant. An owner brochure is provided to each new owner. The documents and information provided in the briefing packet for the HCV program will comply with all HUD requirements.

The family is provided with the following information and materials:

- The term of the voucher and KHC's policy for requesting extensions.
- A description of the method used to calculate the housing assistance payment for a family, including how KHC determines the payment standard for a family; how KHC determines total family payment for a family and information on the payment standard and utility allowance schedule. How KHC determines the maximum allowable rent for an assisted unit (including the rent reasonableness standard).
- Where the family may lease a unit. For a family that qualifies to lease a unit outside KHC's jurisdiction under portability procedures, the information must include an explanation of how portability works.
- The HUD required tenancy addendum, which must be included in the lease.
- The Request for Tenancy Approval Form and a description of the procedure for requesting approval for a unit.
- A statement of KHC's policy on providing information about families to prospective owners.
- KHC's subsidy standards including when and how exceptions are made and how the voucher size relates to the unit size selected.
- The HUD brochure, "A Good Place to Live," on how to select a unit that complies with HQS.
- The HUD brochure on lead-based paint.
- Information on federal, state and local equal opportunity laws and a copy of the housing discrimination complaint form. KHC will also include the pamphlet "Fair Housing: It's Your Right" and other information about fair housing laws and guidelines, such as the "take one, take all" law.
- A list of landlords or other parties willing to lease to assisted families or help in the search

and/or known units available for the voucher issued. The list includes landlords or other parties who are willing to lease units or help families find units outside areas of poverty or minority concentration.

- If the family includes a person with disabilities, notice that KHC will provide assistance in locating accessible units and a list of available accessible units known to KHC.
- The family obligations under the program.
- The grounds on which KHC may terminate assistance for a participant family because of family action or failure to act.
- KHC's complaint and appeals process including when KHC is required to offer a participant family the opportunity for an informal hearing and how to request the hearing.
- Information packet including an explanation of how portability works, including a list of neighboring housing agencies with the name, address and telephone number of a portability contact person at each for use by families who move under portability
- Procedures for notifying KHC and/or HUD of program abuses such as side payments, extra charges, violations of family rights and owner failure to repair.
- The family's rights as a program participant.
- Requirements for reporting change between annual recertification.

If the family includes a person with disabilities, KHC will ensure compliance with CFR 8.6 to ensure effective communication.

21.0 Housing Choice Voucher Issuance

- KHC will issue HCVs. HCVs will be issued after the family has participated in a program briefing.
- KHC instructs the applicant that the HCVs are valid for 90 days.
- KHC instructs the applicant that it is the applicant's responsibility to contact KHC immediately upon locating a unit.

Signing a HCV constitutes the applicant's acceptance of a program. Should the applicant allow his/her HCV to expire, the assistance will be terminated. The family may reapply for rental assistance if applications are being accepted.

HCVs are initially valid for a period of 90 calendar days from the date of issuance to the family. No days, such as weekends or holidays, are excluded in counting 90 days. If the 90th day falls on a non-working day, then the family may conduct pertinent business on the next working day.

21.1 Housing Choice Voucher Extensions and Expirations

- KHC will comply with all requirements outlined in PIH Notice 2005-5 to comply with the Olmstead decision, as well as being flexible in establishing reasonable initial search terms and subsequent extensions for families with a **disabled or elderly person**. Refer to Appendix E, Mainstream Operating Plan, for further guidance. Extension requests must be submitted by the family in writing to KHC prior to the expiration date. Extension approvals are provided in

writing.

- If a family allows their HCV to expire, their offer of rental assistance will be terminated. The family may reapply for rental assistance if the waiting list is open.
- If a family submits a completed Request for Tenancy Approval and other related documents, the term of the voucher is suspended starting when the Request for Tenancy Approval is submitted to KHC until KHC notifies the family in writing whether the assisted tenancy has been approved or denied. This provision applies to all families who are leasing a unit (not just to families under portability). Suspension applies even if a family that submits a Request for Tenancy Approval decides to cancel such request. In such cases, the suspension ends when KHC learns of the cancellation.
- Families using portability out of KHC's jurisdiction will be issued a voucher for a 60-day time frame. Under portability procedures, the above requirement to suspend the term of the voucher for the duration of the Request for Tenancy Approval will apply only if KHC is the receiving PHA.

21.2 Housing Choice Voucher Recalls

To ensure that housing assistance payments costs do not exceed the HUD-approved budget authority, issued vouchers may be recalled if leasing documents have not been received and approved by KHC. Applicants will be returned to the waiting list using their original application date. Vouchers will again be offered at such time that it has been determined by KHC that funding is available.

21.3 Statement of Family Responsibility Issuance

KHC will issue the Statement of Family Responsibility (SFR). The SFR will be issued and dated at the time of the briefing. Signing an SFR constitutes the applicant's acceptance of the program and project-based unit. If the applicant fails to move into the project-based/moderate rehabilitation unit within 60 days of the SFR issuance, the SFR becomes void and assistance will be denied. The family may reapply for rental assistance if the waiting list is open.

22.0 Request for Tenancy Approval

The Request for Tenancy Approval (RTA) and a copy of the proposed leasing documents must be submitted by the family during the term of the voucher. The family must submit the RTA in the form and manner required by KHC.

The RTA must be signed by both the owner and voucher holder.

*** KHC will not permit the family to submit more than one RTA at a time.**

Upon KHC's receipt of a completed Request for Tenancy Approval and other related documents, time remaining on the voucher will be suspended. The suspension ends when the family is notified in writing of the approval or denial of the tenancy.

KHC will review the proposed leasing documents and the RTA to determine whether they are

approvable. The request will be approved if:

- The unit is an eligible type of housing.
- The unit meets HUD's Housing Quality Standards (and any additional criteria as identified in this Administrative Plan). The HQS inspection will be scheduled within 15 days or a reasonable timeframe of receiving a completed Request for Tenancy Approval and all leasing documents. If the unit does not pass inspection, the family must look for another unit or assure the repairs are made and request a re-inspection on or before expiration of the HCV.
- The rent is reasonable.
- The proposed lease complies with HUD and KHC's requirements.
- The owner is approvable and at the time a family initially receives assistance (new admissions and moves), the family share of rent may not exceed 40 percent of the family monthly-adjusted income.
- If tenancy is approved and the unit passes inspection, the family must begin moving in immediately. Assistance begins the latter of the date the unit passes inspection or the effective date of the lease (the date the family moves into the unit). The family may not change their mind and look for another unit. **If a family fails to move in within 15 days after the unit has passed inspection, the family may be terminated from assistance for failure to occupy a unit.**

22.1 Disapproval of RTA

If KHC determines that the request cannot be approved for any reason, the landlord and the family will be notified in writing. KHC will instruct the owner and family of the steps that are necessary to approve the request.

When, for any reason, an RTA is not approved, and the HCV has not expired, KHC will furnish another RTA form to the family along with the notice of disapproval so that the family can continue to search for eligible housing.

22.2 Prohibited Landlord Participation

Landlords will be prohibited from program participation for the following events:

- Sex Offender – If the landlord or a partnering entity is subject to registration requirements under a state sex offender registration program. The prohibition period will remain in effect as long as the offender is a required registrant. A landlord may also be prohibited from program participation if they employ a sex offender registrant.
- Repeated HAP contract violations.
- HAP contract violations involving violent criminal or drug activity will result in the landlord being subject to prohibited participation for a period of three years from the date of the arrest.
- Conviction of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing.
- Owes money to KHC.

In the event of discovery of activities listed above for a current participating landlord, KHC **may** enforce "limited landlord participation." Limited landlord participation may be imposed if requiring the tenant to

transfer from the landlord's unit will be a hardship to the household. Limited landlord participation will allow the family to remain in the unit with continued housing assistance but will prohibit new tenancy.

Landlords are also subject to KHC's Suspension and Debarment Policy. The Policy may be reviewed on KHC's website at <http://www.kyhousing.org/Pages/Legal.aspx>.

22.3 Relative Rule

Effective May 18, 1998, if the owner/landlord is a parent, child, grandparent, grandchild, sister or brother of any member of the participant family, KHC must not approve the unit. However, if KHC determines that approval of the unit would provide reasonable accommodation for a family member who is a disabled person, the unit may be approved. **The *Federal Register* published on October 13, 2005, prohibits giving an exception to the Relative Rule as a reasonable accommodation for project-based participants.**

The relative rule applies to new admissions and moves on or after May 17, 1998. Any assisted lease in effect prior to this date is exempt.

23.0 Eligible Types of Housing

KHC will approve housing structures that meet Housing Quality Standards in the HCV Program.

23.1 Manufactured Homes

KHC will permit a family to lease a manufactured home and space with assistance under the program. KHC will provide assistance for a family that owns the manufactured home and leases only the space.

Housing Quality Standards

A manufactured home must meet all the HQS requirements. In addition, the manufactured home also must meet the following requirements:

- A manufactured home must be placed on the site in a stable manner and must be free from hazards such as sliding or wind damage.
- A manufactured home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist wind overturning and sliding.

Manufactured Home Space Rental

KHC will provide rental assistance to a family that owns its own manufactured home and leases only the manufactured home space pursuant to 24 CFR §982.622.

Reasonable Rent

During the assisted tenancy, the rent to owner for the manufactured home space may not exceed a reasonable rent as determined by KHC.

KHC will not approve a lease for a manufactured home space until KHC has determined that the initial rent to owner for the space is a reasonable rent. At least annually during the assisted tenancy, KHC will

redetermine that the rent is reasonable.

KHC will determine whether the rent to owner for a manufactured home space is a reasonable rent in comparison to rents for other comparable manufactured home spaces. KHC will consider the size and location of the space and any services and maintenance provided by the owner in accordance with the lease.

By accepting each monthly housing assistance payment from KHC, the owner of the manufactured home space certifies that the rent to owner for the space is not more than rent charged by the owner for unassisted rental of comparable spaces in the same manufactured home park or elsewhere. If requested by KHC, the owner must provide KHC information on rents for other manufactured home space.

HAP for the Voucher Tenancy

The payment standard amount used for a unit assisted under the manufactured home space rental special housing type is the same payment standard amount used for regular rental units under KHC's HCV program.

Housing Assistance Payment Calculation for the Voucher Program

During the term of a voucher tenancy, the amount of the monthly housing assistance payment for a family will equal the lesser of:

- The payment standard minus the total tenant payment; or
- The rent of the manufactured home space (including other eligible housing expenses) minus the total tenant payment.

The rent of the manufactured home space is the sum of the following as determined by KHC:

- Rent charged for the manufactured home space;
- Owner maintenance and management charges for the space the owner must provide under the lease;
- Monthly payments made by the family to amortize the cost of purchasing the manufactured home, including any required insurance and property taxes; and
- Utility allowance for family paid utilities.

Utility Allowance Schedule for Manufactured Home Space Rental

KHC will establish utility allowances for manufactured home space rental. For the first 12 months of the initial lease term only, the allowances will include a reasonable amount for utility hook-up charges payable by the family, if the family incurs the expenses because of a move.

Allowances for utility hook-up charges do not apply to a family that leases a manufactured home space in place.

Utility allowances for manufactured home space will not be applied to cover the costs of digging a well or installation of a septic system.

Zero Housing Assistance Payments

If the housing assistance payment equals zero for an initial or transfer lease up, a HAP contract will not

be executed.

23.2 Group Homes/Assisted Living

A group home must be licensed, certified or otherwise approved in writing by the state, or the state's licensing department.

An elderly person or a person with disabilities may reside in a State-approved group home. If approved by KHC, a live-in aide may reside with a person with disabilities.

KHC must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities. Except for a live-in aide, all residents of a group home must be elderly persons or persons with disabilities.

KHC will not approve assistance for a person to live in a group home if file documentation indicates that the person needs continual medical or nursing care.

No more than 12 persons may reside in a group home. This limit covers all persons who reside in the unit, including assisted and unassisted residents and any live-in aide.

Group Home Lease and HAP Contract

There will be a separate HAP contract and lease for each assisted person living in a group home. For a group home the term "pro-rata portion" means that which is derived by dividing the number of persons in the assisted household by the total number of residents (assisted and unassisted) residing in the group home. The number of persons in the assisted household equals one assisted person plus any PHA-approved live-in aide.

Group Home Rent and HAP Contract

The rent to owner for an assisted person may not exceed the pro-rata portion of the reasonable rent for the group home.

The reasonable rent for a group home is determined in accordance with 982.503. In determining reasonable rent, KHC will consider whether sanitary facilities and facilities for food preparation and service are common facilities or private.

Maximum Subsidy

Unless there is a live-in aide, the family unit size is one bedroom. If there is a live-in aide, the live-in aide will be counted in determining the family unit size.

The payment standard for a person who resides in a group home is the lower of the payment standard for the family unit size or the gross rent for the unit.

Utility Allowance

The utility allowance for each assisted person residing in a group home is the pro-rata portion of the utility allowance for the group home unit size.

Housing Quality Standards

KHC will ensure that all group home units approved for the program are in compliance with all of the Housing Quality Standards for group homes as regulated in 24 CFR 982.614.

24.0 Leasing Documents

The tenant and the owner must enter a written lease for the unit and the lease must be executed by the owner and tenant. If the owner uses a standard lease form for unassisted tenancies on the premises, the lease for the assisted tenancy must be the same standard form.

Other related leasing documents are listed below and must be fully completed and executed before housing assistance payments can begin.

- HUD Tenancy Addendum
- Housing Assistance Contract (HUD Contract)
- Request for Tenancy Approval/Intent to Lease
- W-9 Form
- Lead-Based Paint Form

25.0 Tenant Screening

Tenant screening is an owner responsibility. However, KHC will provide to prospective owner's information concerning a participant's current/previous address/owner.

26.0 Review of Owner's Lease

KHC will not be responsible for thoroughly reviewing each owner's lease for legally acceptable content. The HUD tenancy addendum is required for this issue. However, should an item come to our attention, we will require the owner to strike it from their lease.

27.0 Annual Recertification

At least once each year or as required by KHC, a reexamination of family income and composition will be conducted. A letter will go out approximately 120 days in advance of the annual date notifying families to begin the recertification process. Families will be provided with a 30-day notice of any increase in their rent portion.

27.1 Moves

The following guidelines apply when a family wishes to move to a new unit:

- The family must always notify KHC, in writing via a lease cancellation notice, before moving or they will forfeit/waive rental assistance. The family must comply with lease requirements or obtain permission from owner. The family is prohibited from more than one move (both within and outside KHC's jurisdiction) during any twelve-month period. Moving prior to notifying KHC to avoid physical violence would be an extenuating circumstance, which may prevent termination of assistance. Serious medical conditions, obtaining employment or attending

school, owner eviction through no fault of the tenant or flight from domestic violence would also be an exception. Families issued a transfer voucher due to domestic violence will be required to sign a Domestic Violence Lease Addendum stating that they will not permit the perpetrator to reside in the unit if he/she is receiving rental assistance under the HCV Program. If the perpetrator moves into the unit, KHC will terminate the family's housing assistance.

- Upon issuance of a transfer HCV or Statement of Family Responsibility, the family may receive additional program information. Once a transfer voucher has been issued and signed by the family, KHC may extend the lease cancellation date in cases where adhering to the effective date results in a hardship for a disabled or elderly family. If the family remains in the rental unit past the lease cancellation date, the family will be responsible for the full amount of rent to the owner. Under extenuating circumstances, extensions to lease cancellations previously signed by the tenant and owner may be approved by a member of management.
- Under the Moderate Rehabilitation/Project-Based Voucher Programs, the assistance is not transferrable. If a change in family composition occurs and there is not a suitable size contract unit available, then a voucher may be issued for transfer if available. Families evicted for cause will not be issued a voucher.
- Pursuant to 24 CFR, Part 983.260, once a project-based voucher holder has participated in the Project-Based Voucher Program for one year, they may request a HCV for transfer. In addition to continued project-based voucher assistance for one year, a Recovery Kentucky participant must also document successful completion of the recovery program. Issuance of the HCV is dependent on the participant's continued eligibility as well as HCV availability.
- All families requesting to transfer within KHC's jurisdiction must be current on any applicable repayment agreements.

27.2 Closing of Files/Purging Inactive Files

KHC will purge inactive files after they have been closed for a period of three years, except for troubled cases, or cases involving a household member containing a minor with a reported elevated blood-lead level.

During the term of each assisted lease and for three years thereafter, KHC will keep the lease, HAP Contract and the application from the family. In addition, KHC must keep for at least three years the following records:

- Records with racial, ethnic, gender and disability status data for applicants and participants.
- The application from each ineligible family and the notice that the applicant is ineligible.
- HUD required reports and other HUD required files.
- Lead based paint inspection reports as required.
- Unit inspection reports.
- Financial statements and other records supporting KHC.
- Other records as specified by HUD.

KHC shall retain all data for current participants for audit purposes. No information shall be removed which may affect an accurate audit.

28 Housing Quality Standards

- For HQS violations by owners, the housing assistance payments are abated. For HQS violations by the family, termination of assistance occurs.
- All units must pass HQS prior to commencement of housing assistance payments.
- No more than four HQS inspections will be performed on the same unit. The family will be required to look for another unit if violations are found after four inspections.
- The inspection will assure compliance with HQS as established by HUD.
- Generally, inspections will be conducted within ten business days of receipt of a completed Request for Inspection form for initial inspections and unit transfers.
- Please refer to Section 21.1 for inspection guidelines relating to expired HCVs.
- An inspection will be scheduled within 24 months of initial inspection and will be performed in each succeeding 24-month period.
- KHC inspectors will use electronic devices or HUD inspection form and KHC inspection summary when conducting an inspection.
- Inspections should be attended by the head of household or owner or their designee (designee must be 18 years or older).

Under no circumstances will the inspector conduct an inspection on an empty or occupied unit unless the head of household, owner or designee is present at the unit during the inspection.

- Each unit must have a permanent heat source that provides adequate heat to each room used for living or sleeping. During the period of October to May, the heat source must be capable of maintaining a minimum temperature of 65 degrees within three feet of the floor and exterior walls in all living/sleeping rooms.
- A landlord may not reside in the same building structure as a unit being occupied by a participating family (i.e., participating family lives in the main area of the building while the landlord occupies the finished basement or garage area even if there is a separate entrance).

If the landlord lives in the same building structure or on the same property location as the participating family, the unit must be a separate structure or unit from the participating family's unit (i.e., a separate apartment in a multi-complex unit, a house or mobile home, etc.).

28.1 Abatement Policy

Abatement is the cessation of HAP when an owner has failed to make HQS repairs within the time frame

allotted, i.e., 30 days or 24 hours.

KHC will abate HAP on the first of the month following the re-inspection date. In the event a new owner change is being processed for a unit that is nearing abatement or already under abatement, an exception to the abatement policy may be granted by giving the new owner a proactive owner extension. This exception must be granted by the department managing director or manager, compliance inspections. The decision will be based on whether the previous HQS summary (notice of needed repairs) was mailed to the prior owner and the timeframe between the second HQS summary, as well as the effective date of the abatement. If ample repair time allows, a copy of the latest HQS summary will simply be mailed to the new owner.

Example: The unit failed re-inspection on August 5th and the abatement is not effective until September 1st. The new owner will be alerted of the upcoming abatement by a copy of the most recent HQS summary that was mailed to the previous owner. However, should the re-inspection fail on August 27th with the abatement effective date of September 1st, the new owner would not have ample time to address any required repairs. A proactive owner extension would be given extending the effective date of the abatement.

- When HQS violations occur regarding the property exterior, common areas or bed bugs in a **project-based voucher, project-based certificate or moderate rehabilitation property**, housing assistance payments for all units under contract will be abated when violations are not addressed in a timely manner.

In case of damage from natural disaster and unit is determined uninhabitable, KHC will stop HAP at the end of month following the disaster.

28.2 Application of HQS After Initial Lease Up

For health and/or safety violations noted below, only 24 hours will be given to make repairs.

- No water
- No heat (in cold weather)
- No electricity
- Life threatening problems

A re-inspection will be made within 24 hours (2 business days) and if the problem is not corrected, the subsidy will be abated, and the family may be required to relocate.

If utilities are disconnected, the inspector will request the tenant/owner to submit documentation from the utility provider verifying the utilities have been reconnected. For tenant violations, the documentation will be requested from the tenant. For owner violations, the documentation will be requested from the owner. The tenant/owner will have 24 hours (2 business days) to submit the documentation. If not received within the provided timeframe, the inspector will follow normal abatement/termination procedures.

- Gas may be turned off during the months of June through September without being considered an HQS violation if the gas operates the heat only. The inspector will request that the

tenant/owner submit documentation from the utility provider verifying the gas service has been reconnected. This information must be received by October 5.

28.3 Verifying HQS Deficiencies Remotely

For failed annual/biennial inspections, verification of the correction of noted deficiencies may be done by means other than a physical re-inspection. KHC may accept owner's certification, vendor receipt, photo of the repair, or tenant confirmation of completion of required repairs. The correction of previous self-certified required repairs must be verified at the next physical inspection. Should it be confirmed upon physical inspection that the required repairs were not previously corrected as certified, the owner forfeits the option of any future self-certification on all KHC assisted units.

This does not apply to initial inspections or any inspection conducted at project-based units. All failed initial and project-based inspections require a physical re-inspection.

28.4 HQS Waivers and Extensions

KHC may grant a winter waiver for exterior repairs required for failed annual inspections during the months of November through May 31 where the only HQS violation is exterior repairs. This waiver would be granted only for exterior repairs that cannot be made during these months due to weather conditions. Any deviation from this time frame must be approved by management on a case-by-case basis.

- KHC may grant a winter waiver for non-working air conditioning repairs for annual inspections conducted during the months of November through May. A follow-up inspection will be scheduled to confirm repairs have been made. Any deviation from this time frame must be approved by management on a case-by-case basis.
- Proactive Owner Extensions: May be granted when an owner exceeds the requested timeframe for repairs and has completed more than 75 percent of the repairs. An extension may also be granted if materials are not available and the owner is able to provide written documentation of the unavailability. Written documentation must be provided in forms such as invoices, order forms or bids to verify efforts being made to obtain the required material(s). A 30-day extension may be granted in these instances.

Proactive owner extensions will also be considered when the sale of the property results in the new owner not receiving notice of the needed owner repairs or if the new owner does not have ample time to complete the repairs. Approval of extensions for this scenario must be determined by the KHC manager of HQS compliance inspections.

28.5 Quality Control Inspections

Quality control inspections will be performed by the supervisory or other designated KHC staff. Other quality control inspections may be performed by HUD staff. KHC strives to exceed the minimum number of quality control inspections. Quality control inspections will focus on HQS noncompliance

not a complete general inspection. A review of the corresponding inspection paperwork and time frames will also be completed as part of the quality control inspection. Quality control inspection documents will be maintained in a filing system separate from family records.

28.6 Move-out inspections

Performed under moderate rehabilitation and Project-Based HAP contracts only. Project-Based HAP contracts executed after January 16, 2001, are excluded.

- A move-out inspection will be conducted when an owner intends to file a claim for damages against the family in excess of the amount of the security deposit received or amount, which could have been received. Owners must request a move-out inspection within five business days of the family moving or within five business days from when the owner should have reasonably known of the move-out (30 days maximum). Families and owners are required to conduct informal move-in inspections and are encouraged to conduct informal move-out inspections. The informal family/owner move-out inspection is for the protection of both parties. KHC will not provide a hearing if a family disagrees with payment of a claim to an owner. A move-out inspection will be performed, and the family/owner inspection form will be used in determination of a claim. If the family/owner fails to conduct the move-out inspection, KHC will make a determination on a claim with previous inspections and move-out inspection information available.
- Under the HCV contracts, move-out inspections will not be conducted, and claims will not be paid. Owners may keep the HAP payment for the month in which the family moved.

28.7 Tenant HQS Violations

KHC will follow the same guidelines as noted above for tenant-caused HQS violations. However, for tenant-caused violations, termination of assistance will occur if not corrected as required. KHC will provide a 30-day notice of termination of assistance and an opportunity for an informal hearing. If the family complies prior to the date of termination of assistance, then the family will be reinstated. The family is responsible for HQS violations caused by:

1. Failure to pay for tenant-supplied utilities.
2. Failure to supply/maintain tenant-supplied appliances.
3. Damage caused by family/guest to the unit.

The family may not simply move from the unit to avoid the HQS violation once a termination of assistance letter has been mailed. If the family was no longer residing in the unit with the HQS violation, termination of assistance would still occur.

Note: There are no HQS tenant violations in the Moderate Rehabilitation Program. Owners are responsible for all repairs.

28.8 Bed Bug Policy/Process

When Bed Bugs are Reported:

1. Within five days of the report, KHC will notify the tenant and landlord that the unit has failed a complaint inspection based on reports of bed bugs in the unit.
2. If an infestation is identified, the unit will be treated for bedbugs. Owner will be responsible for the cost of treatment unless the lease on file specifies that the tenant is responsible for pest control. Treatment may involve multiple visits.
3. KHC must receive written documentation by a licensed pest control company that all bed bugs have been exterminated and unit is cleared from any hazard of bed bugs. This documentation must be received prior to the re-inspection date. An owner may conduct or have staff conduct treatment in lieu of utilizing a pest control company only in situation when the owner can provide documentation verifying those individuals completing treatment are licensed to do so.
4. Lease termination will be processed if adequate documentation is not received timely. A proactive owner extension may be granted if documentation is received from a licensed pest control company stating that the extermination is taking place, but additional treatments are required. Units that are not treated and cleared of the bed bug infestation will be added to the non-compliant unit list.

When Bed Bugs are Discovered after Entering a Unit:

1. Before entering each unit, an inquiry will be made by KHC staff as to whether there have been any issues with bed bugs. If KHC staff members are already in a unit and the family reports there are bed bugs or live bed bugs are evident, KHC staff will immediately explain to the family that KHC does not allow inspectors to enter units with a known bed bug infestation and exit the unit. After exiting the unit, KHC staff will explain the bed bug policy to the family and try to determine the cause of the infestation.
2. The policy listed above under “When Bed Bugs are Reported” will be followed.
3. Once confirmation that the bed bugs have been eliminated is received from a licensed pest control company, the inspection will be rescheduled.

Project-Based Vouchers, Project-Based Certificate and Moderate Rehabilitation Properties

When a bed bug infestation is reported in a unit(s) under contract with the Project-Based Voucher, Project-Based Certificate or Moderate Rehabilitation Program, all units under contract must be inspected by a licensed pest control company and certified to be clear of the infestation.

In addition to professional extermination, there are several practices the tenant can follow to reduce the risk of re-infestation:

- Reduce clutter in the unit.
- Wash all infested clothing, bedding, etc., in hot water and soap in a washing machine and dry on high heat.
- Monitor all furniture that is brought into the unit.
- Steam clean mattresses, furniture, etc.
- Purchase encasements for all mattresses and box springs.

The tenant should report any suspected infestations immediately to the landlord.

29.0 Requirements above HQS

- Smoke detectors are required in the “immediate vicinity” of each sleeping area and one on each level of the unit. (KHC defines “immediate vicinity” as a distance no greater than eight feet.)
- When a unit has any fuel-fired appliances (furnace, water heater, stove, etc.) or an attached garage with an entry way to the unit, a carbon monoxide (CO) detector will be required. When required, CO detectors should be placed in the immediate vicinity of each bedroom. Failing to have properly located and working detectors will be a 24-hour violation and the responsibility of the owner to remedy. Double-keyed deadbolt locks are prohibited. Any door with such a lock cannot be counted as a fire/alternative means of egress for HQS purposes and therefore will not be acceptable.
- Burglar bars on windows used as a fire egress are acceptable when equipped with a “quick release” handle, thereby not blocking the alternative means of exit. Burglar bars without the “quick release” handle cannot be used on windows used as a fire egress. Any form of burglar bar is acceptable on windows not used as a fire egress.
- Clearance examinations for lead paint inspections must be performed by persons/companies on the EPA Kentucky Environmental Lead Program listing of certified lead detection and abatement companies. Management approval for a person/company not on the EPA list may be granted on case-by-case basis, if proper certification is provided and verified.
- The unit address must be clearly visible from the street or sidewalk.

29.1 Lead-Based Paint Regulations

Effective January 13, 2017, HUD updated its lead-based paint regulations to conform with the most recent guidance from the Centers for Disease Control and Prevention and established more comprehensive testing and evaluation procedures for housing built before 1978 where children under age 6 reside. KHC will comply with all federal requirements related to reducing lead-based paint hazards as set forth in 24 C.F.R. Part 35, Subpart M and all other applicable federal regulations.

30.0 Security Deposits

The amount of the security deposits is set by the owner. However, it shall be comparable to (and not exceed) amounts paid by unassisted families renting from the owner. If the owner has no other tenants, it should not exceed local practice.

30.1 Minimum Rent

PHA’s have the discretion to establish a "minimum rent" from \$0 up to \$50. Minimum rent refers to the total tenant payment and includes the combined amount a family pays towards rent and/or utilities when it is applied.

The minimum tenant rent established by KHC is \$25, except when federal regulations provide otherwise.

Hardship Requests for an Exception to Minimum Rent

KHC recognizes that in some circumstances even the minimum rent may create a financial hardship for families. KHC will review all relevant circumstances brought to KHC's attention regarding financial hardship as it applies to the minimum rent. The following section states KHC's procedures and policies regarding minimum rent financial hardship as set forth by the Quality Housing and Work Responsibility Act of 1998. HUD has defined circumstances under which a hardship could be claimed.

Criteria for Hardship Exception

For a family to qualify for a hardship exception, the family's circumstances must fall under one of the following HUD hardship criteria:

- The family has lost eligibility or is awaiting an eligibility determination for federal, state or local assistance program, including a family having a noncitizen household member lawfully admitted for permanent residence and who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996;
- The family would be evicted because of the imposition of the minimum rent requirement;
- The income of the family has decreased because of changed circumstances, including:
 - Loss of employment
 - Death in the family
 - Other circumstances as determined by KHC or HUD
- The family is applying their voucher to subsidize the rental expense of residing in a recovery center funded under KHC's Project-Based Voucher Program.

If the family requests a hardship exception, KHC will suspend the minimum rent charge and adjust the HAP to be effective the first day of the month following the change in the family's circumstances. KHC will request documentation of the hardship and will determine promptly if the hardship is temporary or long term.

If the hardship is determined to be temporary, the minimum rent is suspended for a period of 90 days from the date of the family's request. At the end of the 90-day period, the minimum rent is reinstated retroactively to the date of suspension. KHC will execute a reasonable repayment agreement to cover the minimum rent charges accumulated during the suspension period. If the hardship is determined to be long-term (a period greater than 90 days), the minimum rent exemption is indefinite until such time that the family's income increases. A repayment agreement will not be executed in case of a long-term hardship. Hardship determinations are subject to the informal hearing process.

KHC Notification to Families of Right to Hardship Exception

KHC will notify all families of their right to request a minimum rent hardship exception during the briefing session.

KHC will review all family requests for exception from the minimum rent due to financial hardships.

All requests for minimum rent hardship exceptions are required to be in writing.

KHC will use its standard verification procedures to verify circumstances that have resulted in financial hardship.

All approvals to waive the minimum total tenant payment must be approved on a case-by-case basis.

Suspension of Minimum Rent

If KHC determines that there is a qualifying hardship, KHC must exempt the family from the minimum rent requirements.

30.2 Earned Income Disallowance for Persons with Disabilities

This disallowance applies to participants in the HCV Program – it does not apply for purposes of admission to the program.

A “qualified family” is a family receiving HCV assistance whose annual income increases due to one of the following reasons:

1. Employment of a family member who is a person with disabilities AND was previously unemployed for one or more years prior to employment.
NOTE: HUD’s definition of “previously unemployed” includes a person who has earned, in the 12 months prior to employment, not more than would have been earned at the established minimum wage working 10 hours per week for 50 weeks.
2. Increased earnings by a family member who is a person with disabilities AND is a participant in any economic self-sufficiency or job-training program.
3. New employment or increased earnings by a family member who is a person with disabilities AND, within the past six months, has received assistance, benefits or services under any state program for temporary assistance (TANF, Welfare-to-Work).
 - Not limited to cash assistance
 - Includes one-time payments, wage subsidies, transportation assistance
 - Total amount over a six-month period must be at least \$500

Effective May 9, 2016, earned income disallowance (EID) applies for a straight 24-month period, with clear start and end dates.

Initial 12-Month Full Exclusion

Begins on the date the family member (with disabilities) is employed; or first experiences an increase in income due to employment.

Second 12-Month Exclusion

Beginning on the 13th month, full exclusion of the increase continues. The exclusion stops at the end of the 24th month.

For families enrolled and participating in EID prior to May 9, 2016, the requirements below apply.

Initial 12-Month Full Exclusion

Begins on the date the family member (with disabilities) is employed; or first experiences an increase in income due to employment.

The full amount of increase is excluded, and the exclusion extends for a total of 12 cumulative months.

Second 12-Month Exclusion and Phase-In

Begins when the family member has received 12 cumulative months of full exclusion. Fifty percent of the increase is excluded. The exclusion extends for a total of twelve cumulative months.

Lifetime Maximum Four-Year Disallowance

The initial full exclusion is applied for a maximum of 12 cumulative months. The phase-in (50 percent) exclusion is applied for a maximum of 12 cumulative months.

The family member may start and stop employment and the exclusion may start and stop during a 48-month period beginning on the date of the initial exclusion.

No exclusion may be given after the 48-month period, regardless of whether the family member has received the full exclusion for a total of 12 months or the phase-in exclusion for a total of 12 months.

31.0 Payments to Owner

The contract rent is limited only by rent reasonableness and market rents established by HUD. KHC must demonstrate that the contract rent is reasonable in comparison to rent for other comparable unassisted units.

The only other limitation on contract rent is the maximum rent standard at initial occupancy (24 CFR 982.508). At the time a family initially receives tenant-based assistance for occupancy of a dwelling unit, whether it is a new admission or a move to a different unit, the family share may not exceed 40 percent of the family's monthly-adjusted income.

During the initial term of the lease, the owner may not raise the contract rent.

31.1 Housing Assistance Payments

- Housing Assistance Payments (HAP) are made to the owner on behalf of a participating family. Effective September 1, 2015, payments made to all landlords are made via direct deposit. Payment(s) are deemed to be received by the owner upon successful submission of the Automated Clearing house electronic file to the bank. (CFR 24 §982.451(5)(ii)(B).
- If there is a change in owner or direct deposit information, this must be reported to KHC in writing. For a change in owner, a KHC HAP Assignment Agreement will be executed.
- HAP contracts may end automatically or be terminated by KHC. Once the HAP contract is terminated, no HAP payments may be made.
- A HAP contract ends automatically if:
 1. The family moves from the unit.
 2. The owner evicts the family. If the owner has started eviction proceedings and the

family continues to live in the unit, KHC will continue to pay housing assistance payments to the owner until a court judgment or other process allows the owner to evict the tenant. KHC will continue payments until the family moves or is evicted from the unit.

- HAP contracts may be terminated by KHC for the following reasons:
 1. Owner is not in compliance with the terms of the HAP contract. (Before terminating for this reason, KHC must give the owner the opportunity to take correctivesteps.)
 2. Owner has committed fraud.
 3. KHC terminates assistance to the family.
 4. Family is required to move from a unit for overcrowding or overhousing.
 5. Unit does not pass HQS.
- If KHC terminates the HAP contract, KHC must provide the owner a 30-day notice unless the family is not currently under lease or has moved without notice.

31.2 Claims

The information below relates only to the Moderate Rehabilitation and Project-Based Voucher Programs.

Moderate Rehabilitation /Project-Based Voucher

1. **Unpaid Rent/Damages— (Project-based HAP Contracts effective prior to June 2001 only. HAP Contracts executed on or after June 2001 do not have provisions for damage or unpaid rent claims.)** The HAP contract permits the owner to bill KHC for tenant damages and unpaid rent not covered by the family's security deposit. When the family vacates the unit, the owner must first apply the security deposit, plus any interest accrued, to unpaid rent and damages. If the amount of the family's security deposit exceeds the charges, the owner must return the balance of the security deposit to the family in accordance with state and/or local law. If the security deposit is insufficient to cover the charges, the owner must attempt to collect any additional monies from the family. If the family fails to reimburse the owner for unpaid rent and/or damages, the owner may claim reimbursement from KHC, which is limited to the lesser of the amount owed to the owner or two months' contract rent minus the security deposit the owner actually collected or could have collected. If after the owner receives a payment from KHC and also collects from the family, reducing KHC's portion of the payment, the owner must repay KHC.
2. **Vacancy Loss Payment— (Project-based HAP Contracts executed after November 1, 2004 are excluded from vacancy loss payments.)** The HAP contract permits the owner to bill KHC for vacancy losses when the family vacates in violation of the lease. An owner who evicts a family is also entitled to receive vacancy loss payments if the owner complies with the termination provisions of the HAP contract and state and local laws. When the family vacates, the owner may keep housing assistance payments received for the month in which the family vacates and bill KHC for 80 percent of the contract rent for a vacancy period not to exceed one additional month. This is assuming the unit is not re-rented. If the family vacates in accordance with the lease and gives proper notice, no vacancy loss claim can be made. To be eligible for a vacancy loss payment, the owner must: immediately notify KHC of the vacancy; take all feasible actions to fill the vacancy (i.e., advertise the vacancy, request KHC to refer eligible applicants); not reject

eligible applicants except for good cause; and not be eligible for payments for the vacated unit from some other source (i.e., family's security deposit, insurance).

Guidelines for Claims and Determining Normal Wear and Tear

No reimbursement may be claimed from KHC for unpaid rent after the family moved from the unit.

Where an owner makes their own repairs, no more than \$12 per hour in labor costs will be allowed. A claims worksheet will be completed by KHC staff in determining amounts to reimburse owners. Under new HAP contracts, no claims will be paid for HCVs.

Reimbursement amounts will be prorated based upon the approximate age/cost of the item according to the following chart:

ITEM	SENIOR UNITS	FAMILY UNITS	CLEANING COSTS	WORKING TIME	MAXIMUM MATERIAL COSTS
Window Shades	3 years	3 years			\$5
Mini-Blinds	5 years	5 years			\$10 each
Refrigerators	7 years	7 years	\$10		
Stoves/Ovens	10 years	7 years	\$15		
Floor Covering (sheet vinyl)	7 years	7 years			
Asphalt Tile Squares	5 years	5 years			
Carpeting	7 years	5 years	1-BR \$100 2-BR \$120 3-BR \$150		
Painting Walls	5 years	3 years		1-1 1/2 hr. per room	Flat gal. \$8-\$20 Latex gal. \$13-\$30
Keys					Unreturned \$2, Locks changed \$25
Globes					\$10
Door Stops					\$2
Light Bulbs					\$1.50
Stove Rings					\$2.25
Stove Drip Pan					\$4

If an owner continues to accept housing assistance payments for more than a month after a family has moved and makes no effort to inform KHC, the following will occur:

1. HAP must be returned from the date it was adequately determined that the family moved. A good indication of this date would be when the utilities were disconnected, if the family paid for the utilities, or similar information.
2. No damages/unpaid rent claims will be accepted since the owner has failed to request a move-out inspection or unpaid rent claim timely.
3. A letter will be mailed to the owner indicating the amount to be recouped, denying any claims and indicating that such action could be viewed as fraud and could result in being barred from participation in the program after more than one instance. KHC believes that any owner should reasonably be aware that a family has moved out within 30 days of the occurrence. KHC will take necessary action to recoup payments from owners.

32.0 Rent Adjustments

32.1 Housing Choice Voucher Program

Under the HCV Program, the contract rent to the owner is a matter of negotiation between the owner and the family. The rent may not be increased during the first year of the lease. The owner may request a rent adjustment annually after the first anniversary of the lease. The owner must give the family and KHC 60 days' written advance notice of the requested increase. The written notice must be signed by both the owner and family.

Adjustments in rent for any unit must not result in material differences between the rents charged for assisted and comparable unassisted units. If the unit does not meet rent reasonableness tests, the unit is ineligible for a rent adjustment.

Rent increase requests for USDA Rural Development properties will be processed upon receipt. The effective date of the rent increase will reflect HUD's approval date.

Payment Standards (Housing Choice Vouchers Only)

The payment standard (PS) is an amount used to calculate the monthly housing assistance payment for HCVs.

Each PS amount is based on the published fair market rents. KHC must establish a separate payment standard amount by unit size (single room occupancy, zero-bedroom, one-bedroom, etc.) for each fair market rent area within its jurisdiction. The PS will be reviewed annually and revised accordingly. KHC will set its PSs between 90 to 110 percent of the FMR. PSs will be adjusted as needed.

Fair market rents (FMRs) are published in the *Federal Register*, and if a change to the fair market rent causes KHC's PS to be pushed to higher than 110 percent or lower than 90 percent of FMR, KHC will adjust its PS within 3 months of the publication of the new FMR. For families, a change in the PS will have the following effects:

- For recertifications that occur prior to the effective date of the new PS, the old PS will be used.
- For recertifications that occur after the effective date of the new PS, the new PS will be used.

- For new vouchers, the PS used will depend on the effective date of the HAP contract. If the effective date of the HAP contract is before the effective date of the new PS, the old PS will apply. If the effective date of the HAP contract is on or after the effective date of the new PS, the new PS will apply.

In some areas, a higher percentage PS has been approved as a reasonable accommodation for a family that includes a person with disabilities. Increases exceeding 120 percent of the FMR require HUD approval.

33.0 Rent Reasonableness

HUD requires PHAs to have a written method to determine and document that rent being charged by an owner is reasonable based on current rents for comparable unassisted units. Rent reasonableness determinations are mandated in the following instances: at initial lease-up; before an increase in the rent to the owner; and if there is a five percent decrease in the published FMR in effect 60 days before the HAP contract anniversary date.

KHC staff will maintain records which include comparable data on unassisted units in the market. This data will be used by staff in making their rent reasonableness determinations.

Records must take into account the following nine factors:

1. Location
2. Age of unit
3. Size
4. Amenities
5. Type
6. Housing services
7. Quality
8. Maintenance
9. Utilities provided by the owner

The primary staff person responsible to assure compliance with rent reasonableness policies is the rental market specialist. Aside from the information noted here, forms and other supporting material are available in the family files.

General Guidelines

- Rent will be determined reasonable if the rent amount is within the greater of \$5 or 1 percent of available rent comparables.
- Comparables that have expired within the last 15 days will be considered valid rent comparables.
- Assisted units cannot be used as comparables.
- Gather data -- This can be done by conducting telephone interviews, utilizing newspaper advertisements, obtaining the missing information by telephone, reviewing or conducting market surveys, contacting current owners for other owner referrals and other unit data,

conducting site visits, contacting real estate agents, viewing posted vacancy signs, following up by telephone and using tax roll reports from local county PVA office.

- When an assisted unit is vacated, that unit can then be added to the rent reasonableness database if re-rented by an **unassisted** family.
- All rent comparable units are entered into Yardi. Reports can be generated for each bedroom size. The units are entered by bedroom size and structure type: single-family, duplex, townhouse/row house, manufactured homes, low-rise apartments and high rise/elevator apartments.
- Each rent comparable unit is numbered for easy reference. All rent comparables will have an eight-digit code assigned for ease in identification. The first three digits will be the county code number. The fourth digit will be a letter signifying the structure type: A-low rise apartment, D-duplex, H-single family home, E-elevator/high rise apartment, M-manufactured home, T-townhouse/row house. The fifth digit identifies the bedroom size, and the last three digits will be the individual comparable number.
- The rental information will be updated annually.
- When rent increases are requested, the same references can be used unless there has been a significant change in the unit. In this case, a new comparable will be identified and used.
- Two comparables must be submitted for each rent increase requested and approved. Where KHC staff do not have data to support the reasonableness of rent requested by an owner, the following options are available:
 - The owner must provide information on at least two comparable unassisted units owned by other parties. Units must be viewed by staff to assure comparableness and added to rent reasonableness database; or
 - The rent can be lowered to what is reasonable based on KHC data; or
 - The unit becomes ineligible for the program.

For larger bedroom size units where there is an inadequate supply of comparables, smaller size units may be used with reasonable adjustments for size differences.

Reasonable accommodations may be approved on a case-by-case basis for persons with disabilities. This may include obtaining approval from HUD for exception rents and providing documentation of such in the family file.

34.0 Utility Allowances

Annually, KHC shall determine whether there has been a 10 percent change in utility rates or other applicable charges and whether an adjustment is required in the utility schedules. If KHC determines that an adjustment should be made, KHC will establish a schedule of adjustments taking into consideration size and type of units and other pertinent factors. KHC shall furnish HUD with a copy of the adjusted schedule.

The lease must specify what utilities/appliances are to be provided or paid by the owner or the tenant. Utility/appliance responsibility may not be changed in the first year of the lease.

Processing Lease Ups during Transition of Updated Utility Allowances

In the event that a lease up is being processed for a unit that was determined eligible using the utility allowance schedule that was in effect at the time of determination, but the actual lease up is processed following implementation of an updated schedule, the following policy will apply: if by using the updated schedule the unit would become ineligible, the schedule used for the initial unit eligibility test will apply. The file will be documented explaining the use of the previous utility allowance schedule.

35.0 Interim Changes

35.1 Interims Prior to Lease Up

Changes in family income and composition that occur during the period between issuance of a voucher and lease-up may affect the family's eligibility, share of the rental payment, or unit size.

When a family has an income or household composition change after being issued a HCV or Statement of Family Responsibility but prior to lease up, an interim redetermination **will be processed**. The family will be notified of any change in estimated subsidy, total tenant payment (TTP), or change in family unit size provided accurate information for lease-up purposes has been reported by the family.

35.2 Interims after Lease Up

Rents set by KHC at initial or annual recertifications will remain in effect unless changes in family circumstances occur. Program participants must report within 10 calendar days changes outlined below:

- Change in family composition, increased or decreased. Additions include additions due to birth, adoption and court-awarded custody. The family must obtain landlord approval prior to all other additions to the household. If a new member is added, family income must include any income of the new family member. KHC will conduct a reexamination to determine such additional income and will make the appropriate adjustments in the housing assistance payment and family unit size. A repayment contract will be executed should the family fail to report an increase in income due to household composition change. The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified as required by 24 CFR 982.516. If this change in household composition results in an increase or decrease in any income, this will be processed.
- Any new source of income, benefits or assets including lump sum settlements resulting in an increase in income. Increases in same source income will not be processed as an interim (except FSS families who may report all income increases).

Per HUD regulations, deferred payments for SSI and SS that are received in a lump sum or prospective monthly amounts are excluded from annual income.

- If there are multiple changes reported, the interim will be processed regardless of whether there is an increase or decrease in rent portion. Increases in same source income will be processed if other changes are being processed.

The family **may** report any decrease in income and KHC will process that change unless the decrease is expected to last for one month or less.

The effective dates of interim changes are outlined below:

- All decreases in income will be effective the first of the month following the month the decrease was reported. If the family fails to provide information concerning the decrease in a timely manner, the change will not be processed as it is not mandatory to report a decrease. The family may then report the change at a later date and begin the process again.
- All increases in rent will be made with a 30-day notice to the family, assuming the family reported change within 10 days of occurrence and provided information as required. If change was not reported within 10 days of occurrence, then the family will be required to sign a repayment agreement.

Participants will be required to pay any increases in rent resulting from changes in federal regulations.

If a change in household members increases the bedroom size but the family is not overcrowded, the family may choose whether to move or not. **The HCV payment standard can only change at annual reexamination.**

If a change in household members decreases the bedroom size, the family will be required to move, or the owner must lower the rent to accommodate the smaller size FMR (**Moderate Rehabilitation/Project-Based Vouchers only**). If the owner cannot accommodate the family with a smaller sized project-based unit or chooses not to lower the rent, the family will be issued a HCV and must transfer to a non-project-based unit.

KHC will provide the family and owner with up to a 60-day notice when requiring a move as a result of a change in household composition. Additional time may be allotted if there are extenuating circumstances. KHC will review its interim process as needed and make any applicable changes.

36.0 Market Renter

When a family's rent portion equals or exceeds the gross rent, the family is considered a market renter but may remain a program participant for six months. Within the six-month period, if the family notifies KHC that their income has been reduced to a point where the family again qualifies for assistance to be paid on its behalf, HAP will be reinstated upon verification of eligibility. If a six-month period has elapsed since HAP was paid, the family will no longer be considered program participants and will be notified by mail.

FSS participants may be granted an additional six months to remain eligible for assistance on a case-by-case basis, upon the approval of the FSS program administrator and the program managing director.

Upon expiration of the six-month grace period for project-based voucher participants, if the participant remains in the contract unit, the owner will be required to choose one of the options listed below.

1. Amend the Housing Assistance Payment Contract by removing the unit.

2. Amend the Housing Assistance Payment Contract by allowing the landlord to substitute the unit with a comparable unit in the building for occupancy by another eligible family.
3. Amend the Housing Assistance Payment Contract to inactivate the unit until such time that the family vacates the unit. The owner may then request to reactivate the unit.

KHC will only allow amendment of the Project-Based Voucher Housing Assistance Payment Contract by substituting a unit to accommodate a market-rent family. Substitutions will not be allowed upon initial lease up when a family does not qualify for the contract unit. [24 CFR §983.206]

A new HAP contract **must not** be executed if the housing assistance payment is zero.

37.0 Calculation of Income

At the time a family is approved for participation, and at annual recertification, KHC will project future income (for the subsequent 12-month period) based upon information obtained from third parties. However, if KHC determines that a particular source of income is inconsistent, such as child support, the income will be averaged. If it is determined that a particular source of income meets the definition of sporadic income, the income will not be counted. Sporadic income is defined as income that is neither reliable nor periodic. SWICA reports will be utilized to project annual income. See Section 18.0 of this plan for more information about verification of income and deductions from income. There is no minimum income requirement for participation in the Program.

Gross benefit amounts paid by the Social Security Administration will be utilized to project annual income. If the family disputes this amount, they must provide documentation that they are not receiving this amount due to an overpayment of Social Security or Supplemental Security Income benefits. Documentation will be reviewed on a case-by-case basis.

Participants may have earned income obtained by changing jobs. Earned income from multiple (3 or more) jobs over a 12-month period will be averaged and counted.

A wage statement from the local unemployment office may be obtained for calculation purposes. This procedure will only be applied to a participant with multiple jobs over a consecutive 12-month period.

Net income from the operation of a business or profession" will be counted as annual income. In general, **net** income means gross income minus expenses. An allowance for straight-line depreciation of assets used in a business may be deducted.

Expenditures for business expansion or amortization of capital indebtedness may not be deducted.

Business expansion is viewed as any enlargement or growth of a business and any reconstruction or enhancement to the business would be considered a capital improvement.

In addition to net business income, HUD regulations stipulate that any withdrawal of cash or assets from the operation of a business must be included in annual income except to the extent that the withdrawal represents reimbursement of cash or assets invested in the business.

In addition to straight-line depreciation, **deductible** business expenses include:

- Interest payments on loans.
- Other business expenses **except** expenses related to business expansion or other capital improvements.

Nondeductible business expenses include:

- Principal payments on loans
- Interest on loans for business expansion or capital improvements
- Other expenses for business expansion
- Outlays for capital expansion

37.1 Income Exclusions

Several HUD regulations address the exclusion from annual income of payments received by a family member who is participating in a training program.

In some of these regulations, the meaning of training program is not clear. In these cases, KHC's definition of a training program is:

A learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period of time. It is designed to lead to a higher level of proficiency, and it enhances the individual's ability to obtain employment. It may have performance standards to measure proficiency. Training may include, but is not limited to, classroom training in a specific occupational skill, on-the-job training with wages subsidized by the program or basic education.

The exclusion applies only for the period during which a family member is actually participating in a qualifying training program.

The exclusion is also limited to the increase between the total amount of welfare and earnings of a family member prior to enrollment in the training program and welfare and earnings of the family member after enrollment in the training program. All other amounts, increases or decreases, are treated in the usual manner in determining income. KHC's definition of pre-training program income is the last certified income.

24 CFR 5.609(c)(8)(i) excludes the full amount received under training programs funded by HUD. If a resident is participating in a HUD-funded training program, the entire amount, not just the incremental amount, is excluded.

24 CFR 5.609(c)(8)(v) excludes incremental earnings and benefits resulting to a family member from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) or from training as a resident management staff member. 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.

37.2 Assets

When a family claims an asset, third-party written verification must be attempted. When monthly bank statements or other documents are provided, the most recent checking and/or savings account statement are required. In addition, when applicable, KHC will use the Internet as a resource to verify asset value, i.e., Blue Book, coin collection value, etc.

KHC will verify a family's assets of more than \$5,000 and the amount of income expected to be received from those assets at the family's initial eligibility determination and every three years thereafter. In the interim of the three-year period, KHC will accept the family's self-certification. KHC's Personal Declaration form will serve as the family's certification. This allowance applies to assets valued at less than \$5,000. Assets equal or greater than \$5,000 requires supporting documentation.

Family Assets Include:

- Amounts in savings and checking accounts.
- Stocks, bonds, savings certificated, money market funds and other investment accounts, such as 401k accounts.
- Equity in real property or other capital investments.
- Cash value of trusts that are available to the household (not including irrevocable trusts).
- IRA, Keogh and similar retirement savings accounts, even though withdrawal would result in a penalty.
- Contributions to company retirement/pension funds.
- (While an individual is employed, count only amounts the family can withdraw without retiring or terminating employment. After retirement or termination of employment, count as an asset any amount the employee elects to receive as a lump sum. Include in annual income any benefits received through periodic payments.)
- Assets that, although owned by more than one person, allow unrestricted access by the family (such as joint checking or savings accounts).
- Lump-sum receipts such as inheritances, capital gains, Social Security, lottery winnings, insurance settlements and other claims. Lump sums are only included in assets if they are retained in a verifiable form.
- Personal property held as an investment, such as gems, jewelry, coin collections, antique automobiles, etc.
- Cash value of life insurance policies. (Whole life insurance has a cash value, but term life and burial insurance policies generally do **not** have a cash value.)
- Assets disposed for less than fair market value during the two years preceding the certification or recertification. The difference between the market value and the actual payment received is counted.

Family Assets Do Not Include:

- Necessary personal property, i.e., clothing, household furnishing and automobile (except for antique automobiles).
- Interest in Indian trust lands.

- Assets not accessible by the family.
- In the case that a family member is listed as a beneficiary or is a joint holder of an asset to which he claims he does not have access, third-party verification must be obtained to determine the inaccessibility of the asset to the family member.
- Assets that are a part of an active business or farming operation.
- Lump sum payments spent by family members. KHC will verify amounts and require that the family list and certify amounts as well as requiring receipts if available.

Calculation of Income from Assets

When the net family assets are \$5,000 or less, the actual income from the asset is used. When the net family assets are more than \$5,000, the amount used is the greater of the following:

- Actual income from assets.
- The imputed value of the assets based upon the passbook rate as determined by HUD. KHC will establish a passbook rate within 75 basis points (plus or minus .75 percent) of the Savings National Rate at that time the policy is established. The rate will be reviewed annually and revised if applicable.

Determining Cash Value of Assets

The cash value of an asset is the verified market value minus any “reasonable costs” that would be incurred by a family in liquidating the asset – in other words, the amount the family would actually receive if they converted the asset into cash.

Pursuant to Notice PIH 2012-3, for purposes of calculating expenses to convert to cash for real property, KHC will consider “reasonable costs” to be 10 percent of the market value of the home to determine the cash value. KHC will use the owner’s most recent tax liability bill to determine the market value.

Assets Disposed of for Less than Fair Market Value

During any 12-month period, a family may dispose of assets worth \$1,000 for less than the fair market value and not be charged any imputed income on that amount. If the household disposes of more than \$1,000 in assets during a 12-month period, the amount must be imputed and counted as income. The Personal Declaration requires that the household declare if a member has disposed of any asset during the last two years. If the household declares that they have disposed of an asset, the circumstances surrounding the transaction are verified.

38.0 Income Changes Resulting from Welfare Program Requirements

KHC will not reduce the family share of rent for families whose welfare assistance is reduced specifically because of:

- Fraud.
- Failure to participate in an economic self-sufficiency program.

- Noncompliance with a work activities requirement.

However, KHC will reduce the rent if the welfare assistance reduction is a result of:

- The expiration of a lifetime limit on receiving benefits.
- A situation where the family has complied with welfare program requirements but cannot or has not obtained employment.

KHC will consider “lifetime” to be the lifetime maximum number of months recipients are eligible to receive TANF benefits under normal circumstances had there been no sanction. Until that timeframe expires, imputed welfare will continue to be counted.

KHC will notify affected families that they have the right to an informal hearing regarding these requirements.

39.0 Allowances

39.1 Child Care Expenses

Childcare expenses for children under 13 may be deducted from annual income if they enable an adult to work, attend school full-time, or to actively seek employment.

In the case of a child attending private school, only after-hours care can be counted as childcare expenses.

Allowability of deductions for child-care expenses is based on the following guidelines:

- **Child-care to work:** The maximum child-care expense allowed must be less than the amount earned by the person enabled to work. **The "person enabled to work" will be the adult member of the household who earns the least amount of income from working.**
- **Child-care for school:** The number of hours claimed for child-care may not exceed the number of hours the family member is attending school, travel time to and from school not to exceed two hours round trip and one hour of study time per credit hour.

Note: *If verification of childcare expenses is not provided by the family, KHC will follow the third-party verification process outlined in Section 18 of this Administrative Plan.*

39.2 Medical Expenses/Handicapped Assistance

- Unreimbursed medical expenses of any elderly family or disabled family that total more than three percent of annual income.
- Medical expenses are anticipated expenses over the next 12 months including doctor and dentist visits, eyeglasses, dental care, hearing aids, etc. For sporadic expenses such as dental, eyeglasses, hearing aids, etc., documentation of the last two years’ expenses will be required to determine anticipated expense. (The two years’ history will be averaged.) Expenses cannot be counted if the family is reimbursed by any other source such as insurance.
- Unreimbursed reasonable attendant care and auxiliary apparatus expenses for disabled family member(s) to allow family members(s) to work that total more than three percent of annual

income. This allowance may not exceed the employment received by family members who are 18 years of age or older because of the assistance to the disabled person.

- When it is unclear in the HUD rules as to whether to allow an item as a medical expense, IRS Publication 502 will be used as a guide.
- Medical expense regarding modifications to a vehicle must have verification of sale and breakdown of modifications. KHC will use Kelly Blue Book or property value on the tax bill to determine value of vehicle and will deduct car value from allowable modifications to determine allowance amount. Allowance amount will be divided over life of loan for a yearly medical allowance. KHC will require proof of registration and insurance to receive yearly allowance.
- Nonprescription medicines must be doctor-recommended to be considered a medical expense. Families, who qualify, must provide legible receipts.
- Acupressure, acupuncture and related herbal medicines, and chiropractic services will be considered allowable medical expenses if doctor-recommended and doctor's statement is provided.

Note: *If verification of medical expenses/handicapped assistance is not provided by the family, KHC will follow the third-party verification process outlined in Section 18 of this Administrative Plan.*

39.3 Dependent Allowance

A deduction of \$480 for each member of the family (other than head of household or spouse) who is:

- 17 years of age or younger.
- 18 years of age or older and a verified full-time student and/or is disabled or handicapped.

39.4 Elderly/Disabled Allowance

A \$400 (elderly/disabled) allowance will be given to a household whose head or spouse is elderly (age 62 or older) or a person with a disability. Only one \$400 allowance will be given for a family, even if both head and spouse meet the eligibility criteria.

40.0 Proration of Assistance for "Mixed" Families

Applicability

Proration of assistance must be offered to any "mixed" applicant or participant family. A "mixed" family is one that includes at least one U.S. citizen immigrant (can be a minor child or adult other than the head of household or spouse) and any number of ineligible members.

Prorated Assistance Calculation

Prorated assistance is calculated by determining the amount of assistance payable if all family members were eligible and multiplying by the percent of the family members who actually are eligible. Calculations for each housing program are performed on the HUD 50058 form.

41.0 Family Obligations

The family obligations are outlined on the HCV and Statement of Family Responsibility and are also provided below:

- Provide evidence of citizenship or eligible immigration status.
- Not cause HQS violations relating to family/guest damages or family-supplied utilities and appliances.
- Not commit any serious or repeated lease violation.
- Notify owner before vacating the unit and give KHC a copy of the lease termination notice when notice is given to the owner.
- Promptly give KHC a copy of any owner eviction notice.
- Use assisted unit for the family's only residence. (Family members may engage in legal profit-making activities in the unit if such activities are incidental to the primary use of the unit for a residence. The lease may require owner approval for any business use of the unit or other regulation of business use.)
- Promptly notify KHC if any family member no longer resides in the unit.
- Promptly inform KHC of birth, adoption or change of custody of a child.
- Comply with KHC requirements for residence by a foster child or live-in aide.
- Promptly notify KHC of absence from the unit, supply information or certification requested by KHC to verify that the family is living in the unit or information relating to family absence from the unit.
- Not commit bribery or any other corrupt or criminal act in connection with the rental assistance programs or any other federal or state-funded social service program.

42.0 Termination of Tenancy by Owner

The owner shall not terminate the tenancy of the family except for:

- Serious or repeated violation of the terms and conditions of the lease;
- Violation of federal, state or local law which imposes obligations on a family in connection with the occupancy or use of the dwelling and surrounding premises; or
- Other good cause. Examples of "other good cause" for termination of tenancy by owner includes but is not limited to the following:
 1. Failure by family to accept the offer of a new lease.
 2. Family history of disturbance of neighbors or destruction of property or of living or housekeeping habits resulting in damage to the unit or property.
 3. Criminal activity by family members involving crimes of physical violence to persons or property.
 4. Owner's desire to utilize the unit for personal or family use or for a purpose other than use as a residential rental unit.
 5. A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, desire to rent the unit at a higher rental).

- However, during the first year of the term of the lease, owner may not terminate the tenancy for "other good cause" unless the termination is based on malfeasance of the family. For example, owner may not terminate tenancy during the first term of the lease for failure by the family to accept the offer of a new lease or revision; the owner's desire to use the unit for personal or family use, or for a purpose other than as a residential unit; or a business or economic reason for termination of the tenancy.

This list of examples is intended as a statement of some situations included in "other good cause," but shall in no way be construed as a limitation on the application of "other good cause" to situations not included in the list. The owner may not terminate the tenancy during the first year of the term of the lease pursuant to section 43.0, paragraphs (3)(a), (3)(d) or (3)(e).

- Owner may evict family from the unit only by providing the family with a written 30-day notice and proceeding with a court action if the family does not vacate the unit. Owner must notify KHC in writing of the commencement of procedures for termination of tenancy simultaneously to giving notice to family under state or local law. The notice to KHC may consist of a copy of the notice to family and/or court judgment.
- **If the owner has started eviction proceedings and the family continues to live in the unit, KHC will continue to pay the owner until a court judgment or other process allows the owner to evict the tenant. KHC will continue payments until the family moves or is evicted from the unit.**
- Eviction by owner of a project-based unit will result in the termination of the participant's rental assistance. If through a court eviction process the court rules that the participant should not be evicted, the participant may request to have his/her rental assistance reinstated. In this case, the participant would be issued an HCV for continued rental assistance.
- Any notice in this section may be combined with and run concurrently with any notice required under state or local law.
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43.0 Denial and Termination of Rental Assistance/Owner Denial

43.1 Denial of Assistance/Termination from the Waiting List

KHC may deny an applicant admission to participate in KHC's rental assistance programs and/or remove them from the waiting list. The following guidelines apply to denial and removal from the waiting list:

- A family owes money to any housing agency or other federally subsidized housing program. At the time a top-of-the waiting list letter is sent, the family owing money must present a receipt for payment in full or a copy of an executed repayment agreement within twenty days of the date of the letter. If a receipt for payment or an executed repayment agreement is provided, then the family must meet all normal program requirements before being admitted. If no response is made within ten days, the family will be terminated from the waitinglist.

- See Section 8.0, Drug Free/Physical Violence/Alcohol Abuse Housing Policy.
- If a family is over the income guidelines published by HUD, the family will be removed from the waiting list and no assistance may be given.
- A family provides willful false or incomplete information on their application and/or at any time of eligibility determination, the family will be denied assistance and terminated from the waiting list.
- If the family has current/pending charges for fraud in the last three years in connection with any assisted federal housing program, the family will be denied assistance and removed from the waiting list.

43.2 Termination of Rental Assistance

A family may be terminated from rental assistance in the following instances:

- See Section 8.0, Drug Free/Physical Violence/Alcohol Abuse Housing Policy.
- Has violated any of the family obligations provided for in the federal regulations. (also see Section 41.0)
- If the family is issued a voucher due to domestic violence, and the perpetrator is allowed to return to the household, the participant will be terminated from the program, unless the service provider determines it would be in the best interest of the family to reunite.
- Actual or threatened abusive or violent behavior toward KHC staff or its agents.
- Commit acts, which would constitute fraud in connection with any federally assisted housing program.
- Breaches a repayment agreement with KHC.
- Does not cooperate in providing information and verifications, attending appointments and allowing access to unit for inspections (program abuse). However, if the participant is being terminated due to failure to return requested information or verifications, the participant's rental assistance will be reinstated if the requested information is received on or prior to the effective termination date and allows completion of the process or resolves any outstanding issues.

If new or changing information is presented during the initial 20-day request for paperwork, and the family has failed to return all information, the new/missing information can be listed on the checklist that is attached to the notice of termination as cause for termination.

- Program fraud: KHC adheres to a "zero tolerance for fraud" policy. Program integrity investigations will allow a program participant 10 calendar days to respond to and provide information requested on investigations for potential program fraud/abuse. If the participant fails to respond and/or provide all requested information, the participant will be referred for termination. At that time, the family will have ten calendar days after the date of the termination letter to request an informal hearing and/or provide the requested documents to resolve the investigation for potential reinstatement. If the family fails to do either, the termination will be final on the effective date noted in the termination letter.
- If the family has current/pending charges for fraud in the last three years in connection with any assisted federal housing program, the family will be denied assistance and removed from the

waiting list.

Failure to accept and/or cooperate with supportive services under mandatory treatment programs which may be required by regulation or court order for some clients of Special Programs. Standards for required services will be outlined to the residents in a written agreement with the participating service provider who will also notify KHC of noncompliance. Special programs administered by KHC are Project-Based Vouchers, Moderate Rehabilitation, Veterans Affairs Supportive Housing, Homeownership Vouchers, and Family Self-Sufficiency.

- Moves from an assisted unit without first providing written notice to KHC in advance of that move.
- Fails to occupy the assisted unit as primary residence (such as utilities disconnected).
- Allows unauthorized household members to occupy the rental unit. All household members must be approved by the landlord and KHC and be listed on the rental lease.
- For serious or repeated lease violations such as:
 - Late rent payments of two or more months.
 - Moving in violation of lease.
 - Damages above security deposit where court action is instituted (Landlord must submit court judgment within 90 days of eviction).

KHC will provide at least a 30-day notice of termination (last day of the next month after written notification) to the owner and participant **unless** the participant voluntarily withdraws from the program, moves from the unit without giving notice or has deceased. In these three instances, rental assistance will end on the last day of the month in which the event occurred.

43.3 Violence Against Women Act (VAWA)

KHC will comply with all requirements outlined in the “Violence Against Women and Department of Justice Reauthorization Act of 2013.”

Provisions related to HCV are:

- HCV selection/admissions and continued occupancy provisions prohibiting denial of selection/admission or termination of assistance to individual for reasons related to incidents of domestic violence in which they were a victim.
- **Selection:** That an applicant/participant is or has been a victim of domestic violence, dating violence, sexual assault or stalking is not an appropriate basis for denial of program assistance or for denial of admission of an otherwise qualified applicant.
- **Emergency Transfer Plan:** Please see Appendix H.
- **Lease Terms Regarding Termination:** An incident or incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking regardless of sex, gender identity, or sexual orientation will not be construed as a serious or repeated violation of the lease by the victim or threatened victim of that violence and shall not be good cause for terminating the assistance, tenancy or occupancy rights of the victim of such violence.
- **Termination of Assistance/Eviction:**

Owner Eviction: Criminal activity directly relating to domestic violence, dating violence, sexual assault or stalking regardless of sex, gender identity, or sexual orientation engaged in by a member of a tenant’s household or any guest or other person under the tenant’s control shall not be cause for termination of tenancy occupancy rights if the tenant or an immediate member of the tenant’s family is the victim or threatened victim of that domestic violence, dating violence, sexual assault or stalking regardless of sex, gender identity, or sexual orientation.

Termination of Assistance: “Criminal activity directly relating to domestic violence, dating violence, sexual assault or stalking regardless of sex, gender identity, or sexual orientation shall not be considered cause for termination of assistance for any participant or immediate member of a participant’s family who is a victim of the domestic violence, dating violence, sexual assault or stalking regardless of sex, gender identity, or sexual orientation.”

- A PHA may terminate assistance or an owner/manager may bifurcate the lease to terminate assistance to remove a lawful occupant or tenant who engages in criminal acts of violence to family members to others without terminating assistance/evicting victimized lawful occupants.
- A PHA, owner or manager is authorized to honor court orders regarding rights of access or control of the property.
- Nothing limits the ability of an owner, manager or PHA to evict or terminate assistance for other good cause unrelated to the incident or incidents of domestic violence, provided that the victim is not subject to a “more demanding standard” than non-victims.
- Nothing is to prohibit termination or eviction if the owner, manager or PHA “can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property” or PHA “if that tenant is not evicted or terminated from assistance.”
- Nothing in this section shall be construed to supersede any provision of any federal, state or local law that provides greater protection than this section for victims of domestic violence, dating violence or stalking.

Denial of Portability

A PHA may not deny portable voucher assistance to a tenant who violated previous assisted lease terms solely in order to move out quickly because of fear of domestic violence. A PHA may not terminate or deny portable voucher assistance to a tenant who is otherwise in compliance with program rules moved out of a previous assisted unit in order to “protect the health and safety of an individual who is or has been the victim of domestic violence, dating violence or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the assisted dwelling unit.”

Confidentiality

Information provided by the victim pursuant to the certification shall be retained in confidence and not entered into any shared database nor provided to any related entity except when the disclosure is consented to by the individual in writing, required for use in eviction proceedings or otherwise required by law.

43.4 Owner Denial

KHC may deny owner participation in the following instances:

- Owner consistently violates HAP contract.
- Owner has committed fraud, bribery or any other criminal act in connection with any federal housing program.
- The owner has engaged in drug-related criminal activity.
- The owner has a history of noncompliance with HQS.
- If directed to deny owner participation by HUD.
- If the owner or anyone in his/her employment (who for business reasons would be in contact with a voucher participant or family member) is required to register as a sex offender.

44.0 Reviews/Hearings

Participants will have an opportunity to request a review or hearing in accordance with the procedures outlined in Appendix L. KHC will provide information on fair housing and HUD Form 903-Housing Discrimination and Complaint in each briefing session. In addition, families making reports of apparent discrimination will be referred to the Kentucky Commission on Human Rights for assistance. Families in need of legal assistance may also be referred to local legal aid offices.

44.1 Open Records Request

- KHC will use the following process when receiving requests from owners and tenants for information maintained in KHC's program participant files.
- KHC will honor requests made in writing, which specifies the requester's name, address and phone contact information, along with the specific information needed. The written request will be forwarded to KHC's Legal Department and treated as an open-records request.
- Requests made in person will require proof of identification that the person requesting the information is the tenant or the owner of the assisted property. Once identification is clarified, KHC staff will copy only the specific information that is being requested by the tenant or owner.
- A tenant may request any documentation from their program file excluding information that has the owner's tax identification information on it.
- An owner may request copies of any documentation that they have been a party to and signed (e.g., HAP contract, Request for Tenancy Approval, lease, inspection booklets/forms). He/she will not be allowed to access confidential income and household information of the family.
- Owners, participants and applicants requesting documents to be copied from their files will be charged 10 cents per page to cover copying expenses.

45.0 Repayment Agreements

45.1 Family Repayments

A participant who owes KHC monies for *overpaid assistance, including utility reimbursement payments, past due rents, vacancy or damages paid by KHC, is offered a monthly repayment plan. Failure to execute a repayment plan in a timely manner will result in referral for termination of assistance. Participants owing less than \$50 as the total amount due will be required to pay in full.

***Overpaid assistance includes failure to report increases in income prior to lease up, upon household composition change, at annual recertification and upon transfer.**

Failure to make timely payments will be grounds for termination of assistance. However, extension of time may be granted if the family reports to KHC that they are unable to fulfill their payment obligation based on the originally established monthly payment amount but can pay a reduced amount. A family cannot request more than one reduction in a 12-month period unless the family experiences a family composition change or crisis that impacts their household income. For example, a family member is hospitalized, loss of wages, etc. The composition change, or crisis must impact the household income to be considered as an exception to the 12-month limitation. Upon management approval, a repayment contract may be suspended for a period up to six months if the family has lost all household income.

A family who is terminated from housing assistance will have ten days from notification to request an informal hearing.

- Participants requesting to exercise portability (outside KHC’s jurisdiction) must pay any monies owed in full prior to being issued a portability voucher. Subject to the requirements of VAWA, in the event that a repayment is being processed at the time a family requests to exercise portability, the repayment must be processed, and the family must pay in full the monies owed prior to the portability request being processed.
- All participants requesting to transfer within KHC’s jurisdiction must be current with their repayment agreement.

The repayment agreement will be processed according to the following terms based upon the total amount owed:

\$0-\$25	Not processed due to administrative cost
\$26 - \$49	Must be paid in full
\$50 - \$999	12-month repayment plan
\$1,000 - \$1,999	24-month repayment plan
\$2,000 - \$2,999	36-month repayment plan
\$3,000 - \$3,999	48-month repayment plan
\$4,000 or above	60-month repayment plan

Aside from repayment agreements and/or termination of assistance, other legal channels may be pursued to prosecute and collect amounts owed by participants in excess of \$500.

Participants terminated from the program for failure to sign and return repayment agreement or who have failed to comply with any or all terms outlined in the repayment agreement may be reported to

the credit bureau.

Repayment agreements initiated due to failure to report income will be based on actual unreported income received. Under these circumstances, increases in same source income will be processed to count the actual income earned, in contrast to the policy. Example: Increases in income, i.e., wages, child support, and KTAP will be counted for purposes of the repayment agreement.

Monthly repayment requirements shall begin upon 30-day notice to the participant.

A participant may have only one open repayment agreement with KHC at any time. If the participant's circumstances require another repayment agreement when there is an existing repayment agreement, the participant must pay in full the balance of whichever claim is lesser within 60 days. A repayment plan for the remaining claim will then be established.

If the head of household designation is transferred to another adult who is a member of the household at the time a repayment agreement is in effect, the repayment agreement will be reassigned to the new head of household. A new repayment agreement will be executed for the remaining claim.

Should the designated head of household become deceased when a repayment agreement is in effect and there are no remaining adult members in the household, the agreement shall become void.

The financial coordinator in the Tenant Assistance Programs will oversee the administration of all repayments.

45.2 Reimbursement to Family

KHC will not reimburse the family for any underpayment of assistance when the underpayment clearly is caused by the family.

Any of the following will be considered evidence of family program abuse:

- Payment to the owner in excess of amounts authorized by KHC for rent, security deposit and additional services.
- Offering payments or other incentives to the owner or a third party as an inducement of the third party to make false or misleading statements to KHC on the family's behalf.
- Use of a false name or the use of falsified, forged or altered documents.
- Intentional misreporting of family information or circumstances (e.g., income, family composition).
- Omitted facts that were obviously known by a family member (e.g., not reporting employment income).
- Admission of program abuse by an adult family member.

KHC may determine other actions to be program abuse based upon a preponderance of the evidence as defined in the Administrative Plan.

45.3 Owner Repayments

Amounts paid to owners for which they are not entitled by contract and/or regulation will be recouped.

Amounts paid on behalf of any participant may be reduced in order to recoup overpaid amounts. Amounts may also be recouped through legal channels.

46.0 Portability

The portability feature allows a participating family to move outside KHC's issuing jurisdiction with continued assistance. HCV holders may use portability anywhere in the U.S. KHC may deny portability requests on the basis of insufficient funding if the receiving PHA chooses to administer the HCV and the move is to a higher cost area or unit. HUD defines higher cost area as "an area where a higher subsidy amount will be paid for a family because of higher payment standard amounts or more generous subsidy standards."

46.1 Residency Requirements for New Families

Under the voucher program, new voucher-holders may choose a unit anywhere in the United States if the family lived in the jurisdiction of the PHA issuing the voucher when the family applied for assistance. Those new voucher-holders not living in the jurisdiction of the PHA at the time the family applied for housing assistance must initially lease a unit within that jurisdiction for the first 12 months of assistance.

An applicant who resides in KHC's jurisdiction (any county where KHC administers the voucher program) and receives a letter of invitation and is issued an HCV may use the voucher to lease up anywhere in KHC's jurisdiction upon request.

KHC has county-wide jurisdiction with the exception of six counties: Christian, Daviess, Hopkins, Marion, Mason and Warren. In these counties, KHC's jurisdiction is outside the city limits of Hopkinsville, Owensboro, Madisonville, Lebanon, Maysville, and Bowling Green.

An applicant who lives **outside** of KHC's jurisdiction and applies for one of KHC's counties **MUST** live in a county within KHC's jurisdiction for a period of 12 months prior to exercising portability to a county outside of KHC's jurisdiction. Exception to this requirement must be requested by the applicant as a reasonable accommodation for a disability.

Examples:

The applicant lives in Kenton County (not in KHC's jurisdiction), applies for and is offered assistance in a county within KHC's jurisdiction, then decides they wish to live in Laurel County (not in KHC's jurisdiction). The applicant will not be eligible for portability until after one year of residing within KHC's jurisdiction.

The applicant lives in the city limits of Bowling Green and applies for Warren County (outside the city limits of Bowling Green). The applicant reaches the top-of-the-waiting list but requests to live in the city limits of Bowling Green (not in KHC's jurisdiction). The applicant will not be eligible for portability until after one year of residing within KHC's jurisdiction.

The applicant lives in Clark County, applies for Jessamine County (both are within KHC's jurisdiction). The applicant reaches the top-of-the-waiting list for Jessamine County but requests to port to Fayette County (not in KHC's jurisdiction). The applicant may exercise portability to Fayette County without residing in KHC's

jurisdiction for one year.

46.2 Portability Policy

- The HA issuing the family an HCV is the "Initial" HA. The HA accepting the HCV family is the "Receiving" HA.
- The Receiving HA may choose to administer the HCV for the Initial HA or may issue its own HCV.
- KHC will absorb or bill the initial PHA for the administration of their voucher depending on funding availability. **KHC will make an exception for incoming portability families who are Family Self-sufficiency participants and will absorb those families into KHC's program regardless of funding availability.**
- The Receiving HA bills the Initial HA for the housing assistance payments and administrative fees, unless the Receiving HA has issued the family one of its own HCVs.
- Families may move more than once under the portability procedures. However, KHC will limit moves to once in any 12-month period.
- These incoming families will be briefed and issued an HCV. In order to expedite issuing an HCV, the information from the initial HA's records will be used. KHC will then obtain new verifications.
- The original issue date on the HCV must be used when KHC issues a voucher.
- KHC program participants must provide a written request to use portability (KHC form). KHC will contact the receiving PHA on the family's behalf by telephone, fax or e-mail. KHC will advise the family how to contact and request assistance from the receiving PHA.
- If a family is using portability to move outside KHC's jurisdiction and owes money under a repayment agreement, the **repayment agreement must be paid in full before an HCV will be issued.**
- If a family is using portability to move outside KHC's jurisdiction, KHC needs to receive advance written notice of the move-out.
- In the event that KHC must deny, due to insufficient funding, a participant's request to exercise portability, KHC will follow the process outlined in PIH Notice 2016-09.

47.0 Foster Children/Custody

- Foster children are allowed as part of a household. However, the income for the care of foster children will not be counted nor will a minor deduction be given. Government agency documentation of the foster child in the household will be required.
- Children will be considered a part of the household as long as the participant has custody. Any time there is a question of custody, court documentation will be required. In the case of joint custody, a child will be counted in the household if court documents show at least 183 days in the assisted unit by the participant. If the child is of school age, where the child attends school will be an issue to help determine whether a child is counted as part of the household.
- Approval to list children in the household of an adult other than the parent must be documented by custodial parent, guardian or court order. Example: Grandmother lists grandson

in household. Grandmother must provide written documentation that she has consent of custodial parent, guardian or court to include the grandson in her household.

48.0 Permanently/Temporarily Absent Household Members

- KHC will count income of every family member listed on the lease including those who are temporarily absent.
- KHC must count the income of the spouse of the head of household if the person is temporarily absent, such as away at college or in the armed services, **even if that person is not listed on the lease.**
- An exception to this policy may occur if two Recovery Kentucky participants are married, but live independent of one another in two separate Recovery Kentucky centers. They would be administered as two separate households. The income of each would not be counted in both households.
- KHC will not include adult children as part of the household if they are away from home serving in the military.
- Members away at school will continue to be considered a family member unless information becomes available to KHC indicating that the student has established a separate household, or the family declares that the student has established a separate household.

KHC will require proof of address as well as a copy of the parent(s) previous year's tax return to verify student's establishment of a separate household. If the parent(s) have claimed the student as a dependent, KHC will continue to consider the student as a family member.

A separate household is defined as a place of residence where the student may reside independent of their enrollment in school. Residing in a school dormitory does not qualify as establishment of a separate household.

This policy should not be confused with determining Student Eligibility. When determining Student Eligibility, the student must verify independence from his/her parents for at least one year.

- Household members are considered temporarily absent for up to three months. If they are absent for more than three months, the member will be considered permanently absent and removed from the household. Documentation will be required from a third-party source as to a household member's status.
- If a member has a serious medical condition that requires them to be out of the unit for medical treatment, then up to six months will be allowed.
- If the family includes a child or children temporarily absent from the home due to placement in foster care, KHC will determine from the appropriate agency when the child/children will be returned to the home. If all children are removed from the home permanently, the voucher size will be reduced in accordance with KHC's subsidy standards at their next annual reexamination.

- KHC will not subsidize the rent of units that are not fully occupied. If an entire household is away from the assisted unit for more than a 30-day period, then KHC must be notified in writing as to their status and the projected date that the family will return to the unit. If KHC is not notified in writing, this would be considered an abuse of the program for failure to occupy a unit. Termination of assistance may result if assisted units are not occupied for periods of more than 30 days. Failing to maintain family-furnished utilities could be considered as failure to occupy a unit and termination of assistance may result. Lack of utilities is also an HQS violation.

A family may not be absent from the assisted unit for a period of more than 180 consecutive days in any circumstance or for any reason. Absence means that no member of the family is residing in the unit.

- If the head of household is incarcerated for more than 90 days and there are no remaining adult members, then termination of assistance would occur unless another adult becomes part of the household to care for the children. Assistance will then transfer to the new adult.

49.0 Head of Household/Split Household/Remaining Household

- KHC will list only one adult as head of household.
- The applicant will automatically be listed as head of household, unless the applicant requests in writing that another adult be listed as head of household.
- The head of household must conduct all rental assistance business. In the case of a medical condition, which would prohibit this, another adult may be sent. The medical condition must be documented by a doctor. A written letter from the head of household allowing another adult to conduct HCV business would be required or power-of-attorney provided.
- If a head of household deserts the unit without notice to KHC, then a remaining adult household member may request to be placed as head of household and have the previous head of household removed. KHC will attempt to contact the previous head of household to notify them of the change and give them the opportunity to prevent the change. A letter will be mailed by KHC to the last known address. If the previous head of household does not respond within ten days, the request will be processed.
- If the head of household leaves the unit and no other adult remains in the household, then termination of assistance may occur. The head of household may name an adult outside the household as head of household if minor children are members of the household. The court appointed guardian of remaining household members may also become head of household.
- In cases where a family dissolves (divorce, separation, etc.) and two parties wish to retain rental assistance, the assistance would stay with the parent/guardian who retained primary care of the minors or disabled members of the household. KHC would follow any court order regarding rental assistance if different than indicated here.
- In cases where there is a couple with two children and the family dissolves with each parent retaining custody of one child, the housing assistance will remain with the head of household.

- If the family consists of a couple with no children and the family dissolves, the head of household will retain the housing assistance.
- For situations involving domestic violence, dating violence, sexual assault, or stalking, KHC will follow the process outlined in the VAWA Emergency Transfer Plan located in Appendix J.

50.0 Program Abuse and Fraud

1. Rationale

Based on results from HUD computer matching and Rental Housing Integrity Improvement Project (RHIP) initiatives, HUD has determined that a substantial number of participants are not accurately reporting their income. HUD's Office of Policy Development and Research (PD & R) published a final report in June 2001, on its "Quality Control for Rental Assistance Subsidies Determination." The study found that 60 percent of rent calculations had some type of administrative or calculation component error contributing to a subsidy overpayment or underpayment situation. The amount of subsidy calculation errors attributed to family underpayment of income was \$978 million plus or minus \$247 million. This underreporting of income resulted in overpayment of limited government funding, thus not serving as many families in need of housing assistance, as should have been served. KHC is committed to assure that the proper level of benefits is paid to all program participants and that housing resources reach only eligible families so that program integrity can be maintained.

2. Criteria for Investigation of Suspected Abuse and Fraud

Under no circumstances will KHC undertake an inquiry or investigation of an assisted family arbitrarily. The expectation is that assisted families will comply with HUD requirements and program rules, and staff will make every effort (formally and informally) to orient and educate all assisted families in order to avoid unintentional violations. However, KHC has a responsibility to HUD, to the community and to eligible families in need of housing assistance, to monitor program participants for compliance and when indicators of possible abuse come to KHC's attention, to investigate such claims. KHC will investigate a program participant only in the event of one or more of the following circumstances:

- a. Referrals, complaints or tips - KHC will investigate information received from other agencies, companies or persons that is received in writing by mail or e-mail, which allege that an assisted family is in noncompliance with, or otherwise violating, program rules. Exceptions to the policy that reports must be provided in writing will be made for individuals who are unable to meet the requirement. Verification or investigation of allegations will be made provided that the referral includes sufficient information to allow further verification or investigation.
- b. Internal file review – Additional verification of information will be made if KHC discovers (as a function of a recertification, an interim reevaluation or a quality control review or any other routine review) information or facts which conflict with previous file data, knowledge of the family circumstances or is in any way discrepant with statements made by or information presented by or on behalf of any family.

- c. Verification or documentation - A follow-up will be made if independent verification or documentation conflicts with representations or documents in the family file.

3. Prevention of Program Abuse and Fraud

KHC will utilize various methods and practices (listed below) to prevent program abuse, noncompliance and willful violations of program rules by applicants, assisted families and owners. The policy objective is to establish confidence and trust in the management by emphasizing education as the primary means to obtain compliance by program participants.

- a. Things You Should Know - This program integrity bulletin (created by HUD's Inspector General) will be furnished and explained to all applicants to promote understanding of program rules and to clarify expectations for cooperation and compliance.
- b. Program Orientation/Briefing Session - New families (specifically head of household) are required to participate in either a face-to-face or online program briefing at the time a Statement of Family Responsibility or HCV is issued. At the conclusion of all program orientation sessions, the family representative will be required to sign a "Briefing Summary" to confirm that all rules and pertinent regulations were explained to them.
- c. Owner Orientation Session - Orientation sessions will be available for voucher owners/agents.
- d. Participant Program Counseling - Staff will routinely offer family program counseling as a part of every recertification interview in order to clarify any confusion pertaining to program rules and requirements.
- e. Use of Instructive Signs and Warnings - Instructive signs will be conspicuously posted in common areas and interview areas to reinforce compliance with program rules and to warn about penalties for fraud and abuse.

4. Handling of Allegations of Possible Abuse and Fraud

Staff will encourage program participants and owners to report suspected abuse. All such referrals, as well as referrals from community members and other agencies, will be documented. All allegations, complaints and tips will be carefully evaluated in order to determine if they warrant follow-up. KHC will not follow up on allegations, which are vague or otherwise nonspecific.

- Conclusion of Preliminary Review - If at the conclusion of the preliminary file review, there is/are fact(s) contained in the allegation which conflict with file data and the fact(s) are independently verifiable, KHC may undertake an investigation to determine if the allegation is true or false.

5. Placement of Documents, Evidence and Statements

Documents and other evidence obtained during the course of an investigation will be considered "work product" and will be kept in a separate "work file."

6. Conclusion of the Investigative Review

At the conclusion of the investigative review, the reviewer must make a determination as to whether a violation has occurred. If a violation has occurred which has been adequately documented, then one of three types of action must be taken:

a. **Repayment Agreement**

A repayment agreement may be offered for program violations including unreported income and other violations where a specific repayment amount can be determined, and full repayment provided. In these instances, full repayment would remedy the violation. Unreported income of minor household members would also be included in this category with the exclusion of earned income.

b. **Termination of Assistance**

Termination of assistance may be pursued for other violations that are not adequately remedied by repayment. These violations include, but are not limited to:

- Unreported adult household members with any form of income/benefits.
- Failure to occupy a unit as a primary residence.
- Providing false or forged documentation/information.

c. **Noncompliance**

If a family fails to cooperate and follow procedures, such as failure to attend appointments or provide verification in a time required by KHC, the family may be referred for termination of assistance. At that time, the family will have 10 calendar days from the termination effective date to request an informal hearing and/or provide the requested documents to resolve the investigation for potential reinstatement. If the family fails to do either, the termination will be final on the effective date noted in the termination letter.

7. Other Remedies

Aside from repayment agreements and/or termination of assistance, other legal channels may be pursued to prosecute and/or collect amounts owed by families in excess of \$500.

This section on Program Abuse and Fraud must also be reviewed with consideration given to other sections of the Administrative Plan regarding reviews, termination, etc. Owners may be prohibited from participation in the program for program abuse and fraud. Such activities which may cause an owner to be barred from participation include:

- Providing false information about the status of a family or unit.
- Accepting HAP payments for more than 30 days after a family has moved or should have reasonably known the family moved.
- Collecting additional monies in rent/utilities/deposits from a family than prescribed by KHC according to program guidelines.
- Allowing a family to rent to own without approval of KHC.
- Not allowing a family full access of the dwelling unit rented.
- Falsely purporting to have legal title or a valid management agreement for a housingunit.

8. Hearing Discovery

In preparation for an informal hearing, KHC may request/examine relevant family documents/information. The family will have a similar opportunity to examine the KHC documents upon written request from the family in advance of the informal hearing.

9. Fraud and Program Abuse Recoveries

KHC may retain a portion of program fraud losses that are recovered from a family or owner through litigation, court order or repayment agreement [24 CFR 982.163].

KHC must be the principal party initiating or sustaining the action to recover amounts due from tenants that are due as a result of fraud and abuse. [24 CFR 792.202] permits KHC to retain the greater of the following:

- 50 percent of the amount it actually collects from a judgment, litigation (including settlement of a lawsuit) or an administrative repayment agreement.
- Reasonable and necessary costs that KHC incurs related to the collection, including costs of investigation, legal fees and agency collection fees.

The family must be afforded the opportunity for an informal hearing in accordance with requirements in [24 CFR 982.555].

If HUD incurs costs on behalf of KHC related to the collection, these costs must be deducted from the amount retained by KHC.

KHC will consider any misrepresentation by the applicant/participant of household income or family composition to be an act of fraud.

51.0 Project-Based Voucher Program

Introduction

Housing agencies may choose to provide project-based assistance by using funds from their annual budget authority (ABA). The term “project-based” assistance is used to distinguish this assistance from the “tenant-based” assistance provided under the HCV Program. There is no separate funding for the Project-Based Voucher (PBV) Program. Project-based rental assistance is attached to the structure while the tenant-based assistance belongs to the family.

51.1 Cap on Number of PBV Units

24 CFR 983.56 restricts the number of units that can be project-based to 25 percent per building. Exceptions to the 25 percent per building cap are as follows.

1. Units in a single-family building;
2. Excepted units in a multifamily building, meaning units in a multifamily building that are specifically made available for:
 - a. Elderly or disabled families
 - b. Families receiving supportive services

Families Receiving Supportive Services

KHC will consider supportive services as described below.

- Development of an individual plan for reaching education and personal goals.
- Periodic review of challenges which may be impeding successful goal attainment.

- Periodic evaluations of the individual plan to determine progress and make any necessary adjustments.
- Building parenting skills.
- Child-care services.

The purpose of the PBV Program is to encourage property owners to make standard housing available to low-income families at rents within the published fair market rents. KHC's application process including eligibility criteria is outlined below.

The purpose of the application process is to encourage developers/sponsors to construct housing in areas where there are shortages of available housing for eligible individuals and families. Additionally, it shall encourage owners of existing properties to:

- Upgrade substandard rental housing stock.
- Make rental units fully accessible.
- Make these housing units available to very low- to moderate-income families.

51.2 Guidelines for Consideration of an Allocation of Project-Based Rental Assistance

Based on available funding, KHC may periodically accept applications for Project-Based Vouchers. Public notice of application acceptance will be announced via KHC's Web site and eGram service.

Eligible projects that demonstrate the financial need for the vouchers will be eligible to participate in a lottery for consideration of an allocation of vouchers. KHC's subsidy layering review will determine the amount of voucher assistance each project is eligible to receive. KHC may allocate fewer vouchers than requested by the owner based upon this subsidy layering review. No fewer than four vouchers or greater than ten vouchers will be allocated to a project.

To be eligible to apply for the project-based vouchers, the proposed project must meet the following criteria.

- The project is already participating in some type of affordable housing program, i.e., HOME, Housing Credits, Risk Sharing, Federal Home Loan Bank, etc., with such programmatic requirements enforced via a deed restriction or LURA. The project must have been placed in service prior to January 1, 2008.
- The project has no outstanding compliance issues with the above-referenced affordable housing programmatic requirements or no such history of non-compliance. If other than KHC, KHC will discuss with the funding agency to determine such compliance.
- The project has no other type of Project-Based Rental Assistance.
- The project contains 16 units or more.
- Proposed units to receive the Project-Based Rental Assistance must be compliant with Housing Quality Standards (HQS). Project-Based Rental Assistance will not be allocated to a unit that does not currently meet HQS. For projects located within KHC's service area, KHC will research prior HQS inspections to determine if proposed projects have housed voucher households

previously and have a pattern of noncompliance. Such projects will not be eligible to receive an allocation of project-based rental assistance. For those projects that have housed few, if any, voucher households since, KHC may conduct a HQS inspection of the property to determine its eligibility for the lottery.

For projects located outside of KHC’s service area, KHC reserves the right to research prior HQS compliance with the local PHA.

51.3 KHC Jurisdiction

Allen	Anderson	Ballard	Barren
Bath	Bracken	Breathitt	Bullitt
Butler	Caldwell	Calloway	Carlisle
Carroll	Carter	Christian ¹	Clark
Clay	Crittenden	Daviess ⁶	Edmonson
Elliott	Estill	Fleming	Fulton
Gallatin	Garrard	Grant	Grayson
Hancock	Hardin	Hart	Henry
Hickman	Hopkins ²	Jackson	Jessamine
Knott	Larue	Lawrence	Lee
Leslie	Letcher	Lewis	Lincoln
Livingston	Logan	Lyon	Magoffin
Marion ³	Marshall	Mason ⁴	Martin
McCreary	McLean	Meade	Menifee
Metcalfe	Monroe	Montgomery	Morgan
Muhlenberg	Nicholas	Ohio	Oldham
Owen	Owsley	Perry	Powell
Pulaski	Robertson	Rockcastle	Rowan
Russell	Shelby	Simpson	Spencer
Todd	Trigg	Trimble	Union
Warren ⁵	Wayne	Webster	Wolfe
Woodford			

¹Excludes city limits of Hopkinsville.

²Excludes city limits of Madisonville.

³Excludes city limits of Lebanon.

⁴Excludes city limits of Maysville.

⁵Excludes city limits of Bowling Green.

⁶Excludes city limits of Owensboro.

- The project cannot be owned by public officials or members of a governing body or state or local legislature who exercise functions or responsibilities with respect to the program. Additionally, the project may not be owned by current members or delegates to the U.S. Congress.
- The project may not contain any unit which has been rehabilitated within the last five years or

will be rehabilitated with other assistance provided under the U.S. Housing Act of 1937.

- The project may not be secured by a mortgage owned or held by HUD (does not include Risk Sharing projects) or is housing owned by HUD.

51.4 Site Selection Standards

It is KHC's goal to select sites for PBV housing that provide for de-concentrating poverty and expanding housing and economic opportunities. In complying with this, it will be KHC's goal to limit approval of sites for PBV housing in census tracts with poverty concentrations of 20 percent or less.

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

- A census tract in which the proposed PBV development will be located in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community.
- A census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition and HOPE VI redevelopment.
- A census tract in which the proposed PBV development will be located is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area.
- A census tract where new market rate units are being developed where such market rate units will positively impact the poverty rate in the area.
- A census tract where PBV assistance will enhance housing opportunities.
- A census tract where there has been an overall decline in the poverty rate within the past five years.
- A census tract where there are meaningful opportunities for educational and economic advancement.

51.5 Ineligible Properties

- Shared housing, nursing homes, and facilities providing continual psychiatric, medical or nursing services, or board and care or intermediate care. However, the PHA may attach Project-Based Rental Assistance for a dwelling unit in an assisted living facility that provides home health care services, such as nursing and therapy for residents of the housing.
- Units within the grounds of penal, reformatory, medical, mental, and similar public or private institutions.
- Units for families with children located in high-rise elevator buildings unless approved by HUD.
- Owner-occupied housing, housing located in the Coastal Barrier Resource Act and housing located in an area identified by FEMA as having special flood hazards.
- A project which results in the permanent displacement of tenants.
- Units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students of the institution.
- Manufactured homes.
- Cooperative housing.

- Transitional housing.
- A unit subsidized with any governmental rent subsidy (a subsidy that pays all or any part of the rent).
- 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 (12 U.S.C. 1715z-1). However, the PHA may attach assistance to a unit subsidized with Section 236 reduction payments.
- A unit subsidized with rental assistance payments under Section 521 of the Housing Act of 1949, 42 U.S.C. 1490a (a Rural Housing Service Program). However, the PHA may attach assistance for a unit subsidized with Section 515 interest reduction payments (42 U.S.C. 1485)
- A Section 202 project for non-elderly persons with disabilities (assistance under Section 162 of the Housing Community Development Act of 1987, 12 U.S.C. 1701q note).
- A Section 811 project-based supportive housing for persons with disabilities (42 U.S.C. 8013).
- Section 202 supportive housing for the elderly (12 U.S.C. 1701q).
- A Section 101 rent supplement project (12 U.S.C. 1701s).
- A unit subsidized with any form of Tenant-Based Rental Assistance (as defined at 24 CFR 982.1(b)(2)) (e.g., a unit subsidized with tenant-based rental assistance under the HOME program, 42 U.S.C. 12701 et seq.)
- A unit with any other duplicative federal, state, or local housing subsidy as determined by HUD or by the PHA in accordance with HUD requirements. For this purpose, “housing subsidy” does not include the housing component of a welfare payment, a social security payment, or a federal, state, or local tax concession, such as relief from local real property taxes.

51.6 Financial Assumptions

- Projects serving elderly or disabled households or families may request project-based assistance for 25 percent of the total number of units in the project or ten units, whichever is less. Only projects with 16 units or more are eligible.
- Applicants must submit two underwriting models. One model should reflect the current status of the project.

51.7 Submission Requirements

To be eligible for consideration for the lottery selection, the following must be submitted for review:

- Two underwriting models.
- Audited financial statements for specified fiscal years to confirm the financial need of the project-based vouchers, as well as confirm the accuracy of the assumptions used in the submitted underwriting models.
- Narrative documenting the need for such rental assistance, including statistics on the vacancies for the property for specified calendar year(s).
- A copy of the deed restriction/legal mechanism enforcing compliance with an affordable housing program.
- Evidence that all property taxes are current.

- Evidence of ownership of the property, including a listing of all principal parties which make up the ownership entity.
- Request for Tenancy Approval Survey form.

Allocations of vouchers will be limited by project to no more than two per ownership entity (principal party). Thus, if John Doe is listed as the general partner in ten projects submitted for consideration of an allocation of vouchers, only two projects will be eligible if selected through the lottery process.

All projects that submit the above-referenced items and are deemed eligible for consideration by KHC will be entered into the lottery selection process. The names of the projects will be placed in a hat and then randomly selected until all vouchers have been allocated. KHC reserves the right to allocate fewer vouchers than requested to the final project selected if there are not enough vouchers remaining to allocate. If no project is selected through the lottery process from outside of KHC's service area, then no such project will receive an allocation of Project-Based Vouchers. Again, no more than 35 vouchers will be allocated outside of KHC's service area.

51.8 Allocation Decisions

All allocation decisions are final and are not subject to appeal. Once allocations have been announced, KHC will follow the requirements for such allocation as prescribed by HUD. Such requirements include, but are not limited to, an environmental review and an execution of an Agreement to Enter into Housing Assistance Payment Contract and a Housing Assistance Payment Contract. The term of the contracts will be for a period of 1 to 15 years.

52.0 Appendix A: Family Self-Sufficiency

52.1 Overview of Family Self-Sufficiency (FSS)

Legislative History

- FSS is one of the initiatives under the Homeownership and Opportunity for People Everywhere (HOPE) program enacted in 1990.
- The National Affordable Housing Act of 1990 created the FSS Program.
- FSS builds upon and refines both the Project Self-Sufficiency and the Bootstrap programs. It remained a voluntary program in 1991 and 1992 but became mandatory in 1993 for any new increments of funding issued to PHAs.
- The 1993 FSS regulations were further modified by the Quality Housing and Work Responsibility Act of 1998.

52.2 Basic Program Steps

The FSS program is a HUD program geared toward families on the HCV Program. It is a voluntary program designed to build self-esteem, break the cycle of dependence and is aimed at teaching the family to become welfare free and self-sufficient.

FSS offers a financial incentive of an escrow account that becomes available to the families upon successful completion of the Contract of Participation. Interim disbursements would be available upon achievement of certain goals according to the Action Plan.

KHC is to appoint a Program Coordinating Committee (PCC) comprised of persons from public and private sectors, local government, KHC and HCV participants. These PCCs are utilized to coordinate local service providers who would be beneficial to the participants needs.

52.3 FSS Candidate

FSS is a voluntary program for HCV Program participants. Families who are near self-sufficiency or will not have earned income may not benefit from this program. Full benefits are gained from participants that are not employed such as students, KTAP recipients or under-employed persons. This clientele would be excellent candidates for the FSS Program as they progress upward with earned income. A percentage of the increases in earned income will accumulate into an escrow account, which draws monthly interest.

52.4 Joining the FSS Program

Any HCV Program participant may request participation in the FSS Program. This is done by contacting a KHC representative who can refer the prospective client to the program administrator. Basic information is supplied in the briefing packet.

When interest is shown, a telephone interview with the program administrator will take place to determine whether the program will benefit this participant.

A five-year Contract of Participation will be signed, effective the first of the month following the signature date. The individual addendum to the Contract of Participation must be completed and signed at this same time. Mandatory goals, which must be completed to successfully graduate from the FSS Program and become eligible for any or all funds available through the escrow account, are as follows:

1. To seek and maintain employment.
2. To become welfare-free for one year prior to the FSS contract expiration date or the date of graduation, whichever comes first.
3. Attend financial counseling.

The participant will be assigned a case manager who will develop an Individual Development and Services Plan and follow progress on a regular basis.

All HCV transactions will be processed within the Tenant Assistance Programs. Escrow maintenance and disbursements will be maintained/approved/disbursed by the FSS program administrator. The FSS Program administrator tracks case management. Requests for disbursements of funds from the escrow account will come from the FSS Program administrator. The signor of the contract must be the same as the head of household in the HCV Program. The head of household may be changed during the contract period if requested by the participant and approved by the FSS Program administrator. This transaction must take place at least three months prior to graduation or voluntary withdrawal from the program.

52.5 Termination of Assistance

If the FSS participant underreports income and assets, the rental assistance can be terminated, and/or the family can be terminated from the FSS Program. In either case, KHC will not credit the family's escrow account with any portion of the back rent.

1. HCV assistance may be terminated according to the policy in 43.0 of the Administrative Plan or for failure to fulfill the FSS obligations as outlined in the FSS contract of participation. KHC is not required to terminate rental assistance because of termination of the FSS contract.
2. If a family was selected to participate in the FSS Program and was terminated because they did not meet its FSS obligations, the family may be denied the opportunity to participate in the FSS Program the second time since they violated FSS obligation the first time the family participated in the FSS Program. A family may also be denied the opportunity to participate in the FSS Program if they owe funds to a housing authority (HA).
3. If an FSS participant moves from another HAs jurisdiction with continued rental assistance, KHC may enroll the family in our FSS Program. The family must qualify under KHC's guidelines for selection and participation in the FSS Program.

FSS participants may request portability to another HA with an FSS Program. The receiving HA can either absorb the client into their program (issue them a voucher from their program) or portability bill KHC for monthly payments for housing assistance payments, utility reimbursement payments, and administrative fees on behalf of the participant. If the receiving HA chooses to absorb the family into their program, KHC will remove the client from KHC's FSS and HCV Program and forward all escrow monies to the receiving HA. If the receiving HA chooses to bill KHC on behalf of the client, KHC will

continue to count the client as an FSS Program and HCV Program participant. KHC will limit portability to once in a 12-month period outside KHC's jurisdiction. KHC may deny portability requests based on insufficient funding if the receiving PHA chooses to administer the HCV and the move is to a higher cost area or unit. HUD defines higher cost area as "an area where a higher subsidy amount will be paid for a family because of higher payment standard amounts or more generous subsidy standards."

53.0 Appendix B: Family Self-Sufficiency Action Plan

53.1 Introduction

Family Self-Sufficiency (FSS) is one of the Homeownership and Opportunity for People Everywhere (HOPE) initiatives enacted in the National Affordable Housing Act of 1990. FSS mobilizes the U.S. Department of Housing and Urban Development (HUD) housing assistance to leverage public and private sector services and resources that can help families in assisted housing achieve economic independence. The use of housing as a stabilizing force permits families to invest their energy in other efforts, including education and employment that are necessary to achieve self-sufficiency. The overriding theme of FSS is to empower people to take control of their lives by becoming independent, productive members of their communities.

This FSS addendum provides operational guidelines for Kentucky Housing Corporation (KHC) to administer the program. This addendum is specific to the FSS Program and becomes an addendum to the Administrative Plan for the HCV Program. The housing assistance provided under the FSS Program is in the form of HCVs. Additional operational guidelines not addressed here are provided in the HCV Administrative Plan.

53.2 Goals and Objectives

The primary goal of FSS is to provide participating families with housing assistance, case management and support services to enable the family to become gainfully employed and independent of welfare assistance within a five-year contract period.

In addition, it is an objective of KHC to provide each family who completes the FSS contract with services to enable the family to become homeowners. These services include a comprehensive homeownership education program, including budget/credit counseling and low-interest mortgage loans to be used in conjunction with the savings earned in the FSS escrow account. It is this opportunity to become a homeowner that provides participating families with a real opportunity to remain independent of housing assistance and take control of their lives.

53.3 Description

KHC was initially awarded 270 slots of assistance under the FSS Program. KHC began FSS assistance in the early part of 1993. In 1998, 200 additional KHC slots were awarded. KHC's FSS Program is available in all counties under its jurisdiction. The amount changes (slots filled) daily due to new contracts, terminations, portability, transfers, and voluntary withdrawals.

53.4 Participant Characteristics/Needs

In 1994, KHC distributed an FSS survey to all participants in the certificate and voucher programs. The survey requested families to indicate the support services they believed would upgrade their family lifestyle. Those services are listed below in order of preference.

- Job training and placement
- Transportation
- College education
- Child-care
- Counseling about rental and homeownership
- Training in money management
- Training in financial management
- Education for completing GED
- Training in parenting skills
- Training in household management
- Treatment and/or counseling for substance abuse and/or alcohol abuse
- Training in homemaking

KHC recognized from the onset the need to coordinate housing with welfare-to-work initiatives and other social service agency programs. The single-parent Kentucky Temporary Assistance Program (KTAP) recipients in housing programs initially made up the majority of FSS participants. KHC administers rental assistance in 87 rural counties in Kentucky, which often have very few services available outside of the state programs. For non-KTAP recipients, KHC pursued cooperative agreements with such programs as Workforce Investment Act and similar public and private agencies capable of providing assistance to FSS participants.

By 1999, KHC recognized the need for more intensive case management. By this time many participants had obtained training and employment. It became apparent there was still a need for one-on-one assistance if the participant was to achieve self-sufficiency. KHC began to offer case management to participants who were not receiving services from other agencies.

53.5 Eligibility

A participating family must meet all eligibility requirements stated in the HCV Administrative Plan and be an active HCV Program participant.

53.6 Participant Selection

Families are selected for participation in the FSS Program by the following methodology and priority.

FSS slots will be made available to current HCV Program participating families in counties where KHC administers the program. FSS assistance will be offered by allowing any currently participating-HCV Program family residing in a county where KHC administers the FSS Program to contact KHC directly and express an interest in the program. If an FSS Program slot is available, the family will receive assistance assuming all requirements are met. If an FSS slot is unavailable, the family will be placed on a waiting list by date of contact.

Family participation in the FSS Program is always voluntary. An HCV Program participating family may decline the FSS Program and maintain housing assistance. If a family is uncooperative and fails to attend meetings, provide information, etc., KHC may reject the family as an FSS participant.

53.7 Program Coordinating Committee

The Program Coordinating Committee (PCC) is established to assist KHC with planning and implementing the FSS Program. Members are representatives from state, local and private groups who have resources to assist low-income families and have a commitment to family self-sufficiency. The PCC serves as an advisor in the administration of the FSS Program. KHC consults with PCC members and case managers; however, final decisions remain the responsibility of KHC.

The KHC administrator for the FSS Program will be an ex officio member of the committees. KHC will also recruit one participating FSS head of household to participate on each PCC.

53.8 Program Operations

A family is eligible for FSS if they receive HCV rental assistance. Eligible families will then complete the FSS Contract of Participation and Individual Development and Services Plan (IDS). The case manager will help determine the goals to be accomplished and a date of completion. Action steps and completion dates will be monitored monthly. The IDS Plan is a part of the FSS contract.

The case manager will facilitate the family's access to services/resources and assist the family in meeting their goals under the contract. KHC has developed various forms, which will be used in the administration of case management.

53.9 FSS Program Administrator

The FSS Program administrator will assure successful operation in the following areas:

- Participant recruitment
- Utilization of program slots
- Quarterly review of individual case management
- Participant tracking
- Program records/reports
- Assuming case management as needed
- Program monitoring and evaluation
- Updating the FSS Action Plan, forms, letters, etc., as needed
- Maintaining relationships with social service providers
- Serving as ex officio member of PCCs
- Maintaining/recruiting/providing leadership to the PCCs

53.10 Program Services/Resources

KHC coordinates the program with other state and local social service agencies in providing services to meet the individual needs of FSS families. Services will be provided to all participants who will include housing assistance, assessment, case management and a comprehensive homeownership education program. Other services which may be provided, based upon the needs of the family, include:

- Education

- Job training/placement
- Child-care
- Transportation
- Treatment and counseling for substance and alcohol abuse
- Other

53.11 Contract Participation

The FSS Contract of Participation is a written agreement between KHC and the family which sets the requirements of the program and obligations of the family. It includes an individual development and services (IDS) plan that addresses the specific needs and goals of the family. The contract is effective the first day of the month after the contract is executed. The FSS Contract of Participation is effective for five years with a maximum of two years extension, or until the participant meets graduation status, withdraws from the program or is terminated from the program, whichever occurs first.

Designated Head of Household

The family must designate the head of household for rental assistance as head of household for the purposes of this program. However, should the rental assistance head of household be incapable of obtaining and maintaining full-time employment due to documented disabilities/handicaps or being over 62, then another adult member may be designated as FSS head of household.

Contract Requirements

The designated head of household must seek and maintain suitable employment during the term of the contract. Seeking employment is defined as submitting resumes, completing job applications and interviewing with potential employers. The designated head of household must be employed at the contract expiration to achieve graduate status and/or disbursement of escrow funds.

Job-seeking activities are not required during the time the participant is obtaining education/training in preparation for employment. After the education/training phase is completed, the family member must document one to three employment contacts per week and must be active with any state or local job placement services available in the area. The case manager will require documentation of job-seeking activities.

Another contract requirement is for the head of household to complete the KHC comprehensive financial counseling program.

The head of the household must also fulfill all other terms and conditions of the contract including those listed in the IDS plan. The IDS plan may be amended throughout the contract period, as case managers deem necessary.

Modifications to the Contract of Participation

KHC and the family may agree to modify the contract in writing regarding the IDS Plan. The contract will only be modified for good cause and must be consistent with program objectives.

The KHC FSS Program administrator must approve all modifications.

Extensions of the Contract of Participation

The contract may be extended for up to two years beyond the original five-year term. The extension will be granted for good cause and must be requested by the client and approved by the FSS Program administrator. Good cause must meet the following guidelines:

- Serious illness of at least two months or longer of an immediate family member.
- Loss of employment through no fault of the head of household.
- Documented mental or physical limitations of the head of household.
- A household emergency including, but not limited to, death of an immediate family member or victim of a violent crime.
- A major program service such as transportation and/or childcare is no longer available.
- The FSS head of household abandons the family and another adult family member becomes head of household.
- The FSS participant is actively engaged in the homeownership process.
- A mortgage loan application has been taken and is in process.
- The future home is under construction and financing has been approved.
- The FSS participant is actively involved in homeownership counseling.
- They are working on credit issues.
- They are looking for a home.

KHC can provide extensions in one month to one-year increments up to a maximum of two years. After the seventh year of the FSS contract, no further deposits will be made to the family's escrow account. The family may continue with housing assistance but will forfeit their escrow account if the contract requirements are not fulfilled when the contract expires.

The decision to terminate the contract will be made by the FSS Program administrator in consultation with the case manager and family as appropriate. All case management and services provided through participation in the FSS Program will be discontinued.

53.12 Termination of Rental Assistance

Housing assistance may be terminated or withheld if a family fails to comply with the requirements of the contract. Families who do not meet the requirements of their contracts will maintain housing assistance only if they meet the criteria for "good cause" as outlined in Section 11.4 – Extensions of the Contract of Participation. Only new families who receive housing assistance through participation in the FSS Program must meet the criteria for good cause. A referred family may lose their housing assistance if they fail to comply with FSS requirements. A family will be offered an informal hearing. However, if a family had obtained HCV rental assistance prior to receiving FSS assistance and does not complete the requirements under the contract, these families will maintain housing assistance. The assistance under the FSS Program will be made available to another family.

53.13 Portability

An FSS family can effectively make use of portability and maintain assistance when the family is able to

continue to use the initial PHA's FSS Program in the new location and has provided a lease cancellation signed by the participant and landlord. The family must submit a written request to the FSS Technical Administrator asking to port their Contract of Participation and escrow balance to the new PHA. KHC will accept incoming FSS transfers under portability when an FSS Program slot and appropriate services are available to fulfill the conditions of the contract. If a transfer would improve the family's opportunities to fulfill its obligations under the contract, the transfer will be approved. The family may not transfer from KHC's jurisdiction if any monies are owed to KHC until the monies are paid in full, or if the family is in termination status on the HCV Program.

53.14 Escrow Account

A participating family's earned income may increase during the term of the FSS Contract of Participation. When this occurs, KHC will credit a portion of the increased rent to an escrow account as a result of an increase in earned income during the term of the contract. The escrow is only based upon increases in earned income of household members. Earned income is defined as income from wages, salaries and other employee compensation, as well as earnings from self-employment. It does not include unemployment compensation.

KHC will set up the escrow account for each family as the family becomes employed (when not previously) or the family starts with income and has an increase in employment income. If there is no employment income, there is no escrow fund calculation and contribution. The family contributes their normal share toward rent according to income. KHC will escrow an amount as computed on the HUD-approved calculation worksheet. This amount will be drawn from the Housing Assistance Payment account and deposited in the escrow account. For purposes of determining the FSS credit, "family rent" for the rental HCV Program is approximately 30 percent of adjusted monthly income. The FSS credit will be computed as follows: for FSS Program participants who are very low-income, the credit will be the lesser of 30 percent of the family's current monthly adjusted income less the family rent, which is obtained by disregarding any increase in earned income from the effective date of the Contract of Participation; or the current family rent less the family rent at the time of the effective date of the Contract of Participation. For FSS families who are low-income but not very low-income, the credit will be the amount above but will not exceed the amount computed for 50 percent of median income. FSS families who are not within the low-income limits will not be entitled to any FSS credit.

Escrow Investment

The escrow funds will be invested in HUD-approved investments per HUD Handbook 7475.1 Rev. Interest income will be credited periodically, but not less than annually, to each participating family's FSS account. KHC will calculate the credit at each annual and interim period. The escrow accounts will be held by KHC until completion or expiration of the Contract of Participation. KHC will combine the escrow accounts and provide a ledger indicating the amount for each family. The interest income will be prorated and credited to each family's account. If rent or other amounts due under the lease are owed to KHC or the owner, the balance in the escrow account is reduced prior to prorating the interest income.

Interim Escrow Disbursements

The family has the option of requesting an Interim Escrow Disbursement for one or more of the following reasons:

- To assist with work-related necessities
- To improve credit rating toward homeownership. Participant must be 6 to 12 months from purchase and must be actively working with a HUD-Approved Housing Counseling Agency.
- To assist in paying education-related expenses such as tuition, fees, or equipment for training, programs, trade schools or college

The FSS Technical Administrator may approve interim escrow payments on a case-by-case basis. Interim withdrawals are at the discretion of the FSS Technical Administrator. Participants must have met certain interim goals in order to be approved for an interim disbursement of escrow. These disbursement requests must be supported by documentation attached to the Request for Disbursement form.

Families may not be granted more than one interim disbursement within a 12-month period. Families may not request more than 60 percent of their total escrow balance per request.

Escrow Withdrawal

The amount in the family's FSS account is paid to the head of the family when KHC determines the family has met all of its obligations under the Contract of Participation. The FSS family must remain independent of welfare assistance for at least one year prior to the end of the Contract of Participation (KHC may require/obtain appropriate verification). Families may receive a portion of the escrow before completion of the contract if they meet certain interim goals and need funds to complete the contract.

KHC will deduct from the escrow account amounts owed for repayment contracts. KHC cannot restrict the use of the escrow funds; however, it is the objective of this agency to provide the support services to effectively allow each family an opportunity to become a homeowner. Homeownership will provide the best opportunity for continued economic independence.

KHC will allow a family to withdraw from the program before the five-year contract period if the family meets all obligations under the Contract of Participation and has the resources to become economically independent.

Families must be graduated from the program when 30 percent of the monthly adjusted income of the FSS family equals or exceeds the published existing housing fair market rent for the size of the unit for which the FSS family qualifies based on the PHA's occupancy standards. The contract of participation will be considered completed and the family's participation in the FSS program concluded on this basis even though the contract term, including any extension thereof, has not expired, and the family members who have individual training and services plans have not completed all the activities set forth in their plans in accordance with CFR 984.303 (g) (2).

Upon initial utilization of a HCV Homeownership Voucher, FSS families will be exited from the FSS program.

Once a family has graduated and withdrawn the funds from the escrow account, they may not reapply for the FSS Program for at least two years. The only exceptions to this two-year waiting period is if the family repays KHC the full amount withdrawn from the escrow account or if the family voluntarily withdraws from the rental assistance program.

Escrow Forfeiture

The family forfeits the amount in the family's escrow account when:

- The participating family (specifically, the head of the household) has failed to meet their obligations under the Contract of Participation.
- The family's housing assistance is terminated.
- The family commits fraud and/or does not fulfill their obligations under the FSS and/or Housing Assistance Program and has been referred for termination from the HCV Program.

Forfeited escrow funds will be treated as program receipts.

53.15 Change in Head of Household

The head of household for rental assistance is the only family member who may request a change. If the remaining family members choose not to participate in FSS, the escrow account is forfeited. Housing assistance may be maintained as long as the criteria in Section 11.4 of this plan are met. KHC must approve the change in the designated head of household and all contract requirements must always be met. The change in head of household must occur at least three months prior to program graduation.

53.16 Participant Opportunities for Complaints/Appeals

A family who is terminated from housing assistance will have ten days from notification to request an informal hearing. The hearing will be conducted by KHC's hearing officer who reviews the family's termination. The hearing will be conducted prior to the date of termination from the program. The family may obtain counsel for the hearing, but it is not required. At the hearing the family may present any information or witnesses on its behalf. The decision of the hearing officer is final.

53.17 Program Monitoring/Evaluation

The FSS Program administrator is responsible for program monitoring and evaluation. Program and statistical data will be collected to determine the success of the program and to meet the program reporting requirements as required by HUD.

The report will contain the following information and will be presented to KHC's management staff annually:

- Number of participants with escrows and amounts
- Number of participants in counseling
- Number of participants employed
- Number of participants leaving KTAP

- Number of graduates

53.18 Case Management

The FSS Technical Administrator will provide support, information and referrals, to entities in the community that will assist the FSS family with their goals. It is up to the family to follow up on all information/referrals provided and to update the FSS Technical Administrator on progress toward meeting individual goals. These entities can include but are not limited to:

- Social service agencies
- Financial and homeownership counseling agencies
- Post-secondary institutions, trade schools and short-term training programs
- Supplemental information as needed

The FSS Technical Administrator will also

- Conduct enrollments, interims and annual FSS updates
- Calculate escrow at each interim and annual certification
- Track progress of each FSS participant
- Process interim and final escrow withdrawal requests

53.19 Interim Changes

FSS families are to report interim increases/decreases in income including those from the same source and/or any household composition changes. All interim changes will be processed for FSS families.

53.20 FSS Program Coordinating Committee Member

The FSS Provider Coordinating Committee (PCC) is established to assist KHC with planning and implementing the FSS Program. Members are representatives from state, local and private groups who have resources to assist low-income families and have a commitment to family self-sufficiency.

53.21 Family Unification Program and FSS

FUP participants will be held to all FSS program requirements and policies as described in KHC's Action Plan.

KHC currently encourages HCV participant involvement with the FSS program through various methods and would take a similar approach to FUP families and youth. Information is disseminated on KHC's website, including the FSS brochure, via an online briefing video viewed when a participant receives their voucher, and through caseworker referral while processing participant paperwork.

If the FSS program is at maximum capacity (470 participants), FUP-eligible families and youth will be moved to the top of the FSS waitlist in the order in which the referral or inquiry is received. FUP-eligible families and youth enrolled in FSS will not exceed 25% of the total number of FSS slots available to HCV participants.

- **FUP-Eligible Families:** To encourage FSS enrollment of FUP-eligible families, once a family has utilized the housing voucher to lease a unit, KHC staff and/or service provider will conduct outreach to the household to provide information on the FSS program, including:
 - the enrollment process;

- a description of available services to be provided during participation;
- the term of the program;
- requirements for participation and graduation; and
- contact information for FSS staff should they have any follow questions about the program.

FUP-eligible families may also receive information on the FSS program and other resources offered to KHC households at their admissions/initial voucher briefing. KHC staff and/or the service provider will periodically follow up with FUP-eligible families who do not enroll in the FSS program (i.e. quarterly or bi-annually) to provide additional marketing materials about the FSS program, including FSS success stories, and to address any questions about the program. Additional FSS workshops or information sessions specifically targeted to FUP-eligible families may also be scheduled to inform participants of the program and services available.

- **FUP-Eligible Youth:** To encourage FSS enrollment for FUP-eligible youth, once a youth has utilized the housing voucher to lease a unit, KHC staff and/or the service provider will conduct outreach to the household to provide information on the FSS program, including:
 - the enrollment process;
 - a description of available services to be provided during participation;
 - the term of the program;
 - requirements for participation and graduation; and
 - contact information for FSS staff should they have any follow questions about the program.

FUP-eligible youth may also receive information on the FSS program and other resources offered to KHC households at their admissions/initial voucher briefing. KHC staff and/or the service provider will periodically follow up with FUP-eligible youth who do not enroll in the FSS program (i.e. quarterly or bi-annually) to provide additional marketing materials about the FSS program, including FSS success stories, and to address any questions about the program. Additional FSS workshops or information sessions specifically targeted to FUP-eligible youth may also be scheduled to inform participants of the program and services available.

54.0 Appendix C: Homeownership Vouchers

Introduction

This document has been prepared as an addendum to the existing Administrative Plan.

KHC's HCV Homeownership Program permits current, eligible HCV Program participants the option of purchasing a home with their voucher subsidy assistance rather than renting. Effective March 1, 2019 KHC will no longer accept new referrals for the HVP. KHC will continue to administer those participants with a current homeownership voucher.

This plan addresses those areas that are pertinent to only the HCV Homeownership Program (Homeownership Program). Areas not addressed here may be found in the overall plan.

The following is a list of regulations and guidelines, which are pertinent to the Homeownership Program:

- 42 U.S.C. 1437 et.seq.
- 24 CFR 982 et.seq.
- HUD Requirements
- Homeownership Voucher Administrative Plan
- Housing Choice Voucher Administrative Plan
- Homeownership Voucher Program Selection Plan

If a conflict exists, the highest source of authority will prevail.

Kentucky Housing Corporation (KHC) shall be responsible for the overall management of the HCV Homeownership Program as a part of its responsibilities to the US Department of Housing and Urban Development (HUD) in management of the HCV Program. The Homeownership Voucher Program was authorized by Section 8(y) of the U. S. Housing Act of 1937, as amended by the Quality Housing and Work Responsibility Act of 1998.

KHC will make final determinations regarding eligibility for assistance under the rental and homeownership programs. The HCV Homeownership Program allows eligible HCV Program participants to use their voucher subsidy toward a mortgage payment instead of rent. KHC receives no separate or additional funding from HUD to operate the program.

KHC will utilize its own resources to administer the program. KHC's HCV staff will market and refer all nominees for the program to KHC's homeownership counseling staff and network of counselors. KHC approved counseling agencies will provide the pre-purchase housing counseling to the families.

54.1 Goal of Housing Choice Voucher Homeownership Program

The goal of the Homeownership Program is to provide homeownership opportunities combined with necessary counseling, self-sufficiency training and support, thereby facilitating economic opportunity within

communities while providing parameters to assist in the success of the participating family. The program is designed to minimize the causes of participant default, which would have a negative impact on the family and the neighborhood where the housing unit is located. The HCV Homeownership Program will enhance opportunities for eligible families.

The homeownership option is not available for units receiving project-based voucher assistance. The specific objectives of this program are:

- Expansion of housing opportunities for low-income and disabled families.
- Permit families to acquire an appreciable asset, move them toward the goal of economic self-sufficiency and eventual independence from government assistance programs.
- Expand opportunities for eligible families to obtain housing in areas where rental housing may not be readily available.
- Deconcentration of poverty.
- Enable families to acquire an asset and build wealth.

Applicants for the HCV Homeownership Program must hold a valid HCV from a KHC jurisdiction may not owe any monies to KHC or any other housing authority and must meet the other eligibility criteria for the HCV Homeownership Program.

All fair housing laws applicable to the HCV Program are applicable to the Homeownership Program. KHC will comply with all equal housing opportunity and nondiscrimination requirements imposed by federal and state law. **All civil rights laws applicable to the HCV Program are applicable to the HCV Homeownership Program.**

54.2 Household Eligibility Requirements

Participation in the HCV Homeownership Program is voluntary. Each HCV Homeownership Program participant must first meet the general requirements for admission to the HCV Program as set forth in KHC's Administrative Plan. In addition, the participant family must meet the eligibility requirements of the HCV Homeownership Program. The additional eligibility requirements for participation in the HCV Homeownership Program include that the family must:

- Be a first-time homeowner or have a member who is a person with disabilities.
- Except for elderly and disabled households, meet a minimum income requirement without counting income from "welfare assistance" sources.
- Except for elderly and disabled households, meet the requisite employment criteria.
- Hold a valid HCV from a KHC jurisdiction for a period of at least one year.
- Have fully repaid any outstanding debt owed to KHC or any other housing agency.
- Have not defaulted on a mortgage securing debt to purchase a home under the Homeownership Program.
- Not include a member who has a present ownership interest in a residence at the commencement of homeownership assistance.
- Not have received a notice of termination of assistance within the past year.

First-Time Homeowner

Each participant family must provide a statement from the landlord reflecting that the participant has paid the

last 12-months' rental obligations in a timely manner. Each participant family, except families with a disabled member must be a first-time homeowner. A "first-time homeowner" means that no member of the household presently has any ownership interest in a residence and has had no interest during the three years preceding commencement of homeownership assistance. However, a single parent or displaced homemaker who, while married, owned a home with a spouse (or resided in a home owned by a spouse) is considered a "first-time homeowner" for purposes of the Homeownership Program. A member of a cooperative (as defined in 24 CFR, 982.4) also qualifies as a first-time homeowner.

Note: "Present ownership interest" means that no member of the household has fee simple interest in the home including title to a manufactured or mobile home. It does not include the right to purchase title to the residence under a lease-purchase agreement.

Minimum Income Requirement

Amount of Income

At the time the family begins receiving homeownership assistance, the head of household, spouse, and/or other adult household members who will own the home must have a cumulative gross annual income at least equal to the federal minimum hourly wage multiplied by 2,000 hours. In the case of a disabled family, the monthly Social Security benefit or Supplemental Security Income benefit received by disabled members will be annualized. Any deviation from this income level must be reviewed and approved by the managing director of Tenant Assistance Programs on a case-by-case basis.

Exclusion of Welfare Assistance Income

Except for elderly and disabled families, KHC will disregard any welfare assistance income in determining whether the family meets the minimum income requirement. Welfare assistance includes Temporary Assistance for Needy Families, Supplemental Security Income that is subject to an income-eligibility test, food stamps and general government assistance or other welfare assistance specified by HUD. The disregard of welfare assistance income under this section affects initial qualification for the Homeownership Program. It does not affect the determination of income-eligibility for admission to the HCV Program, including the calculation of a family's total tenant payment or calculation of the amount of homeownership assistance payments under the Homeownership Program.

Employment History

The family, except for disabled and elderly households, must demonstrate that one or more adult family members who will own the home at commencement of participation in the HCV Homeownership Program is employed full-time (an average of 30 hours per week). The family must also demonstrate they have been continuously employed full-time for one year prior to execution of the sales agreement. The family must have made timely rental payments for at least 12 months. To reasonably accommodate a family's participation in the program, KHC will exempt a person who is elderly or who is disabled from this requirement. KHC may also consider successive employment during the one-year period and self-employment in a business.

KHC shall have discretion to determine whether and to what extent interruptions are considered to

break continuity of employment during the year. Generally, the employers may vary but there may not be a gap of more than two (2) weeks in employment and there must have been employment for at least forty-seven (47) weeks in the prior year.

Participants Must Hold Valid Housing Choice Voucher

Applicants for the HCV Program will be ineligible for participation in the Homeownership Program until they have participated on the HCV program for a period of at least one year. In addition, the family must meet eligibility requirements to participate in the HCV Homeownership Program option. Families must be income-eligible according to income limits determined by HUD. Participants in the HCV Homeownership Program must be citizens or noncitizens with “eligible immigration status” and meet the definition of a family as outlined in the Administrative Plan. KHC will use the same payment standards schedule and subsidy standards for the HCV Homeownership Program as is used for the HCV Program. **The rule limiting housing costs to 40 percent of monthly income does not apply to the Homeownership Program.** All family selection and screening criteria will mirror the HCV Program.

Repayment of Any Debts Owed to a Housing Agency

Participants in the HCV Program will be ineligible for participation in the Homeownership Program in the event any debt or portion of a debt remains owed to KHC or any other housing agency. Nothing in this provision will preclude HCV participants that have fully repaid their debt(s) from participating in the Homeownership Program.

Additional Eligibility Factors

Elderly and Disabled Households

Elderly and disabled families are exempt from the employment requirements set forth above. In the case of an elderly or disabled family, KHC will consider income from all sources, including welfare assistance, in evaluating whether the household meets the minimum income required to purchase a home through the Homeownership Program.

Prior Mortgage Defaults

If a head of household, spouse or other adult household member who will execute the contract of sale, mortgage and loan documents has previously defaulted on a mortgage obtained through the Homeownership Program, the family will be ineligible to participate in the Homeownership Program.

Previous Terminations of Assistance

The family may not have received notice of termination of assistance due to program violations in the previous year.

Family Composition

The family must provide evidence of a stable family composition. Households composed solely of family members who are related by blood or operation of law will automatically meet this definition.

Head of Household

Head of household will be determined before commencement of homeownership assistance.

54.3 Family Participation Requirements

Once a family is determined to be eligible to participate in the HCV Homeownership Program, the family is required to:

- Attend and satisfactorily complete a pre-qualifying homeownership counseling program approved by KHC.
- Locate the home they intend to purchase within a specified time frame.
- Submit a seller's property disclosure certificate, if applicable, that includes KHC's Contract Addendum.
- Allow KHC to inspect the proposed home to assure that the dwelling meets appropriate housing quality standards (HQS). The initial HQS inspection is the only inspection KHC is required to conduct during the entire time the family is receiving homeownership assistance. The HQS inspection performed by KHC is not a substitute for a home inspection performed by a third-party inspector and may not be relied upon by the family as any warranty or guaranty of the suitability of the home. Regulations governing the Homeownership Program do not require KHC to determine rent reasonableness; therefore, KHC will not exercise the rent reasonableness test for this program.
- Obtain an independent professional home inspection by an inspector that is used in the private market arranged by and paid for by the homebuyer. As noted above, this inspection is in addition to the HQS inspection performed by KHC.
- Secure their own financing. All regular lender underwriting, and property inspection requirements apply.
- Execute an Agreement to Comply with Program Requirements (compliance agreement) with KHC to comply with all of its obligations under the HCV Program.

Homeownership Counseling Program

The HCV Homeownership Program participant must attend and satisfactorily complete pre-purchase homeownership counseling. The HCV administrator will contact KHC's on-staff counselor to refer participants. A KHC-approved counselor will perform an intake on the participant and review a merged credit report, develop an action plan, assist with addressing derogatory credit issues and obtain necessary documents and information on their finances and money management. When the participant becomes mortgage-ready, the counselor will review the mortgage process and forward the final review form to KHC to issue the certificate of completion. KHC's financial counselor will forward copies of the certificate to both the program participant and the HCV administrator.

The counseling agency providing the counseling should be approved by KHC's Homeownership Counseling staff.

The series of sessions will include topics on homeowner's insurance, budgeting and saving, basic home maintenance by season, hiring a contractor, home equity loans and avoiding predatory lending.

Individual Development Accounts (KHC-Financed Mortgages Only)

Immediately upon purchase of the home, the homeowner will be required to participate in a three-year Individual Development Account (IDA) to be used for home maintenance and repair. The homeowner

will be required to contribute a minimum of \$10 per month to the IDA with a two-to-one match made by KHC. The maximum amount deposited by the homeowner will be \$500 per year for a total of \$1,500 over three years with a maximum match from KHC over a three- year period of \$3,000. At the end of the three-year period, all monies in the IDA will be disbursed to the family. If the family is delinquent on their mortgage payment, the arrears will be subtracted from the IDA total and the balance will be given to the family. KHC's contribution to the IDA is contingent upon funding availability.

Withdrawal of monies to pay home maintenance expenses will be contingent on full program participation by the homeowner, including monthly deposits to the IDA, post-purchase counseling attendance and good standing with the HCV Program. Prior to withdrawal of funds from the IDA, expenses must be approved by KHC. Such expenses are for the replacement of the heating system, air-conditioning, water heater, refrigerator, stove (funds cannot be used to purchase the initial appliance) and home repairs (not including decoration). It may not be used for additions to the unit or for decorative landscaping.

Family Obligations

The family must comply with the terms of any mortgage securing the debt incurred to purchase the home or any refinancing of such debt. The transfer or conveyance of the home is prohibited.

So long as the family is receiving homeownership assistance, the use and occupancy of the home is subject to the same requirements as the HCV Program.

Upon the death of a family member, who holds in whole or in part, title to the home or ownership of cooperative membership shares for the home, homeownership assistance may continue pending settlement of the decedent's estate, notwithstanding transfer of title by operation of law to the decedent's executor or legal representative, so long as the home is solely occupied by remaining family members.

The HCV Homeownership Voucher Program participation mirrors the HCV Program by requiring the family to supply required information to KHC.

In addition to the information required by the HCV program, the family must supply any information as required by KHC or HUD regarding:

- Any mortgage or other debt incurred to purchase the home and any financing of such debt (including information needed to determine whether the family has defaulted on the debt and the nature of such default) and information on any satisfaction or payment of the mortgage debt.
- Any sale or transfer of any interest in the home or the family's homeownership expenses.
- The family must notify KHC prior to moving out of the home.
- The family must notify KHC if the family defaults on a mortgage securing any debt incurred to purchase the home.
- During the time the family receives homeownership assistance, the family is prohibited from having any ownership in any other residential property such as a second residence.
- Before commencement of homeownership assistance, the family must execute a statement of family obligations in the form prescribed by HUD. In the statement, the family must agree to comply with

all family obligations under the HCV Program and the homeownership option.

- The family must agree not to refinance or incur additional debt secured by the home without prior written approval by KHC.
- The family must allow home inspections by KHC or administering agency when KHC or agency deems it appropriate and except in case of emergency, when 48 hours' notice is given.

54.4 Amount and Type of Assistance

The amount of the monthly assistance payment will be based on three factors:

- The voucher payment standard for which the family is eligible (see next section for definitions and calculation method).
- The monthly homeownership expense (see next section for definitions and calculation method).
- The family's household income.

KHC will pay the lower of either (i) the voucher payment standard minus the family rent portion or (ii) the family's monthly homeownership expense minus the total family contribution. The family will be required to pay all housing costs in excess of the amount of monthly assistance paid by KHC on their behalf. KHC will remit the monthly housing assistance payment directly to the mortgage lender or to the borrower in instances where the mortgage lender is not equipped to accept payments from two entities. In the event the monthly assistance payment exceeds the amount due to the mortgage lender, KHC will pay the excess amount directly to the family. Before the HCV Homeownership Program assistance begins, the family and KHC will execute a compliance agreement. KHC has chosen not to provide down-payment assistance in lieu of monthly homeownership assistance payments.

Subsidy Standards

KHC uses the same subsidy standards for rental and homeownership assistance, and will determine the subsidy standard applicable to each homeownership family to be utilized in the issuance of the payment standard size for the lease-to-own calculations and mortgage calculations by consideration of the following:

- Size or anticipated size of family
- Provision of a valued and salable asset
- Analysis of local marketable units
- Availability of necessary funding

It is the objective of KHC to provide the homeowner with the opportunity to purchase local marketable units. In some cases, the homeowner would only qualify (under the regular HCV program subsidy standards) for a payment standard that would limit the size of the unit purchased. Under the homeownership voucher program, an analysis will be done on the local market to ensure that the homeowner is provided adequate assistance to purchase a valued and salable property which in some cases will equate to adjusting the payment standard size above the subsidy standard of the HCV program. See Section 14.0 for additional exceptions to KHC's subsidy standard policy for the Homeownership Program.

Determining the Payment Standard

The voucher payment standard is the amount KHC annually establishes as the “fair market” rent for a unit of a particular size located within KHC’s jurisdiction. In the Homeownership Program, the initial payment standard will be the lower of:

- The payment standard for which the family is eligible, based on family size; or
- The payment standard that is applicable to the size of the home the family decides to purchase.

The payment standard for subsequent years will be based on the higher of:

- The payment standard in effect at commencement of the homeownership assistance; or
- The payment standard in effect at the most recent regular reexamination of the family’s income and size.

The initial payment standard for purposes of this comparison will not be adjusted even if there is a subsequent decrease in family size. KHC will request HUD approval of a higher payment standard, up to 120 percent of the published fair market rent limit, where warranted, as a reasonable accommodation for a family that includes a person with disabilities. **For a homeownership family, the payment standard will never be less than the payment standard at the time homeownership assistance commenced for the home.**

Determining the Monthly Homeownership Expense

Monthly homeownership expenses include all of the following:

- Principal and interest on the initial mortgage debt and any mortgage insurance premium incurred to finance the purchase and any refinancing of the same debt.
- Real estate taxes and public assessments.
- Home insurance.
- Utility allowance per KHC’s schedule of utility allowances.
- Allowance for routine home maintenance.
- Allowance for major home repairs.
- Replacement of major systems appliances.
- Principal and interest on mortgage debt incurred to finance major repairs and replacements or improvements for the home including changes needed to make the home accessible. These must be included in the first-mortgage debt at the time the home is initially purchased unless approved in advance by KHC.

Homeownership expenses for a condominium may include homeowner association dues, fees or regular charges assessed, if any.

Homeownership expenses for a cooperative member may only include amounts approved by KHC for the cooperative charge under the cooperative occupancy agreement, including:

- Payment for real estate taxes and public assessments on the home.

- Principal and interest on initial debt incurred to finance purchase of cooperative membership shares and any refinancing of the same debt.
- Home insurance.
- Principal and interest on debt incurred to finance major repairs, replacements or improvements, including changes to make the home accessible.

Determining the Family Rent Portion

The family rent portion is that portion of the homeownership expense that the family must pay. It is generally 30 percent of the family's adjusted income, plus any difference between the payment standard and the actual housing costs. All family income including welfare assistance will be counted to determine the family's adjusted monthly income for purposes of determining the amount of assistance.

Exclusion of Home Equity Assets

As defined in 24 CFR 5.603(b)(4), for purposes of determining annual income, net family assets do not include the value of a home currently being purchased with homeownership voucher assistance. This exclusion is limited to the first ten years after the purchase date. Upon expiration of the exclusion, KHC will obtain copies of the owner's tax liability bill to determine market value.

Changes in Income Eligibility

The amount of a family's homeownership assistance may be changed in the month following annual recertification of the household income. Participation in the Homeownership Program will continue until the sooner of (i) the date the assistance payment is \$0 for a period of six consecutive months or (ii) the maximum period of assistance determined pursuant to the guidelines of the program at the time the home is purchased.

54.5 Term of Assistance

HCV homeownership assistance will be paid for a maximum period of 15 years if the initial mortgage has a term that is 20 years or longer. In all other cases, the maximum term of homeownership assistance is ten years.

The maximum term for homeownership assistance does not apply to an elderly or a disabled family. In the case of an elderly family, this exception is only applied if the family qualifies as an elderly family at the commencement of homeownership assistance.

In the case of a disabled family, this exception applies if at any time during the receipt of homeownership assistance the family qualifies as a disabled family.

If, during the course of homeownership assistance, the family ceases to qualify as a disabled or elderly family, the maximum term becomes applicable from the date the homeownership commenced. However, the family must be provided at least six months of homeownership assistance after the maximum term becomes applicable.

54.6 Housing Search

After pre-qualification, the family will be advised they have a period of 120 days to locate a home for purchase. A home shall be considered located if a family submits an executed sales and purchase

agreement with the requisite components to KHC. For good cause, KHC may extend a family's time to locate a home for additional 30-day increments not to exceed 120 days. Any extensions beyond the 120-day period will be reviewed on a case-by-case basis by the managing director or assistant director of Tenant Assistance Programs who will determine a reasonable timeframe needed to assist the program participant to gain access to housing. During a family's search for a home to purchase, HCV rental assistance shall continue pursuant to the Administrative Plan. If a family is unable to locate a home within the time approved by KHC, HCV rental assistance – through the HCV Program – shall continue so long as the family continues to qualify under the program requirements.

Once a home is located and a sales and purchase agreement approved by KHC is signed by the family, the family shall have up to 120 days, plus any extension of time approved in writing by KHC, to close on the purchase of the home.

If a family is unable to close on the purchase of the home within the maximum time permitted by KHC, the family may continue to participate in the HCV Program. The family may not reapply for the Homeownership Program until they have completed an additional year of uninterrupted participation in the HCV Program following the initial determination of their eligibility for the Homeownership Program.

54.7 Eligible/Noneligible Housing Units

An eligible family may purchase any of the following types of homes:

- A new or existing single-family home.
- A townhouse or a condominium is permissible - owning both units in a duplex is not.
- A manufactured home to be permanently situated on a lot owned by the family.

An eligible family **may not** purchase the following types of homes:

- A home that is receiving project-based voucher assistance.

Home Inspection and Contract of Sale

KHC may not commence homeownership assistance for a family until KHC has inspected the home and has determined that the unit passes Housing Quality Standards (HQS). Additionally, the unit must be inspected by an independent inspector who is certified by the American Society of Home Inspectors. The inspection must be arranged by and paid for by the family. The independent professional inspector must cover the major building systems and components, including foundation and structure, housing interior and exterior, roofing, plumbing, electrical and heating systems. KHC will refer participants to the following websites at www.ashi.org or www.nachi.org to select an independent inspector.

The independent inspector must provide a copy of the inspection report to the family and to KHC's Tenant Assistance Programs. If any major components are found to be defective, the seller must make all applicable repairs and sign an addendum to the seller's certificate. KHC may not commence homeownership assistance for the family until KHC has reviewed the inspection report of the independent inspector. Even if the unit otherwise complies with Housing Quality Standards (and may qualify under the Tenant-Based HCV Program), KHC shall have discretion to disapprove the unit for assistance under the homeownership option because of information contained in the independent

inspector's report.

Contract of Sale

Before commencement of homeownership assistance, a member or members of the family must enter into a contract of sale with the seller of the unit to be acquired by the family. The family must give KHC a copy of the contract of sale. The contract of sale must:

- Specify the price and other terms of sale by the seller to the purchaser.
- Provide that the purchaser will arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected by the purchaser.
- Provide that the purchaser is not obligated to purchase the unit unless the inspection is satisfactory to the purchaser.
- Provide that the purchaser is not obligated to pay for any necessary repairs.
- Contain a certification from the seller that the seller has not been debarred, suspended or subject to a limited denial of participation under the Housing Choice Voucher Program.
- Provide KHC the right to inspect the dwelling and determine that it meets housing quality standards.
- Provide KHC the right to review and approve the independent inspection report.
- Provide KHC the right to review and approve the financing terms and requirements.
- KHC will require the seller and the buyer to sign an addendum to the sales agreement agreeing to the provisions outlined above.

Financing Requirements

KHC **may not** steer or restrict a family to certain sellers or neighborhoods. KHC **may not** require participants to use a certain lender or certain type of financing. However, financing for purchases under this program must generally be provided, insured or guaranteed by the state or federal government, comply with secondary mortgage market requirements or comply with generally accepted private sector underwriting standards.

Loan Terms

The proposed loan terms must be submitted to and approved by KHC prior to loan closing. KHC will determine, in its sole discretion, the affordability of the family's proposed loan terms and whether they are appropriate for current market conditions. In making such determination, KHC may consider other family expenses, including but not limited to childcare, unreimbursed medical expenses, education and training expenses, homeownership expenses and any such like expenses.

Certain types of financing, including but not limited to, balloon payment mortgages are prohibited and will not be approved by KHC. KHC will not approve sub-prime terms in lending.

Lease-Purchase is not an option for the Homeownership option. Seller financing will be considered by KHC on a case-by-case basis.

KHC will not approve any lending institution or loan that it determines, in its sole discretion, to be abusive or predatory.

Family Obligations

Homeownership assistance may only be paid while the family is residing in the home. If the family moves out of the home, KHC may not continue homeownership assistance after the month when the family moves from the unit. The family or lender is not required to refund to KHC the homeownership assistance for the month when the family moves out.

54.8 Continued Program Eligibility

KHC will annually reexamine family income and household composition and make applicable adjustments to the amount of the monthly housing assistance payments. To retain a housing choice voucher and homeownership assistance, the family must continue to qualify for the Housing Choice Voucher Program. The family must sign Statement of Homeownership of Obligations at every annual recertification. In addition, the family must continue to qualify under the remaining requirements of the Housing Choice Voucher Program.

54.9 Homeownership Expense Determination

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

54.10 Continued Assistance after Mortgage Default

KHC will terminate homeownership voucher assistance for any family that is dispossessed from the home pursuant to a judgment or order of foreclosure on any mortgage securing debt incurred to purchase the home or any refinancing of the debt.

KHC will consider mitigating circumstances in determining whether to provide a family with rental assistance after mortgage default or whether the family should reapply for assistance and be placed on the waiting list. The family may request an informal hearing if they have defaulted on a mortgage and have been denied a housing choice voucher. The purpose of the hearing will have no bearing on the declaration of default under the mortgage and is limited to determining if the family is eligible to receive Housing Choice Voucher Program rental assistance.

54.11 Portability

A family determined eligible a voucher under KHC's homeownership program may purchase a unit outside KHC's jurisdiction only if the receiving PHA is administering a voucher homeownership program and is accepting new homeownership families. KHC's portability procedures under Section 27.1 apply. In addition, the family must attend any briefing or counseling sessions required by the receiving PHA. The receiving PHA will determine whether the financing for and the physical condition of the unit are acceptable. The receiving PHA must notify KHC if the family has purchased an eligible unit under the program or if the family is unable to purchase a home within the maximum time established by KHC.

54.12 Buying another Home with Housing Choice Voucher Assistance

A homeownership family may purchase another home with Housing Choice Voucher assistance provided there is no mortgage default. The family must sell its current home in order to purchase another home with homeownership assistance. In this instance, the family must meet all initial eligibility requirements

(work and minimum income requirements) with the exception of a first-time homeowner. The family will be required to invest all proceeds from the sale of the first home toward the purchase of the new home. **KHC prohibits more than one move by the family during any one-year period.**

54.13 General Guidelines

- For the purposes of the Housing Choice Voucher Homeownership Voucher Program, a disabled person will be considered disabled if they meet HUD's definition of disabled.
- KHC will approve a live-in aide if needed as a reasonable accommodation.
- Participants in the Homeownership Program must be either a citizen or a noncitizen with eligible immigration status.
- All family selection and screening criteria will mirror the Housing Choice Voucher Program.

Waiver or Modification of Homeownership Policies

KHC will have the sole discretion from time to time to waive or modify any provision of the Housing Choice Voucher Homeownership Program not governed by statute or regulation or to comply with changes in HUD regulations or directives.

55.0 Appendix D: Homeownership Voucher Selection Plan

55.0 Purpose

The basic concept of KHC's Homeownership Voucher Program (HVP) involves using the voucher subsidy to assist the family with their monthly mortgage payments rather than rent. Homeownership assistance may only be provided for families currently receiving "tenant-based assistance." The option is not available for units receiving project-based voucher assistance. Effective March 1, 2019 KHC will no longer accept new referrals for the HVP. KHC will continue to administer those participants with a current homeownership voucher.

55.1 Type of Assistance

Mortgage payments will be made directly to lenders on a monthly basis in the form of housing assistance payments. Should the assistance payment exceed the amount due the lender, KHC will pay the excess amount directly to the family. Before the homeownership voucher assistance begins, the family and KHC will execute a "Statement of Homeowner Obligations."

55.2 Approval of Loan Documents and Related Documentation

KHC will require qualified homebuyers who participate in the program to execute an Agreement to Comply with Program Requirements (Compliance Agreement).

Additionally, the family will be required to furnish the lender with a copy of the Contract of Sale for the property. Upon review of the document the lender will forward a copy of the Contract of Sale to KHC. The contract must specify the price and terms of sale, provide for pre-purchase inspection and contain a seller certification that the seller is not debarred, suspended or subject to limited denial of participation. The lender will furnish KHC a copy of the HUD I form.

55.3 Eligibility Criteria and Household Selection

Interested individuals must fulfill the following minimum criteria:

1. The final rule establishes that the adult family members who will own the home at the commencement of the homeownership assistance must have an annual income which meets a national minimum income requirement equal to 2,000 hours of full-time work at the federal minimum wage of which currently equals \$14,500. In the case of a disabled family, the monthly social security income or security supplemental income benefit will be annualized.
2. Except for families who are elderly or disabled, income counted in meeting any minimum income requirement under the homeownership program must come from sources other than welfare assistance.
3. The family has been continuously employed during the past year prior to commencement of homeownership assistance. The family must have made timely rental payments for at least 12 months. The employment requirement does not apply to an elderly or a disabled family.
4. The family must be moving for the first time from rental housing to a family-owned home. The

rule defines the term “first-time homeowner” to include:

- a. A divorced, single parent or displaced homemaker who, while married, owned a home with his or her spouse or resided in a home owned by his or her spouse.
 - b. A family who may have previously owned a home and includes a member who is a person with disabilities and for which the provision of the homeownership assistance would provide a reasonable accommodation. KHC will determine whether the use of the homeownership assistance is necessary as a reasonable accommodation.
5. Before commencement of homeownership assistance, KHC requires that a family must attend and satisfactorily complete the pre-qualifying homeownership housing counseling program provided by the KHC counseling department.
 6. Families selected by KHC to participate in the HVP must qualify for their own financing. All regular lender underwriting and property inspection requirements apply.
 7. Two kinds of home inspections are required (in addition to, and separate from, any lender-required inspections).
 - a. KHC will conduct a housing quality standard (HQS) inspection. The initial HQS inspection is the only inspection KHC is required to conduct during the entire time the family is receiving homeownership assistance.
 - b. An independent professional home inspection by an inspector that is used in the private market arranged by and paid for by the homebuyer.
 8. The regulation governing the HVP does not require public housing authorities (PHA) to determine rent reasonableness. Therefore, KHC will not exercise the rent reasonableness test for this program.
 9. Families must be income eligible according to income limits established by HUD during the term of the assistance.

55.4 Term of Assistance

- Housing Choice Voucher homeownership assistance will be paid for a maximum period of 15 years if the initial mortgage incurred has a term that is 20 years or longer. In all other cases, the maximum term of homeownership assistance is ten years.
- The maximum term for homeownership assistance does not apply to an elderly or a disabled family. In the case of an elderly family, this exception is only applied if the family qualifies as an elderly family at the commencement of homeownership assistance.
- In the case of a disabled family, this exception applies if at any time during the receipt of homeownership assistance the family qualifies as a disabled family.
- If, during the course of homeownership assistance, the family ceases to qualify as a disabled or elderly family, the maximum term becomes applicable from the date the homeownership assistance commenced. However, the family will be provided at least six months of homeownership assistance after the maximum term becomes applicable.

55.5 Continued Program Eligibility

KHC will annually reexamine family income and household composition and make applicable adjustments to the amount of the monthly housing assistance payments. To retain a housing choice

voucher, the family must continue to qualify for the Housing Choice Voucher Program in all respects.

55.6 Home Ownership Expense Determination

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

55.7 Continued Assistance after Mortgage Default

KHC will terminate voucher homeownership assistance for any family that is dispossessed from the home pursuant to a judgment or order of foreclosure on any mortgage securing debt incurred to purchase the home or any refinancing of the debt.

KHC will consider mitigating circumstances in determining whether to provide a family with rental assistance after mortgage default or to require them reapply for assistance and be placed on the waiting list. The family may request an informal hearing if they have been denied a Housing Choice Voucher rental voucher.

55.8 Portability

KHC intends to restrict participants to the geographic boundaries of its program area. This will assist in program implementation because only one agency's administrative guidelines will be in place.

55.9 Buying another Home with Housing Choice Voucher Assistance

A homeownership family may purchase another home with Housing Choice Voucher assistance provided there is no mortgage default. The family must sell its current home in order to purchase another home with homeownership assistance. In this instance, the family must meet all initial eligibility requirements (work and minimum income requirements) with the exception of first-time homeowner.

55.10 Eligible Units

- A home may be purchased which is either under construction, already existing or under contract but not yet under construction.
- The homeownership assistance may only be used for the purchase of a single-family property or single dwelling unit in a cooperative or a condo. (A townhouse or a condo is permissible; owning both units in a duplex is not).
- Manufactured housing units must be permanently situated on a lot owned by the family. They must the guidelines of the specific government agency insuring/guaranteeing the loan. Only new manufactured housing is permitted with RHS and conventional loans. An eligible family may not purchase a mobile home or a home that is receiving project-based voucher assistance.
- All manufactured housing units must have the affixed label "Federal Manufactured Home Construction and Safety Standards."
- Wheels, axles and hitches must be removed. The housing unit must be permanently affixed to foundation. All foundations must have a footing that is located below the frost line. All piers must be placed where the unit manufacturer recommends. The foundations system must be designed by an engineer to meet soil conditions of the site and assume the characteristics of

site-built housing.

- The cost or value of the land, unit and placement of all utilities must represent a single real estate transaction that does not exceed KHC's purchase price limitations. The loan amount cannot include the financing of furniture or any form of insurance.
- Each unit must have sufficient square footage and room dimensions to be acceptable to typical purchasers in the subject market. The appraiser must address both the marketability and comparability of manufactured housing units. The appraiser should use similar units as comparable sales. The appraiser may use site-built housing as comparables as long as it is explained why they are being used.

55.11 General Guidelines

- A person will be eligible for the HVP and considered disabled if they meet the HUD definition of disabled.
- A person is considered disabled if: (a) the following Social Security disability definition is met as described in paragraph (1), or (b) the individual has a developmental disability as described in paragraph (2).
 1. "Inability to engage in any substantial, gainful activity by reason of any medically determinable physical or mental impairment which can be expected to last for a continuous period of not less than 12 months, or
 2. "In the case of an individual who attained the age of 55 and is blind and unable by reason of such blindness, to engage in substantial, gainful activity requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time."
- Section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7) defines developmental disability in functional terms as:
- "Severe chronic disability that: (a) is attributable to a mental or physical impairment or combination of mental and physical impairments; (b) is manifested before the person attains age 22; (c) is likely to continue indefinitely; (d) results in substantial functional limitations in three or more of the following areas of major life activity: (1) self-care; (2) receptive and responsive language; (3) learning; (4) mobility; (5) self-direction; (6) capacity for independent living and (7) economic self-sufficiency, and (e) reflects the person's need for a combination and sequence of special, interdisciplinary or generic care, treatment or other services which are of lifelong or extended duration and are individually planned and coordinated.
- KHC will approve a live-in aide if needed as a reasonable accommodation.
- When a family has been determined eligible for the HVP, KHC will allow up to 120 days to locate and purchase a home.
- In the event the family does not find a suitable home to purchase in the allotted timeframe, upon request, further extensions may be granted in 30-day increments with approval by management.
- Participants in the HVP must be a citizen or a non-citizen with "eligible immigration status;" and
- Meet the definition of "family" as outlined in KHC's Administrative Plan.
- All tenant selection and screening criteria will mirror the Housing Choice Voucher(HCV) Program.

- KHC will use the same payment schedule, subsidy standards and utility allowance charts for the HVP as is used for the HCV Program.
- The 40 percent of adjusted monthly income limitation does not apply to the HVP.

Any areas of program administration not addressed in this Selection Plan will be governed by the federal regulations and guidelines authorized by Section 8 (y) of the United States Housing Act of 1937, as amended by Section 555 of the Quality Housing and Work Responsibility Act of 1998.

56.0 Appendix E: Mainstream 5 Program Operating Plan

Introduction

Mainstream 5 program vouchers enable disabled families to lease affordable private housing of their choice. Mainstream 5 program vouchers also assist persons with disabilities who often face difficulties in locating suitable and accessible housing on the private market.

56.0 Eligibility

Prior to January 22, 2020, only an income-eligible, elderly, disabled family could receive a Mainstream 5 program voucher. A disabled family means a family whose head, spouse, or sole member is a person with disabilities. It may include two or more persons with disabilities living together or one or more persons with disabilities living with one or more live-in aides.

Effective January 22, 2020, all Mainstream 5 vouchers serve households that include a non-elderly person(s) with disabilities, defined as any family that includes a person with disabilities who is at least 18 years old and not yet 62 years old.

Existing families receiving Mainstream 5 vouchers, where the eligible family member turns 62 or older, will not age out of the program as long as the family was eligible on the day it was first assisted under a HAP contract.

56.1 Turnover

Mainstream 5 vouchers will be issued to non-elderly, disabled households upon turnover. At any time more than one eligible waiting list applicant is competing for an available Mainstream 5 voucher, the first family to be determined eligible for the program by KHC staff will be issued the voucher.

Remaining families, upon eligibility determination, will be issued housing choice vouchers (HCV) if available. If an HCV is not available, the applicant(s) will be returned to the waiting list with their original application date.

56.2 Voucher Issuance

KHC will comply with all requirements outlined in PIH Notice 2005-5 to comply with the Olmstead decision, as well as being generous in establishing reasonable initial search terms and subsequent extensions for families with a disabled person.

At the time of voucher issuance, KHC staff will provide the family with housing search assistance by providing them with a participating landlord list that identifies whether the landlord owns handicap accessible units. KHC staff will promote fair housing rights, as well as work to remedy any discrimination in housing for persons with disabilities, regardless of race, color, religion, sex, national origin, sexual orientation or gender identity, ancestry, age, disability, familial, marital or veteran status with regard to fair housing and equal employment opportunity. Inquiries regarding sexual orientation or gender identity are prohibited for purposes of determining eligibility or otherwise making housing available. Outreach and/or marketing will be undertaken to make renters aware of their rights, as well as the responsibilities of property owners/managers.

KHC's Tenant Assistance Programs works with both renters and property owners/managers in the Housing Choice Voucher program. When a new renter household receives rental assistance, they are required to attend an orientation to review program requirements. In these orientations, applicants review fair housing issues and receive handouts and brochures on fair housing discrimination and their rights as renters. These packets not only include information on housing discrimination, but forms and instructions on how to file a complaint.

All households sign off on a program summary indicating that they have received the above-mentioned information. In addition, property owners/managers who participate in the Housing Choice Voucher program receive packets that include information on fair housing. New property owners/managers receive orientation packets that also contain fair housing information, as well as on-site training when needed.

Any deficiencies identified in any of the above areas will be addressed by working with the involved party and any applicable agency, such as the Commission on Human Rights, to correct the problem.

Applicant households who qualify under the Mainstream 5 Program who choose not to participate will not be denied other housing opportunities.

Approval of higher payment standards will be given as a reasonable accommodation when needed to enable disabled renter households to select a suitable rental unit.

56.3 Portability

Mainstream 5 vouchers are portable and will be processed as outlined in Section 46.0 of the Housing Choice Voucher Program section of this Administrative Plan.

57.0 Appendix F: Mainstream Program Operating Plan

Introduction

Mainstream program vouchers enable households with a non-elderly, disabled member to lease affordable private housing of their choice. Mainstream program vouchers also assist persons with disabilities who often face difficulties in locating suitable and accessible housing on the private market.

57.1 Eligibility

Only a non-elderly, disabled household that is income-eligible may receive a mainstream program voucher. A disabled household is one whose head, spouse, or non-elderly household member is a person with disabilities (as defined by 42 USC 423(d) or a having a developmental disability as defined by 42 USC 6001). It may include two or more persons with disabilities living together or one or more persons with disabilities living with one or more live-in aides. Non-elderly references ages 18-61.

57.2 Waiting List Management

Mainstream vouchers will be issued to non-elderly, disabled families upon turnover. Voucher recipients will be identified by two methods:

1. A disabled preference will be applied when the family is added to the waiting list. Homeless status will also be captured in order to identify eligible applicants. At any time more than one eligible waiting list applicant is competing for an available mainstream voucher, the first family to be determined eligible for the program by KHC staff will be issued the voucher. Remaining families, upon eligibility determination, will be issued housing choice vouchers (HCV) if available. If an HCV is not available, the applicant(s) will be returned to the waiting list with their original application date.
2. By referral from Balance of State Continuum of Care (CoC) partners. Referral jurisdiction will match that of the CoC jurisdiction. Referrals must include one of the following targeted groups:
 - Currently experiencing homelessness
 - Previously experienced homelessness and is a resident of permanent supportive housing, rapid rehousing program, or other temporary tenant-based rental assistance program.
 - At risk of homelessness
 - Transitioning out of institutional or other segregated settings serving persons with disabilities
 - At serious risk of institutionalization

57.3 Voucher Issuance

KHC will comply with all requirements outlined in PIH Notice 2005-5 to comply with the Olmstead decision, as well as being generous in establishing reasonable initial search terms and subsequent extensions for families with a disabled person.

When a new renter household receives rental assistance, they are required to attend a briefing to review program requirements. In these briefings, applicants review fair housing issues and receive

handouts and brochures on fair housing discrimination and their rights as renters. These packets not only include information on housing discrimination, but forms and instructions on how to file a complaint. All households will sign off on a program summary indicating that they have received the above-mentioned information.

KHC staff will provide the family with housing search assistance by providing them with a participating landlord list that identifies whether the landlord owns handicap accessible units. It is the responsibility of the family to find a unit that meets their needs. Once the family finds a suitable unit and the owner is willing to lease the unit under the program, the family must submit a Request for Tenancy Approval (RFTA) to KHC no later than the expiration date stated on the voucher.

If KHC determines that the unit meets housing quality standards, that the rent is reasonable, and that the unit meets other program requirements, KHC executes a Housing Assistance Payments (HAP) Contract with the property owner.

Applicant households who qualify under the Mainstream Program who choose not to participate will not be denied other housing opportunities.

Approval of higher payment standards will be given as a reasonable accommodation when needed to enable disabled renter households to select a suitable rental unit.

57.4 Portability

Mainstream vouchers are portable and will be processed as outlined in Section 46.0 of the Housing Choice Voucher Program section of this Administrative Plan.

58.0 Appendix G: Non-Elderly Disabled Program

Introduction

The Omnibus Appropriations Act, 2009 (Public Law 111-8), made available \$30 million for incremental HCV for non-elderly disabled (NED) families served by PHAs with demonstrated experience and resources in providing supportive services.

Only a non-elderly disabled family that is income-eligible may receive a NED program voucher. KHC will draw NED families from the waiting list to issue any available vouchers funded through the NED Program. At any time more than one family is competing for an available NED voucher, the first family to be determined eligible for the program by KHC staff will be issued the voucher. Remaining families, upon eligibility determination, will be issued housing choice vouchers if available.

At the time of voucher issuance, KHC staff will provide the family with housing search assistance by providing them with a participating landlord list that identifies whether the landlord owns handicap accessible units. KHC staff will promote fair housing rights, as well as work to remedy any discrimination in housing for persons with disabilities, regardless of race, color, religion, sex, national origin, sexual orientation or gender identity, ancestry, age, disability, familial, marital or veteran status with regard to fair housing and equal employment opportunity. Inquiries regarding sexual orientation or gender identity are prohibited for purposes of determining eligibility or otherwise making housing available. Outreach and/or marketing will be undertaken to make renters aware of their rights, as well as the responsibilities of property owners/managers.

KHC's Tenant Assistance Programs works with both renters and property owners/managers in the Housing Choice Voucher Program. When a new renter household receives rental assistance, they are required to attend a briefing orientation to review program requirements. The briefing may be held face-to-face or online. In these briefings, renters review fair housing issues and receive handouts and brochures on fair housing discrimination and their rights as renters. These packets not only include information on housing discrimination, but forms and instructions on how to file a complaint.

All renter households sign off on a program summary indicating that they have received the above-mentioned information. In addition, property owners/managers who participate in the rental assistance program receive packets that include information on fair housing. New property owners/managers receive orientation packets that also contain fair housing information, as well as on-site training when needed.

Any deficiencies identified in any of the above areas will be addressed by working with the involved party and any applicable agency, such as the Commission on Human Rights, to correct the problem. Applicants who qualify under the NED Program who choose not to participate will not be denied other housing opportunities.

Approval of higher payment standards will be given as a reasonable accommodation when needed to enable NED-eligible households to select a suitable rental unit.

58.1 Eligibility

An eligible family must be income eligible and include a head, spouse or sole member who is disabled and under 62 years of age.

58.2 Turnover

The Omnibus Appropriations Act of 2009 requires allocated NED vouchers remain available for NED-eligible families upon turnover.

If the waiting list is closed and there are no eligible applicants on the waiting list, the waiting list will be opened and limited to accepting applications from NED families.

58.3 Portability

NED vouchers are portable and will be processed as outlined in Section 46.0 of the Housing Choice Voucher Program section of this Administrative Plan.

58.4 FSS Participation

Families participating in the NED Program are eligible for participation in the FSS Program as described in the Family Self-Sufficiency Appendix of this Administrative Plan.

59.0 Appendix H: HUD-Veterans Affairs Supportive Housing (VASH)

Introduction

The Department of Defense and Full-Year Continuing Appropriations Act, 2011 (the Act) (Public Law 112-10) enacted April 15, 2011, provided \$50 million of funding for HUD-VASH vouchers as authorized under Section 8(o)(19) of the United States Housing Act of 1937. Under this Act, KHC is allocated VASH vouchers to serve homeless veterans in partnership with the Veterans Administration facility in Fort Knox, Kentucky. The vouchers were allocated for Bullitt, Meade, Hardin, Simpson, Allen, Warren, Logan, and Christian Counties.

59.1 Eligible Families

VASH eligible families are homeless veterans. The Veterans Affairs Medical Centers (VAMC) will refer VASH eligible families to KHC for the issuance of vouchers.

The VAMC will screen all families in accordance with its screening criteria. By agreeing to administer the VASH program, KHC is relinquishing its authority to determine the eligibility of families in accordance with regular HCV program rules and KHC policies. Specifically, under the VASH program, KHC will not have the authority to screen potentially eligible families or deny assistance for any grounds permitted under 24 CFR 982.552 (broad denial for violations of HCV program requirements) and 982.553 (specific denial for criminals and alcohol abusers), with one exception. KHC will still be required to prohibit admission if any member of the household is subject to a lifetime registration requirement under a state sex offender registration program. Accordingly, HUD is exercising its authority to waive 42 U.S.C. 1437d(s); 42 U.S.C. 13661(a), (b), and (c); and 24 CFR Sections 982.552 and 982.553, with the exception of 982.553(a)(2)(i), which requires denial of admission to certain registered sex offenders.

Civil rights requirements cannot be waived. The VASH program is administered in accordance with applicable Fair Housing requirements.

59.2 Income Eligibility

KHC must determine income eligibility for VASH families in accordance with 24 CFR 982.201. Income targeting requirements of section 16(b) of the USHA of 1937, as well as 24 CFR 982.201(b)(2), do not apply for VASH families so that participating PHAs can effectively serve the eligible population specified in the 2008 Appropriation Act; that is, homeless veterans, who may be at a variety of income levels.

59.3 Initial Term of the Voucher

Recognizing the challenges that VASH participants may face with their housing search, VASH vouchers must have an initial search term of at least 120 days. Any extensions will remain under the policies in KHC's Administrative Plan but will apply after the minimum 120-day initial search term.

59.4 Initial Lease Term

Under the HCV program, voucher participants must enter into an initial lease with the owner for one year, unless a shorter term would improve housing opportunities for the tenant and the shorter term is

a prevailing market practice. To provide a greater range of housing opportunities for VASH voucher holders, initial leases may be less than 12 months; therefore, both Section 8(o)(7)(A) and 24 CFR 982.309(a)(2)(ii) are waived.

59.5 Ineligible Housing

VASH families will be permitted to live on the grounds of a VAMC in units owned by the VA. Therefore, 24 CFR 982.352(a)(5), which prohibits units on the grounds of a medical, mental or similar public or private institution is waived for that purpose only.

59.6 Mobility and Portability of VASH Vouchers

An eligible family issued a VASH voucher must receive case management services provided by the VAMC. VASH participants may reside only in those jurisdictional areas that are accessible to case management services as determined by the partnering VAMC.

Since the VAMC will be identifying homeless veterans eligible to participate in the VASH program, Section 8(r)(1)(B)(i) or the USHA of 1937, 42 U.S.C. 1437f(r)(1)(B)(i), which restricts portability in cases where the family did not reside in the jurisdiction of the PHA at the time of application for HCV assistance and 24 CFR 982.353(a), (b) and (c), which affects where a family can lease a unit with HCV assistance, do not apply.

59.7 Portability Moves Where Case Management is Provided by the Initial PHAs Partnering VAMC

If the family initially leases up or moves, under portability provisions, but the initial PHA's partnering VAMC will still be able to provide the necessary case management services due to its proximity to the partnering VAMC, the receiving PHA must process the move in accordance with the portability procedures of 24 CFR 982.355. However, since the initial PHA must maintain records on all VASH families receiving case management services from its partnering VAMC, receiving PHAs must bill the initial PHA. Therefore, 24 CFR 982.355(d), which gives the receiving PHA the option to absorb the family into its own HCV program or bill the initial PHA is not applicable.

59.8 Case Management Requirements

The VAMC responsibilities include:

- Screening homeless veterans to determine whether they meet the VASH program participation criteria established by the VA national office.
- Provide appropriate treatment and supportive services to potential VASH program participants, if needed, prior to KHC's issuance of rental vouchers
- Provide housing search assistance to VASH participants with rental vouchers
- Identify the social service and medical needs of VASH participants and provide or ensure the provision of regular, ongoing case management, outpatient health services, hospitalization and other supportive services as needed throughout this initiative.
- Maintaining records and providing information for evaluation purposes as required by HUD and the VA.

As a condition of HCV rental assistance, a VASH eligible family must receive the case management services noted above from the VAMC. Therefore, a VASH participant's HCV assistance must be terminated for failure to participate, without good cause, in case management as verified by the VAMC. However, a VAMC determination that the participant no longer requires case management is not grounds for termination of assistance. In such case, KHC may offer the family continued HCV assistance through one of its regular vouchers, to free up the VASH voucher for another eligible family referred by the VAMC. Upon funding availability, KHC will offer the participant a regular HCV for continued assistance. If funding is not available, the participant will be placed on the waiting list with a preference.

59.9 Turnover of VASH Vouchers

In accordance with the 2008 Appropriation Act, upon turnover, VASH vouchers must be issued to eligible families as identified by the VAMC.

59.10 Section Eight Management Assessment Program (SEMAP)

Since leasing of VASH vouchers will be dependent on referrals from the VAMC, the unit months and the budget authority associated with these vouchers will not be included in the SEMAP leasing indicator denominator. Therefore, 24 CFR 985.3(n)(1)(i) and (ii) are waived. However, utilization of these vouchers will be monitored separately through HUD systems.

59.11 FSS and Homeownership Voucher Program Participation

VASH participants are eligible for participation in the FSS and Homeownership Voucher programs in accordance with 24 CFR 984 and 982.625 through 642.

60.0 Appendix I: Family Unification Program

Introduction

KHC was awarded 74 Family Unification Program (FUP) vouchers effective March 1, 2019. KHC will partner with Kentucky's state public child welfare agency (PCWA), the Cabinet for Health and Family Services, Department of Community Based Services.

The PCWA, along with Balance of State CoC partner when applicable, initially determines if the family or youth meets the FUP eligibility requirements, certifies that the family or youth is eligible, and refers those families or youths to KHC. Once the PCWA (and CoC when applicable) makes the referral, KHC places the FUP applicant on its HCV waiting list and determines whether the family or youth meets HCV program eligibility requirements, including income eligibility. KHC conducts all other processes relating to voucher issuance and administration.

In addition to rental assistance, supportive services will be provided to FUP youths by the PCWA (and CoC when applicable) for the first 18 months that the youth participates in the program. Examples of the skills targeted by these services include money management skills, job preparation, educational counseling, and proper nutrition and meal preparation. The program does not require PCWAs to provide supportive services for families; however, PCWAs may make them available to families as well.

While the FUP program is administered in accordance with HCV program regulations, the FUP Notice of Funding Availability (NOFA) issued by HUD provides specific program information and requirements such as the targeted population, the Memorandum of Understanding (MOU) by which PHAs, PCWAs, and COCs establish their partnership, and rating criteria for review and selection of applications, among others.

60.1 Eligible Families

KHC FUP vouchers will serve two populations:

- FUP-Eligible Families are defined as families the PCWA has documented and/or certified as a family for whom the lack of adequate housing is a primary factor in:
 - The imminent placement of the family's child(ren) in out-of-home care; or
 - The delay in the discharge of the child(ren) to the family from out-of-home care; and
 - PHA has determined eligible for a Housing Choice Voucher.
- FUP-Eligible Youth is defined as a youth the PCWA has documented and/or certified to be at least 18 years old, and not more than 24 years of age, and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act, and is homeless or is at risk of becoming homeless at age 16 or older. FUP -Eligible

Youth may receive assistance for a period not to exceed 36 months.

- To be eligible, applicants must meet specific FUP eligibility requirements as well as HCV eligibility requirements.

60.2 Income Eligibility

KHC must determine income eligibility for FUP families in accordance with 24 CFR 982.201. Income targeting requirements of section 16(b) of the USHA of 1937, as well as 24 CFR 982.201(b)(2), do not apply for FUP families so that participating PHAs can effectively serve the eligible population specified in the 2008 Appropriation Act; that is, eligible families, who may be at a variety of income levels.

60.3 Initial Term of the Voucher

Prior to issuance of a FUP voucher, participants will be required to participate in a program briefing. FUP participant vouchers will have an initial search term of 90 days. Any extensions will remain under the policies in KHC's Administrative Plan.

60.4 Unit Search

It is the responsibility of the family or youth to find a unit that meets their needs. Once the family or youth finds a suitable unit and the owner is willing to lease the unit under the program, the family or youth must submit a Request for Tenancy Approval (RTA) to KHC no later than the expiration date stated on the voucher.

If KHC determines that the unit meets housing quality standards, that the rent is reasonable, and that the unit meets other program requirements, KHC executes a Housing Assistance Payments (HAP) Contract with the property owner. This contract authorizes KHC to make rent subsidy payments on behalf of the family or youth. The family or youth will then execute a lease with the owner.

KHC Policy: A family or youth may choose a unit anywhere in the United States or its possessions where there is a PHA that administers the HCV program. However, new voucher holders not living in the jurisdiction of KHC at the time the family or youth applied or was referred for HCV assistance will be required to lease a unit within KHC's jurisdiction for the first 12 months of assistance.

60.5 Term of Assistance

FUP-eligible youth are restricted to a term of assistance not to exceed 36 months.

If a parent of a family that was awarded a voucher under FUP loses parental rights and the children move from the voucher unit, the family is still eligible to keep their FUP voucher, as termination of a FUP voucher is handled in the same way as regular HCVs. The regulations do not permit HCV termination due to loss of parental rights or children reaching adulthood.

60.6 Mobility and Portability of FUP Vouchers

A family or youth may choose a unit anywhere in the United States or its possessions where there is a PHA that administers the HCV program. However, new voucher holders not living in the jurisdiction of KHC at the time the family or youth applied or was referred for HCV assistance will

be required to lease a unit within KHC's jurisdiction for the first 12 months of assistance.

There is nothing that precludes a FUP participant from utilizing the portability option under the HCV program. FUP is administered the same as the regular HCV program. Additionally, the participant does not have to port to a jurisdiction that administers FUP. If this is the case, and the receiving PHA does not absorb the FUP participant into its regular HCV program, all the other rules of portability apply. In this instance, KHC will bill the receiving PHA. Further, it is the responsibility of the initial PHA to initiate termination at the end of the 36-month term of the youth's assistance.

60.7 Case Management Requirements

As a condition of HCV rental assistance, a FUP eligible youth must receive the case management services for a period of 18 months from the PCWA. Therefore, a FUP-eligible youths' HCV assistance must be terminated for failure to participate, without good cause, in case management as verified by the PCWA. However, a PCWA determination that the participant no longer requires case management is not grounds for termination of assistance. In such case, KHC may offer the family continued HCV assistance through one of its regular vouchers, to free up the FUP voucher for another eligible family referred by the PCWA. Upon funding availability, KHC will offer the participant a regular HCV for continued assistance. If funding is not available, the participant will be placed on the waiting list with a preference.

60.8 Turnover of FUP Vouchers

In accordance with the 2008 Appropriation Act, upon turnover, FUP vouchers must be issued to eligible families as identified by the PCWA.

60.9 FSS Program Participation

FUP participants are eligible for participation in the FSS program in accordance with 24 CFR 984 and 982.625 through 642. See FSS Action Plan for further details.

61.0 Appendix J: VAWA Emergency Transfer Plan

Emergency Transfers

Kentucky Housing Corporation (KHC) is concerned about the safety of its rental assistance participants, and such concern extends to tenants who are victims of domestic violence, dating violence, sexual assault, or stalking. In accordance with the Violence Against Women Act (VAWA),¹ KHC allows tenants who are victims of domestic violence, dating violence, sexual assault, or stalking to request an emergency transfer from the tenant's current unit to another unit. The ability to request a transfer is available regardless of sex, gender identity, or sexual orientation.² The ability of KHC to honor such request for tenants currently receiving assistance, however, may depend upon a preliminary determination that the tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

This plan identifies tenants who are eligible for an emergency transfer, the documentation needed to request an emergency transfer, confidentiality protections, how an emergency transfer may occur, and guidance to tenants on safety and security. This plan is based on a model emergency transfer plan published by the U.S. Department of Housing and Urban Development (HUD), the Federal agency that oversees that the Housing Choice Voucher Program complies with VAWA.

Eligibility for Emergency Transfers

A tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking, as provided in HUD's regulations at 24 CFR part 5, subpart L is eligible for an emergency transfer, if the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant remains within the same unit. If the tenant is a victim of sexual assault, the tenant may also be eligible to transfer if the sexual assault occurred on the premises within the 90-calendar-day period preceding a request for an emergency transfer.

A tenant requesting an emergency transfer must expressly request the transfer in accordance with the procedures described in this plan.

Tenants who are not in good standing may still request an emergency transfer if they meet the eligibility requirements in this section.

¹ Despite the name of this law, VAWA protection is available to all victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation.

² Housing providers cannot discriminate on the basis of any protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age. HUD-assisted and HUD-insured housing must be made available to all otherwise eligible individuals regardless of actual or perceived sexual orientation, gender identity, or marital status.

Emergency Transfer Request Documentation

To request an emergency transfer, the tenant shall notify KHC and submit a written request for a transfer to 1231 Louisville Road, Frankfort, Kentucky 40601 or email hvcustomerservice@kyhousing.org. KHC will accept HUD Form 5382 for this purpose. KHC will provide reasonable accommodations to this policy for individuals with disabilities. The tenant's written request for an emergency transfer should include either:

- i. A statement expressing that the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant were to remain in the same dwelling unit assisted under KHC's program; OR
- ii. A statement that the tenant was a sexual assault victim and that the sexual assault occurred on the premises during the 90-calendar-day period preceding the tenant's request for an emergency transfer.

Confidentiality

KHC will keep all tenant information confidential when requesting an emergency transfer, and information about the emergency transfer, unless the tenant gives KHC written permission to release the information on a time limited basis, or disclosure of the information is required by law or required for use in an eviction proceeding or hearing regarding termination of assistance from the covered program. This includes keeping confidential the new location of the dwelling unit of the tenant, if one is provided, from the person(s) that committed an act(s) of domestic violence, dating violence, sexual assault, or stalking against the tenant. For more information on responsibilities, please review the Notice of Occupancy Rights under the Violence Against Women Act for All Tenants.

Emergency Transfer Timing and Availability

KHC cannot guarantee that a transfer request will be approved or how long it will take to process a transfer request. KHC will, however, process a transfer as quickly as possible to allow a tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking to move to another unit. KHC will expedite all administrative processes for tenants who wish to move with their assistance, including when the victim and the perpetrator are members of the same household.

If a tenant reasonably believes a proposed transfer would not be safe, the tenant may request a transfer to a different unit. If a unit is available, the transferred tenant must agree to abide by the terms and conditions that govern occupancy in the unit to which the tenant has been transferred. KHC may be unable to transfer a tenant to a particular unit if the tenant has not or cannot establish eligibility for that unit.

If KHC has no safe and available units for which a tenant who needs an emergency is eligible, KHC will assist the tenant in identifying other housing providers who may have safe and available units to which the tenant could move. At the tenant's request, KHC will also assist in contacting local organizations offering assistance to victims of domestic violence, dating violence, sexual assault, or stalking.

Safety and Security of Tenants

Tenants are urged to take all reasonable precautions to be safe during any portion of the transfer process.

Tenants who are or have been victims of domestic violence are encouraged to contact the National Domestic Violence Hotline at 1-800-799-7233, or a local domestic violence shelter, for assistance in creating a safety plan. For persons with hearing impairments, that hotline can be accessed by calling 1-800-787-3224 (TTY). For information regarding local domestic violence organizations serving Kentucky's various regions, visit <https://kcadv.org/content/where-get-help-0>.

Tenants who have been victims of sexual assault may call the Rape, Abuse & Incest National Network's National Sexual Assault Hotline at 800-656-HOPE or visit the online hotline at <https://ohl.rainn.org/online/>.

Tenants who are or have been victims of stalking seeking help may visit the National Center for Victims of Crime's Stalking Resource Center at <http://victimsofcrime.org/our-programs/stalking-resource-center>.

62.0 Appendix K: Special Health & Safety Procedures

Introduction

Kentucky Housing Corporation (KHC) values the health and safety of our employees and program participants. Under special circumstances, we may need to alter routine procedures of the HCV program. Examples of special circumstances include but are not limited to: National State of Emergency, Kentucky State of Emergency, natural disaster.

62.1 Walk-Ins

KHC may limit, or fully discontinue, access to our facilities to the general public. When this decision is made, we will accommodate receipt of paperwork by providing a drop-box for participants to deliver required paperwork.

62.2 HQS Inspections

KHC may limit, or fully discontinue, in-person HQS inspections. Should this occur, KHC will work to offer alternative inspection methods in order to provide continued assistance.

62.3 COVID-19

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed by the President on March 27, 2020, provided flexibilities and waiver authority for HUD to help PHAs respond to the COVID-19 national pandemic. On the following page is a chart of waivers offered to and utilized by KHC:

**HUD PIH Waiver Flexibilities
To be Utilized by KHC**
In response to the COVID-19 pandemic
April 20, 2020

Waiver flexibilities KHC will use for its HCV Program

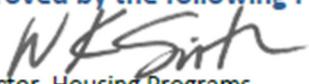
As the public housing authority for the Commonwealth of Kentucky, Kentucky Housing Corporation (KHC) plans to utilize a number of waiver flexibilities for its Housing Choice Voucher Program, as allowed by the [COVID-19 Statutory and Regulatory Waivers for the Public Housing, Housing Choice Voucher...\(PIH 2020-05\)](#) notice issued by Assistant Secretary R. Hunter Kurtz on April 10, 2020.

Attached is a list of the statutory and regulatory waivers KHC will utilize.

Per Notice PIH 2020-05:

1. "The use of these waivers is at the discretion of the individual PHA," and, a "PHA does not need to notify HUD or receive HUD approval to begin utilizing these waivers/alternative requirements."
2. "PHAs are required to keep written documentation that record which waivers the PHA applied to their programs(s) and the effective dates."
3. A "PHA may need to initially provide this notification by placing information on its website and as a voice-mail message and following up with more formal written notice..."

Waiver Usage Approved by the following PHA Contact:

Wendy K. Smith 
Deputy Executive Director, Housing Programs
Kentucky Housing Corporation
wsmith@kyhousing.org
mobile: 270-402-1478

Item	Summary of Alternative Requirements	Availability Period Ends	Did PHA Implement Waiver & Alternative?	Date of PHA Adoption
HCV-1 PHA 5-Year and Annual Plan	<ul style="list-style-type: none"> Alternative dates for submission Changes to significant amendment process 	Based on FY 7/31/20	No	NA
HCV-2 Family income and composition – delayed annual reexaminations	<ul style="list-style-type: none"> Permits the PHA to delay the annual reexamination of income and family composition HCV PHAs must implement HCV-7 for impacted families if they implement this waiver 	12/31/20	No	NA
HCV-3 Annual reexamination Income Verification	<ul style="list-style-type: none"> Waives the requirements to use the income hierarchy, including the use of EIV, and will allow PHAs to consider self-certification as the highest form of income verification PHAs that implement this waiver will be responsible for addressing material income discrepancies that may arise later 	7/31/20	Yes	4/20/20
HCV-4 Interim reexaminations	<ul style="list-style-type: none"> Waives the requirement to use the income verification requirements, including the use of EIV, for interim reexaminations 	7/31/20	Yes	4/20/20
HCV-5 EIV System Monitoring	<ul style="list-style-type: none"> Waives the mandatory EIV monitoring requirements. 	7/31/20	Yes	4/20/20
HCV-6 FSS Contract of Participation	<ul style="list-style-type: none"> Provides for extensions to FSS contract of participation 	12/31/20	Yes	4/20/20
HCV-7 Waiting List	<ul style="list-style-type: none"> Waives public notice requirements for opening and closing waiting list Requires alternative process 	7/31/20	Yes	4/20/20
HQS-1 Initial inspection	<ul style="list-style-type: none"> Changes initial inspection requirements, allowing for owner certification that there are no life-threatening deficiencies Where self-certification was used, PHA must inspect the unit no later than October 31, 2020. 	7/31/20 10/31/20	Yes	4/10/20
HQS-2: PBV Pre-HAP Contract Inspections, PHA acceptance of completed units	<ul style="list-style-type: none"> Changes inspection requirements, allowing for owner certification that there are no life-threatening deficiencies Where self-certification was used, PHA must inspect the unit no later than October 31, 2020. 	7/31/20 10/31/20	Yes	4/10/20

HQS-3 Non-Life Threatening HQS - Initial Unit Approval	<ul style="list-style-type: none"> Allows for extension of up to 30 days for owner repairs of non-life-threatening conditions 	7/31/20	Yes	4/10/20
HQS-4 Initial HQS - Alternative Inspections	<ul style="list-style-type: none"> Under Initial HQS Alternative Inspection Option - allows for commencement of assistance payments based on owner certification there are no life-threatening deficiencies Where self-certification was used, PHA must inspect the unit no later than October 31, 2020. 	7/31/20 10/31/20	Yes	4/10/20
HQS-5 Biennial Inspections	<ul style="list-style-type: none"> Allows for delay in biennial inspections All delayed biennial inspections must be completed as soon as reasonably possible but by no later than October 31, 2020. 	10/31/20	Yes	4/10/20
HQS-6 Interim Inspections	<ul style="list-style-type: none"> Waives the requirement for the PHA to conduct interim inspection and requires alternative method Allows for repairs to be verified by alternative methods 	7/31/20	Yes	4/10/20
HQS-7 PBV Turnover Inspections	<ul style="list-style-type: none"> Allows for PBV turnover units to be filled based on owner certification there are no life-threatening deficiencies Allows for delayed full HQS inspection 	7/31/20 10/31/20	Yes	4/10/20
HQS-8: PBV HAP Contract – HQS Inspections to Add or Substitute Units	<ul style="list-style-type: none"> Allows for PBV units to be added or substituted in the HAP contract based on owner certification there are no life-threatening deficiencies Allows for delayed full HQS inspection 	7/31/20 10/31/20	Yes	4/10/20
HQS-9 HQS QC Inspections	<ul style="list-style-type: none"> Provides for a suspension of the requirement for QC sampling inspections 	10/31/20	Yes	4/10/20
HQS--10 HQS Space and Security	<ul style="list-style-type: none"> Waives the requirement that each dwelling unit have at least 1 bedroom or living/sleeping room for each 2 persons. 	1 year from lease term or date of notice, whichever is longer	No	NA
HQS-11 Homeownership HQS	<ul style="list-style-type: none"> Waives the requirement to perform an initial HQS inspection in order to begin making homeownership assistance payments Requires family to obtain independent professional inspection 	7/31/20	No	NA
HCV-1 Administrative Plan	<ul style="list-style-type: none"> Waives the requirement to adopt revisions to the admin plan 	7/31/20	Yes	4/20/20
HCV-2 PHA Oral Briefing	<ul style="list-style-type: none"> Waives the requirement for an oral briefing Provides for alternative methods to conduct required voucher briefing 	7/31/20	No	NA

HCV-3 Term of Voucher - Extensions of Term	<ul style="list-style-type: none"> Allows PHAs to provide voucher extensions regardless of current PHA policy 	7/31/20	Yes	4/20/20
HCV-4 PHA Approval of Assisted Tenancy	<ul style="list-style-type: none"> Provides for HAP payments for contracts not executed within 60 days PHA must not pay HAP to owner until HAP contract is executed 	7/31/20	No	NA
HCV-5 Absence from unit	<ul style="list-style-type: none"> Allows for PHA discretion on absences from units longer than 180 days PHAs must not make HAP payments beyond 12/31/20 for units vacant more than 180 consecutive days 	12/31/20	No	NA
HCV-6 Automatic Termination of the HAP Contract	<ul style="list-style-type: none"> Allows PHA to extend the period of time after the last HAP payment is made before the HAP contract terminates automatically. 	12/31/20	Yes	4/20/20
HCV-7 Increase in Payment Standard	<ul style="list-style-type: none"> Provides PHAs with the option to increase the payment standard for the family at any time after the effective date of the increase, rather than waiting for the next regular reexamination to do so. 	12/31/20	Yes	04/27/20
HCV-8 Utility Allowance Schedule	<ul style="list-style-type: none"> Provides for delay in updating utility allowance schedule 	12/31/20	Yes	4/20/20
HCV-10 FUP	<ul style="list-style-type: none"> Waives the requirement for the family to obtain pre-assistance counseling 	12/31/20	Yes	4/20/20
11b SEMAP	<ul style="list-style-type: none"> PHA to retain prior year SEMAP score unless requests otherwise 	HUD will resume issuing new scores starting with PHAs with FYE dates of 3/31/21	Yes	4/20/20
11c Financial reporting	<ul style="list-style-type: none"> Allows for extensions of financial reporting deadlines 	Varies by PHA FYE	No	NA
12a Form HUD 50058	<ul style="list-style-type: none"> Waives the requirement to submit 50058 within 60 days Alternative requirement to submit within 90 days of the effective date of action 	12/31/20	Yes	4/20/20

63.0 Appendix L: Hearings and Reviews

Introduction

The informal hearing requirements defined in the HUD regulations are applicable to participating families who disagree with an action, decision or inaction of KHC. This section describes the policies, procedures and standards to be used when families disagree with a KHC decision. The procedures and requirements are explained for preference denial meetings, informal reviews and hearings. It is the policy of KHC to ensure that all families have the benefit of all protections due to them under the law.

63.1 Complaints to KHC

KHC will respond promptly to complaints from families, owners, employees and members of the public. All complaints must be submitted in writing and will be documented. KHC hearing procedures will be provided to families in the briefing packet.

Categories of Complaints

- **Complaints from families:** If a family disagrees with an action or inaction of KHC or owner.
 - The family will submit the complaint to hcvcustomerservice@kyhousing.org.
 - Ongoing, unresolved complaints will be referred to the managing director of the Tenant Assistance Programs.
 - **Equal Access Rule Complaints:** Upon receipt of a complaint of a violation of the Equal Access Rule, KHC will determine whether a violation occurred and implement any appropriate corrective action.
 - KHC will provide written notice of receipt of the complaint to those alleged to have violated the rule.
 - KHC will provide notice to the complainant that notice was sent to the alleged violator.
 - KHC will provide all parties with any findings from its investigation and either a proposed corrective action or an explanation as to why corrective action is not warranted.
 - KHC will keep all records of complaints, investigations, notices, and corrective actions.
 - KHC will advise the family to file a fair housing complaint if the family feels they have been discriminated against under the Fair Housing Act.
- **Complaints from owners:** If an owner disagrees with an action or inaction of the PHA or a family.
 - Complaints from owners will be referred in the same manner as those from families.
- **Complaints from staff:** If a staff person reports an owner or family either violating or not complying with program rules, the complaint will be referred to the staff person's direct supervisor.
- **Complaints from the general public:** Complaints or referrals from persons in the community in regard to KHC, a family or an owner.
 - Any person(s) wishing to file a complaint are encouraged to use KHC's Ethics Point system located at KHC's Web site at [hcvwww.kyhousing.org](http://www.kyhousing.org) to list their concerns.
 - Complaints from the general public will be referred to the managing director of the

Tenant Assistance Programs.

63.2 Informal Review Procedures for Applicants

Reviews are provided for applicants who are denied assistance before the effective date of the HAP Contract. However, if an applicant is denied assistance for citizenship or eligible immigrant status, the applicant is entitled to an informal hearing.

When KHC determines that an applicant is ineligible for the program, the family must be notified of their ineligibility in writing. The notice must contain:

- The reason(s) they are ineligible.
- The procedure for requesting a review if the applicant does not agree with the decision.
- The time limit for requesting a review.

KHC must provide applicants with the opportunity for an informal review of decisions denying:

- Listing on KHC's waiting list.
- Issuance of a voucher.
- Participation in the program.

Informal reviews are not required for established policies and procedures and KHC determinations such as:

- Discretionary administrative determinations by KHC.
- General policy issues or class grievances.
- A determination of the family unit size under KHC subsidy standards.
- Refusal to extend or suspend a voucher or determination that voucher has expired.
- KHC determination not to grant approval of the tenancy.
- Determination that unit is not in compliance with HQS.
- Determination that unit is not in accordance with HQS due to family size or composition.

Procedure for Review

A request for an informal review must be received **in writing** by the close of the business day, no later than **ten (10)** calendar days from the date of KHC's notification of denial of assistance. The compliance specialist may use discretion regarding the allowable time frame for requesting an informal review based on extenuating circumstances experienced by the applicant. The informal review will be scheduled within **twenty (20)** calendar days from the date the request is received. The informal review will not be conducted by the person who made or approved the decision under review nor a subordinate of that person. Reviews will be conducted by the compliance specialist.

The applicant will be given the option of presenting oral or written objections to the decision. Both KHC and the family may present evidence and witnesses. The family may use an attorney or other representative to assist them at their own expense.

The review may be conducted by mail and/or telephone if acceptable to both parties.

A notice of the review findings will be provided in writing to the applicant within ten calendar days after

the review. It shall include the decision of the review officer and an explanation of the reasons for the decision.

All requests for a review, supporting documentation and a copy of the final decision will be retained in the family's file.

63.3 Informal Hearing Procedures

When KHC makes a decision regarding the eligibility and/or the amount of assistance, applicants and participants must be notified in writing. KHC will give the family prompt notice of determinations, which will include:

- The proposed action or decision of KHC.
- The date the proposed action or decision will take place.
- The family's right to an explanation of the basis for KHC's decision.
- The procedures for requesting a hearing if the family disputes the action or decision.
- The time limit for requesting the hearing.
- To whom the hearing request should be addressed.

KHC must provide participants with the opportunity for an informal hearing for decisions related to any of the following KHC determinations:

- Determination of the family's annual or adjusted income and the computation of the housing assistance payment.
- Appropriate utility allowance used from schedule.
- Family unit size determination under KHC subsidy standards.
- Determination to terminate assistance for any reason.
- Determination to terminate a family's FSS Contract, withhold supportive services or propose forfeiture of the family's escrow account.
- KHC must always provide the opportunity for an informal hearing before termination of assistance.

Informal hearings are **not** required for established policies and procedures and KHC determinations such as:

- Discretionary administrative determinations by KHC.
- General policy issues or class grievances.
- Establishment of KHC's schedule of utility allowances for families in the program.
- KHC's determination not to approve an extension of the voucher term.
- KHC's determination not to approve a unit or lease.
- KHC's determination that an assisted unit is not in compliance with HQS (KHC terminates for family breach of HQS).
- KHC's determination that the unit is not in accordance with HQS because of the family size.
- KHC's determination to exercise or not exercise any right or remedy against the owner under a HAP contract.

- Family's decision to voluntarily withdraw from KHC's rental assistance programs.

Notification of Hearing

It is KHC's objective to resolve disputes at the lowest level possible and to make every effort to avoid the most severe remedies. However, if this is not possible, KHC will ensure that applicants and participants will receive all of the protections and rights afforded by the law and the regulations.

A request for an informal hearing must be addressed to the hearing officer and received **in writing** by the close of the business day, no later than 10 calendar days from the date of the termination notification letter. The hearing officer will make a reasonable attempt to resolve the issue which resulted in termination of rental assistance. If an informal hearing is required, the hearing will be scheduled within 20 calendar days from the date the request is received.

The hearing officer will send a notification of the hearing that will contain the following information:

- The date and time of the hearing.
- The location where the hearing will be held if the hearing is to be conducted in person.
- The family's right to bring evidence, witnesses, legal or other representation at the family's expense.
- Items the family is **required** to bring to or submit prior to the hearing.
- The right to view any documents or evidence in the possession of KHC upon which KHC based the proposed action and, at the family's expense, to obtain a copy of these documents prior to the hearing. **Requests for documents or evidence must be received no later than seven days before the hearing date.**
- A notice to the family that KHC will request a copy of any documents or evidence the family will use at the hearing. Requests for documents or evidence must be received no later than seven days before the hearing date.

After sending the notification, the hearing officer may attempt to contact the participant using the contact information provided in the hearing request to resolve any issues prior to the hearing. The hearing officer may initiate contact by phone or request additional information by email or U.S. mail. In an effort to avoid undue burden, most hearings will be conducted by phone. If the individual fails to respond to any deadline or information request made by the hearing officer, the action of KHC will take effect and another hearing will not be granted.

KHC's Hearing Procedures

After a hearing date is scheduled, the family may request to reschedule only upon showing "good cause," which is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family.

If a family does not answer a phone call for or appear at a scheduled hearing and has not rescheduled the hearing in advance, the family must contact KHC within 24 hours, excluding weekends and holidays. KHC will reschedule the hearing only if the family can show good cause for failure to answer or appear.

Families have the right to:

- Present written or oral objections to KHC's determination.
- Examine the documents in the file, which are the basis for KHC's action, and all documents submitted to the hearing officer.
- Copy any relevant documents at their expense.
- Present any information or witnesses pertinent to the issue of the hearing.
- Request that KHC staff be available or present at the hearing to answer questions pertinent to the case.
- Be represented by legal counsel, advocate or other designated representative at their own expense.
- **If the family requests copies of documents relevant to the hearing, KHC will make the copies for the family and assess a charge of ten cents per copy. In no case will the family be allowed to remove the file from KHC's office.**

In the event information in the file is received from a party who wishes to remain anonymous, KHC will release information only to the extent possible while preserving the anonymity of the party.

In addition to other rights contained in this Chapter, KHC has a right to:

- Present evidence and any information pertinent to the issue of the hearing.
- Be notified if the family intends to be represented by legal counsel, advocate or another party.
- Examine and copy any documents to be used by the family prior to the hearing.
- Have its attorney present.
- Have staff persons and other witnesses familiar with the case present.

The informal hearing shall be conducted by the hearing officer appointed by KHC who is neither the person who made or approved the decision, nor a subordinate of that person. **KHC appoints hearing officers who are disinterested parties, outside the scope of the Tenant Assistance Programs.**

The hearing shall concern only the issues for which the family has received the opportunity for hearing. Evidence presented at the hearing may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

Documents may be presented which have not been provided to the other party before the hearing if requested by the other party. "Documents" includes records and regulations.

The hearing officer may ask the family for additional information and/or might adjourn the hearing and reconvene at a later date, before reaching a decision.

If the family misses an appointment or deadline ordered by the hearing officer, the action of KHC shall take effect and another hearing will not be granted.

The hearing officer will determine whether the action, inaction or decision of KHC is legal in accordance with the law, HUD regulations and this Administrative Plan based upon the evidence and testimony provided at the hearing. Factual determinations relating to the individual circumstances of the family will be based on a preponderance of the evidence presented at the hearing.

A notice of the hearing findings shall be provided in writing to KHC rental assistance programs staff and the family within ten calendar days and shall include:

- A clear summary of the decision and reasons for the decision.
- If the decision involves money owed, the amount owed and documentation of the calculation of monies owed.
- The date the decision goes into effect.

The hearing officer's decision is final; however, KHC is not bound by hearing decisions:

- Which concern matters in which KHC is not required to provide an opportunity for a hearing.
- Which conflict with or contradict HUD regulations or requirements.
- Which conflict with or contradict federal, state or local laws.
- Which exceed the authority of the person conducting the hearing.

KHC shall send a letter to the participant if it determines KHC is not bound by the hearing officer's determination within **10** calendar days. The letter shall include KHC's reasons for the decision.

All requests for a hearing, supporting documentation, and a copy of the final decision will be retained in the family's file.

63.4 Hearing and Appeal Provisions for "Restrictions on Assistance to Non- Citizens"

Assistance to the family may not be delayed, denied or terminated on the basis of immigration status at any time prior to the receipt of the decision on the INS appeal.

Assistance to a family may not be terminated or denied while the KHC hearing is pending but assistance to an applicant may be delayed pending the KHC hearing.

INS Determination of Ineligibility

If a family member claims to be an eligible immigrant and the INS SAVE system and manual search do not verify the claim, KHC notifies the applicant or participant within 10 days of their right to appeal to the INS within 30 days or to request an informal hearing with KHC either in lieu of or subsequent to the INS appeal.

If the family appeals to the INS, they must give KHC a copy of the appeal and proof of mailing or KHC may proceed to deny or terminate. The time period to request an appeal may be extended by KHC for good cause.

The request for a KHC hearing must be made within 14 days of receipt of the notice offering the hearing

or, if an appeal was made to the INS, within 14 days of receipt of that notice.

After receipt of a request for an informal hearing, the hearing is conducted as described in this chapter for both applicants and participants. If the hearing officer decides that the individual is not eligible, and there are no other eligible family members KHC will:

- Deny the applicant family.
- Defer termination if the family is a participant and qualifies for deferral.
- Terminate the participant if the family does not qualify for deferral.

If there are eligible members in the family, KHC will offer to prorate assistance or give the family the option to remove the ineligible members.

All other complaints related to eligible citizen/immigrant status:

- If any family member fails to provide documentation or certification as required by the regulation, that member is treated as ineligible. If all family members fail to provide, the family will be denied or terminated for failure to provide.
- Participants whose termination is carried out after temporary deferral may not request a hearing since they had an opportunity for a hearing prior to the termination.
- Participants whose assistance is pro-rated (either based on their statement that some members are ineligible or due to failure to verify eligible immigration status for some members after exercising their appeal and hearing rights described above) are entitled to a hearing based on the right to a hearing regarding determinations of family rent and total tenant payment.
- Families denied or terminated for fraud in connection with the Non-Citizens Rule are entitled to a review or hearing in the same way as terminations for any other type of fraud.

63.5 Mitigating Circumstances for Applicants/Participants with Disabilities

When applicants are denied placement on the waiting list or KHC is terminating assistance, the family will be informed that presence of a disability may be considered as a mitigating circumstance during the informal review process.

KHC shall provide reasonable accommodations for persons with disabilities to participate in an informal review or informal hearing. Reasonable accommodation may include qualified sign language interpreters for the hearing-impaired, readers, accessible locations and/or attendants. If it is known that the applicant is visually impaired, any notice to the applicant or participant who is required by these procedures will be in accessible format.

63.6 Right to Seek Relief from Decisions

Any decision of the hearing officer which denies relief requested by the applicant or participant in whole or in part, does not constitute a waiver of, nor affect in any manner whatsoever, any rights the applicant or participant may have to seek relief in a court of competent jurisdiction.

64.0 Appendix M: Criminal Record Confidentiality

KHC will ensure that any criminal record received is maintained confidentially, is not misused or improperly disseminated and destroyed once the purpose for which it was requested is accomplished.

All criminal reports, while needed, will be housed in a locked file with access limited to individuals responsible for screening and determining eligibility for initial and continued assistance, to program integrity coordinator, upper level rental assistance management, Legal Department staff, Audit staff and chief officers.

Misuse of the above-referenced information by any KHC employee will be grounds for termination of employment.

KHC employees will be informed that they are subject to a criminal penalty including a misdemeanor conviction and a civil fine for knowing and willfully violating confidentiality of nonpublic criminal records.

If the applicant/referral/participant is determined eligible for initial or continued assistance, the criminal report shall be shredded as soon as the information is no longer needed for determination of eligibility.

If the applicant/referral/participant's assistance is denied or terminated, the criminal record information shall be shredded either (a) immediately upon the expiration of the time period for filing an informal review or hearing request, whether or not the applicant or participant chooses to file such request, or (b) immediately upon completion of the review or hearing procedures and upon a final determination in the case.

If the applicant/referral is denied assistance for a specified period of time, the criminal record shall be stored in a locked file as described above and shredded upon the expiration of the time period for denial of assistance.

KHC will document in the applicant/referral/participant's file the circumstances under which the criminal report was obtained, the type of report obtained, the date the report was obtained and the date the report was destroyed.

65.0 Appendix N: Housing Choice Voucher Program Cost Reduction Plan

In the past, housing assistance funds were distributed to PHAs for a specific number of vouchers (baseline numbers), based upon the number of units under lease. In accordance with the Consolidated Appropriations Act, the 2005 (Public Law 108-447) Congress has converted the “unit-based” allocation system to a “budget-based” system. Congress also realized that, in order for the “budget-based” system to work, program requirements must be simplified and PHAs must have greater decision-making flexibility.

This change in funding structure mandates that all PHAs manage their programs within the amounts budgeted for the calendar year. This change requires PHAs to develop a Cost Reduction Plan outlining cost-savings measures the agency will take to reduce program costs if deemed necessary by the reduction in funding. PHAs are expected to manage program costs while ensuring that current elderly and disabled voucher families are protected against significant impacts resulting from adjustments made by agencies to maintain their voucher programs within budgets constraints.

Based on the 2005 Appropriations Act Conference Report (H. Rpt.108-792), as well as existing authority under the voucher program regulations at 24 CFR Part 982, KHC’s cost-saving actions are described below by topic.

Payment Standards: KHC will reduce its payment standards to an amount deemed necessary to reduce per unit costs. A lower payment standard applies immediately to all new admissions, all movers and stayers with a new Housing Assistance Payments (HAP) contract (e.g., when the owner offers or requires a new lease). For all other voucher participants, decreased payment standards are not applied until the second annual recertification after the payment standard is lowered. However, since the delayed applicability of a lower payment standard is a regulatory not a statutory requirement, KHC will request a waiver from the U.S. Department of Housing and Urban Development (HUD) to waive this requirement if needed to expedite cost reduction.

Minimum Rent: KHC will increase its monthly minimum tenant rent to \$50. The increase will be effective immediately for all admissions and all movers. For current participants, the minimum tenant rent will become effective on the first certification that is processed on the family after the effective date.

Interim Reexaminations: KHC requires families to report all increases in income between reexaminations, except same source income. As an additional means to reduce costs, more frequent interim reviews will be conducted for families reporting no income.

Family Income Matching/Verification and Other Anti-Fraud Efforts: Accelerate efforts concerning income matching and income verification.

Subsidy Standards: KHC will implement more conservative subsidy standards. A subsidy standard of

two persons per bedroom/sleeping area may be adopted. If the unit size for which the family is eligible changes during the term of the HAP contract, the “new” unit size is applicable at the first regular reexamination following the change (24 CFR 982.505 (b)(5)). See Section 14.0 for further guidance on subsidy guidelines.

Ensuring Reasonable Rents: KHC aggressively monitors the rent being paid to owners for assisted units to assure the amounts are reasonable rent in comparison to other comparable unassisted units in accordance with the regulations at 24 CFR 982.507(b) and the HAP contract.

- **Housing Choice Voucher Recalls:** To ensure that housing assistance payments costs do not exceed the HUD approved budget authority, issued vouchers may be suspended if leasing documents have not been received and approved by KHC. Suspension will again be lifted at such time that KHC determines funding is available.
- **Termination of Assistance Due to Insufficient Funding:** KHC may terminate HAP contracts, in accordance with HUD requirements, if KHC determines that “funding under the consolidated ACC is insufficient to support continued assistance for families in the program” 24 CFR 982.454. Should this action become necessary, KHC will utilize a “first-in, first-out” methodology. KHC will attempt to protect the elderly, disabled and handicapped families by exempting them from this action. When and if funding becomes available to reinstate the impacted families, KHC will offer available housing choice vouchers to the affected families before offering assistance to the families on the waiting list.
- **Portability and Moves within KHC’s Jurisdiction:** In accordance with process outlined in PIH Notice 2016-09, upon HUD approval, KHC may opt to deny portability moves and moves within KHC’s jurisdiction if it is determined that KHC does not have sufficient funds under its calendar year budget to subsidize families who move to a higher cost area or unit, the receiving PHA is not absorbing the voucher, and KHC would be unable to avoid termination of current participants during the calendar year in order to remain within its budgetary allocation for housing assistance payments. “Higher cost area” is defined as an area where a higher subsidy amount will be paid for a family because of higher payment standards or more generous subsidy standards (e.g., the receiving PHA issues a 3-bedroom voucher to a family that received a 2-bedroom voucher from KHC). “Higher cost unit” is defined as a unit which requires a higher subsidy amount due to an increase in the gross rent for the unit.
- **Family’s Right to Move:** As provided in 24 CFR 983.260 (c), KHC may delay issuance of a housing choice voucher to a project-based voucher participant who has complied with all requirements to receive continued rental assistance upon termination of their project-based voucher lease. The families will be given priority to receive the next available opportunity for continued tenant- based rental assistance.

KHC is committed to providing housing to its participating families, as well as all families in need of affordable housing. Prior to implementing housing policies, KHC will always carefully consider the impact that its decisions will have on the families utilizing the rental assistance program and strive to avoid any adverse impact the decisions may have on the families.

66.0 Appendix O: Enterprise Income Verification System Security Procedures

Introduction

The Enterprise Income Verification (EIV) system is intended to provide a single source of income-related data to public housing agencies (PHA) for use in verifying the income reported by tenants in the various assisted housing programs administered by PHAs across the nation. The Office of Public and Indian Housing is responsible for administering and maintaining the EIV system.

Kentucky Housing Corporation shall utilize the EIV system to assist in the upfront verification of tenant income by comparing the tenant income data obtained from various sources including:

- Tenant-supplied income data captured on Form HUD-50058 and maintained in the Public Housing Information Center (PIC) databases.
- Wage Information from State Wage Information Collection (SWICAs).
- Social Security and Supplemental Security Income from the Social Security Administration.
- User Profile Information from the PIC database.

Kentucky Housing Corporation shall only utilize EIV tenant data to verify a tenant’s eligibility for participation in a HUD rental assistance program and to determine the level of assistance the tenant is entitled to receive. Any other use, **unless approved by the HUD Headquarters EIV Coordinator or EIV Security Officer**, is specifically prohibited and may result in the imposition of civil or criminal penalties on the responsible person or persons. Further, no adverse action can be taken against a tenant until KHC has independently verified the EIV information and the tenant has been granted an opportunity to contest any adverse findings through the established grievance, hearing or other legal procedures.

66.1 Privacy Act Considerations

KHC will protect data provided via the EIV system to ensure that it is only used for official purposes and not disclosed in any way that would violate the privacy of the individuals represented in the system data. Staff will ensure that a copy of Form HUD-9886, Authorization for Release of Information/Privacy Act Notice, has been signed by each member of the household age 18 years old or older and is in the household file. By signing the form, the tenant authorizes HUD and KHC to obtain and verify income and unemployment compensation information from various sources including current and former employers, state agencies and the Social Security Administration.

66.2 Safeguarding EIV Data

KHC’s Security Officer will have the responsibility of ensuring compliance with KHC’s security policies and procedures outlined in this Appendix. These responsibilities include:

- Maintaining and enforcing the security procedures.
- Keeping records and monitoring security issues.
- Communicating security information and requirements to appropriate personnel, including coordinating and conducting security awareness training sessions.

- Conducting a quarterly review of all User IDs issued to determine if the users still have a valid need to access the EIV data and taking the necessary steps to ensure that access rights are revoked or modified as appropriate.
- Reporting any evidence of unauthorized access or known security breaches to the department managing director and taking immediate action to address the impact of the breach including, but not limited to, prompt notification to appropriate authorities including the HUD Field Office's Public Housing Director.

Limiting Access to EIV Data

KHC shall restrict access to EIV data only to persons whose duties or responsibilities require access. KHC shall maintain a record of users who have approved access to EIV data. Further, KHC shall revoke the access rights of those users who no longer require such access or modify the access rights if a change in the user's duties or responsibilities indicates a change in the current level of privilege.

Physical Security Requirements

KHC utilizes a locked, secured facility to meet HUD mandated security requirements. Facility is not accessible without proper agency security access. Employees are issued identification cards that allow access to their work areas.

Computer System Security Requirements

KHC shall prohibit saving EIV data to a computer hard drive or any other automated information system. KHC shall also prohibit saving EIV data to diskettes or CDs. Users shall retrieve computer printouts as soon as they are generated so that EIV data is not left unattended where unauthorized users may access them. Authorized users of EIV shall be directed to avoid leaving EIV data displayed on their computer screens where unauthorized users may view it.

User Accounts

User accounts for the EIV system shall be provided on a need-to-know basis, with appropriate approval and authorization.

Disposal of EIV Information

EIV data shall be destroyed based on KHC's document retention schedule. (See Exhibit D, §67.6)

66.3 Security Awareness Training

All employees having access to EIV data shall be trained upon beginning employment and annually thereafter. Each user will be required to complete a User Agreement indicating that they are aware of the safeguards and responsibilities associated with using the system. Further, users will be advised of the penalties associated with provisions of the Privacy Act of 1974, Section 552(a), which makes unauthorized disclosure or misuse of tenant wage data a crime punishable by a fine up to \$5,000.

66.4 Improper Disclosures/Unauthorized Access or Security Breaches

If an improper disclosure/unauthorized access or security breach of EIV data should occur, the follow procedures shall be followed:

- Description of occurrence will be documented and submitted in written form to department managing director.
- Department managing director will submit documentation to reporting deputy director, managing director of human services and corporate deputy executive director, legal and compliance.
- The deputy executive director, legal and compliance will notify the local HUD office for further guidance on action to be taken.

67.0 Appendix P: Enterprise Income Verification System Security Procedures

STATE AGENCY RECORDS RETENTION SCHEDULE		Record Group Number 1412
Records Title Series and Description		Function and Use
06536	Tenant Files - Tenant Based Programs (Y)	Finance and Administration Cabinet Kentucky Housing Corporation Tenant Assistance Programs
	Access Restrictions	This series documents a tenant's participation with the Housing Choice Voucher (HCV) Program, which is serviced through Kentucky Housing Corporation and funded through the Department of Housing and Urban Development (HUD) under the terms of 24 CFR parts 5, 8, 35, 882, 982, and 983. Kentucky Housing Corporation receives a fee to fund Tenant Assistance Programs.
	Contents	KRS 61.878(1)(a) RE personal information Series may include, but not limited to: Housing Assistance Payments (HAP) contract, copy of executed lease, record that provides income, racial, ethnic, gender, and disability status data on program applicants and participants; an application from each ineligible family and notice sent to inform the family of its ineligibility, HUD required reports, unit inspection reports, lead-based paint inspection records as required by 24 CFR part 35, subpart B, records to document the basis for PHA determination that rent to owner is reasonable rent (initially and during the term of HAP contract), and Family Self-Sufficiency Addendum.
	Retention and Disposition	Retain in agency three (3) years after termination of assisted tenancy, then destroy.
06537	Owner Files (Y)	
	Access Restrictions	This series documents all activity regarding the commitment by an owner to provide rental housing to eligible Section 8 participants in project-based rental assistance programs such as Project-Based Voucher, Certification, and Moderate Rehabilitation.
	Contents	KRS 61.878(1)(a) regarding personal information Series may contain, but not limited to: Agreement to Enter Housing Assistance Payment (AHAP) contracts, Housing Quality Standards (HQS) inspections, and contract rent adjustments.
	Retention and Disposition	Retain in agency for the term of the Housing Assistance Payment (HAP) contract and three (3) years after termination, then destroy.
06540	1099 IRS Forms for Housing Assistance Payments (Y)	
	Access Restrictions	This series documents the amount of income paid to owners, in the form of housing assistance payments, by the Kentucky Housing Corporation and reported to the Internal Revenue Service (IRS). Per the requirements of the U.S. Department of Housing and Urban Development's Housing Choice Voucher Program Guidebook, a Public Housing Agency (PHA) with an agreement to make housing assistance payments to an owner on behalf of a specific family reports this information to the IRS; IRS Form 1099 is used for this purpose.
	Contents	Form includes owner's name, the business name and address, taxpayer identification number, and the amount paid by KHC.
	Retention and Disposition	Retain in agency five (5) years, then destroy.
06541	Section Eight Management Assessment Program File (Y)	
	Access Restrictions	This series documents the performance rating of the Kentucky Housing Corporation (KHC) as administrator of the Housing Choice Voucher Program and measured by the U.S. Department of Housing and Urban Development (HUD). Per 24 CFR §886, HUD shall assess a public housing agency's performance under SEMAP annually, prepare a summary profile with scores for each indicator and overall performance rating, and send notification of ratings to the agency. SEMAP helps HUD target monitoring and assistance to PHA programs that need the most improvement.
	Contents	KRS 61.878(1)(a) regarding personal information This series may contain: quality control samples including but not limited to program reports, tenant files, and sample selection criteria; certification, notifications, appeals, corrective actions plans, and related correspondence.
	Retention and Disposition	Retain in agency three (3) years, then destroy.

68.0 Appendix Q: Glossary and Abbreviations

68.1 Glossary

Absorption: In portability, the Receiving PHA absorbs the family into their own program or the point at which a receiving PHA stops billing the initial PHA for assistance on behalf of a portability family. (24 CFR 982)

Accessible: The facility or portion of the facility can be approached, entered and used by individuals with physical handicaps or disabilities.

Adaptability: The ability of certain elements of a dwelling unit, such as kitchen counters, sinks, and grab bars to be added to, raised, lowered, or otherwise altered, to accommodate the needs of persons with or without disabilities (handicaps), or different degrees of disability. For example, in a unit adaptable for a hearing-impaired person, wiring for visible emergency alarms may be installed, but the alarms need not be installed until the unit is made ready for occupancy by a hearing-impaired person.

Adjusted Income: Annual income, less allowable deductions.

Adjusted Annual Income: Adjusted family income of the members of the family residing or intending to reside in the unit after making the following deductions. In determining adjusted income, the PHA must deduct the following amounts from annual income.

- A. A deduction of \$480 for each member of the family (other than head of household or spouse) who is:
 - a. 17 years of age or younger, or
 - b. Who is 18 years of age or older and a verified full-time student and/or is disabled or handicapped according to this section.
- B. A deduction of \$400 for an elderly family whose head, spouse or sole member is 62 years of age or older and/or is disabled according to this section.
- C. The sum of the following, to the extent the sum exceeds three percent of annual income:
 - a. Unreimbursed reasonable medical expenses of any elderly family or disabled family; and
 - b. Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older who are able to work because of such attendant care or auxiliary apparatus; and
 - c. Any reasonable child care expenses anticipated to be paid by the family for the care of children under 13 years of age during the period for which Annual Income is computed, but only where such care is necessary to enable a family member to **actively seek employment**, be gainfully employed or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable

charges for childcare and in the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of income received from such employment.

Administrative Fee: Fee paid by HUD to KHC for administration of the program. This includes hard-to-house fees paid for moves by families with three or more minors, or families with disabilities. (24 CFR 982.152)

Administrative Fee Reserve (formerly “operating reserve”): Account established by KHC from excess administrative fee income. KHC administrative fees may only be used to cover costs incurred to perform program administrative responsibilities for the program in accordance with HUD regulations and requirements. (24 CFR 982.155)

Administrative Plan: The administrative plan describes KHC policies for administration of the tenant-based rental assistance programs. KHC’s Board of Directors must approve the Administrative Plan and any revisions and submit a copy to HUD as a supporting document to KHC’s Annual Plan. (24 CFR 982.54)

Admission: The effective date of the first housing assistance payment (HAP) contract for a family (first day of initial lease term) in a tenant-based program. This is the point when the family becomes a participant in the program.

Adult: An individual who is 18 years of age or older.

Alteration: Any change in a facility or its permanent fixtures or equipment. It includes, but is not limited to remodeling, renovation, rehabilitation, reconstruction, changes or rearrangements in structural parts, and extraordinary repairs. It does not include normal maintenance or repairs, reroofing, interior decoration, or changes to mechanical systems.

Amortization Payment: In a manufactured home space rental: The monthly debt service payment by the family to amortize the purchase price of the manufactured home.

Annual Contract Contributions (ACC): A written agreement (contract) between HUD and KHC to provide annual contributions (funding) to cover housing assistance payments and other expenses pursuant to the 1937 Housing Act. If there is a state agency administering the Housing Choice Voucher Program, for example, there is usually an ACC between the state agency and HUD.

Annual Income: The anticipated total annual income of an eligible family from all sources for the 12-month period following the date of determination of income, computed in accordance with the regulations. (24 CFR 5.609) Total gross income includes, but is not limited to, the following:

- The full amount, before any payroll deduction, of wages, salaries and overtime pay, including compensation for personal services (such as commissions, fees, tips and bonuses);
- Net income 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 other 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.

- Interest, dividends and other net income of any kind from real or personal property. Any withdrawal of cash or assets from an investment 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 more than \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate as determined by HUD.
- The full amount of periodic payments 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 payment for the delayed start of a periodic payment; **excluding lump sum payments of Supplemental Security Income (SSI) and lump sum Social Security (SS) Benefits.**
- Payments in lieu of earnings, such as unemployment and disability compensation, Social Security benefits, Worker's Compensation and severance pay.
- Periodic and determinable allowance, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling (Payments from same source which are received more than three times per year).
- All regular pay, special pay and allowances of a member of the armed forces (except special pay for exposure to hostile fire).

Annual Income after Allowances: The annual income (described above) less the HUD-approved allowances. Same as Adjusted Income.

Applicant (applicant family): A family that has applied for admission to a program but is not yet a participant in the program. May also be referred to as "**prospect.**"

Application: A written request for occupancy in a federal program that includes the information required to determine eligibility for rental assistance. The public housing authority (PHA) generally develops a standard form that is completed by the prospective applicant.

Area Exception Rent: An amount that exceeds the published Fair Market Rent (FMR). (24 CFR 982.504(b))

Assets: See net family assets. (24 CFR 5.603(b)(3))

Assistance Animals: Animals that work, provide assistance or perform tasks for the benefit of a person with a disability or animals that provide emotional support that alleviates one or more symptoms or effects of a person's disability. Assistance animals – often referred to as service animals, assistive animals, support animals or therapy animals – perform many disability-related functions including, but not limited to: guiding individuals who are blind or have low vision, alerting individuals who are deaf or hard of hearing to sounds, providing minimal protection or rescue assistance, pulling a wheelchair,

fetching items, alerting persons to impending seizures or providing emotional support to persons with disabilities who have a need for such support.

Assistance Payments: The amount HUD pays the owner for a unit occupied by a rental assistance participant or rent supplement family. It includes HUD's share of the contract rent and any utility reimbursement due the family. It is the gross rent for the unit minus the total tenant payment.

Assisted Rent: Any rent less than the market rent defined herein. Includes Section 236 rents that are greater than the basic rent.

Assisted Tenant: A family who pays less than the market rent as defined in the regulations. Includes tenants receiving rent supplement, rental assistance payments, or Housing Choice Voucher assistance and all other 236 and 221 (d)(3) BMIR tenants, except those paying the 236 market rent or 120 percent of the BMIR rent, respectively.

Auxiliary Aids: Services or devices that enable persons with impaired sensory, manual or speaking skills to have equal opportunity to participate in, and enjoy the benefits of, programs or activities receiving federal financial assistance. For example, auxiliary aids for persons with impaired vision may include readers for Brailled materials, audio recordings and other similar services and devices. Auxiliary aids for persons with impaired hearing may include telephone handset amplifiers, telephones compatible with hearing aids, telecommunications devices for deaf persons, interpreters, note takers, written materials and other similar services and devices.

Briefing: A meeting between the PHA and the family prior to issuance of a Housing Choice Voucher or Statement of Family Responsibility. Topics include, but are not limited to, searching for a unit, family rights and program guidelines including family responsibilities.

Budget Authority: An amount authorized and appropriated by the Congress for payment to PHAs under the program. For each funding increment in a PHA program, budget authority is the maximum amount that may be paid by HUD to the PHA over the ACC term of the funding increment.

Child: A member of the family, other than the family head or spouse, who is under 18 years of age.

Child Care Expenses: Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for childcare. In cases where childcare is necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

Citizen: A citizen or national of the United States.

Co-head: An individual in the household who is equally responsible for the lease with the head of household. A family may have a co-head or spouse, but not both. A co-head never qualifies as a

dependent.

Common Space: In shared housing, space available for use by the assisted family and other occupants of the unit.

Computer Match: The automated comparison of databases containing records about individuals.

Confirmatory Review: An on-site review performed by HUD to verify the management performance of a PHA.

Consent Form: Any consent form approved by HUD to be signed by program applicants and participants to obtain: income information from employees and state wage information collection agency (SWICA); return information from the Social Security Administration (including wages, net earnings from self-employment and retirement income); and return information for unearned income from the Internal Revenue Service (IRS). Consent forms expire after a certain time and may authorize the collection of other information to determine eligibility or level of benefits.

Congregate Housing: Housing for elderly persons or persons with disabilities that meets the Housing Quality Standards (HQS) for congregate housing. A special housing type. (24 CFR 982.606 to 982.609)

Contiguous Metropolitan Statistical Area (MSA): In portability, an MSA that shares a common boundary with the MSA in which the jurisdiction of the initial PHA is located.

Continuously Assisted Family: An applicant is continually assisted if the family is already receiving assistance under any 1937 Act Program where the family is admitted to the Housing Choice Voucher Program.

Contract: See Housing Assistance Payment Contract.

Contract Authority: The maximum annual payment by HUD to a PHA for a funding increment.

Contract Rent: The rent HUD and/or KHC authorize an owner to collect for a unit occupied by a family receiving assistance. The rent may be paid by the family, HUD or both. The term "contract rent" includes Section 236 basic rents, HUD-approved rents for BMIR, Section 202 and Rent Supplement units and the unit rents specified in a Housing Choice Voucher HAP contract. The contract rent is listed on the project's HUD-approved rent schedule (Form HUD-92458) or HAP contract.

In the Housing Choice Voucher Program, contract rent is the total rent paid to the owner including the family payment and the HAP payment from KHC.

Cooperative: (term includes mutual housing) Housing owned by a nonprofit corporation or association where a member of the corporation or association has the right to reside in a particular apartment and to participate in management of the housing. (24 CFR 982.619)

Covered Families: Statutory term for families who are required to participate in a welfare agency economic self-sufficiency program and who may be subject to a welfare sanction for noncompliance with this obligation. Includes families who receive welfare assistance or other public assistance under a

program for which federal, state or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for the assistance.

Credible Evidence: Evidence which may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence can be considered credible evidence. Other credible evidence includes documentation of drug raids, arrest warrants and conviction records.

Dating Violence: Violence committed by a person—

- Who is or has been in a social relationship or a romantic or intimate nature with the victim; and
- Where the existence of such a relationship shall be determined based on a consideration of the following factors:
 - The length of the relationship.
 - The type of relationship.
 - The frequency of interaction between the persons involved in the relationship.

Dependent: A member of the family household other than the family head or spouse, who is under 18 years of age or is a person with a disability or is a full-time student. A foster child, a foster adult or a live-in aide may never be a dependent regardless of age or disability. An unborn child shall not be considered a dependent.

Disabled Family: A family whose head, spouse, co-head, or sole member is a person with disabilities; or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

Disabled Person: A person who has a disability as defined in Section 223 of the Social Security Act (42 United States Code [USC] 423) or a developmental disability as defined in Section 102(7)(b) or 6001(7) of the Developmental Disabilities Assistance and Bill of Rights Act. (42 USC 6001)

Disability Assistance Expenses: Reasonably anticipated costs for care attendants and auxiliary apparatus for a disabled family member which are necessary to enable a family member (including the handicapped family member) to be employed provided that the expenses are not reimbursed by an outside source.

Displaced Family: A family displaced by governmental action or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster or otherwise formally recognized pursuant to Federal Disaster Relief laws.

Domestic Violence: Felony or misdemeanor crimes of violence committed by a current or former spouse of victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws or the jurisdiction.

Domicile: The legal residence of household head or spouse as determined in accordance with state and

local law.

Drug-Related Criminal Activity:

- A. Drug-trafficking. The illegal manufacture, sale or distribution, or the possession with intent to manufacture, sell or distribute, of a controlled substance, as defined in section 102 of the Controlled Substances Act. [21 USC 802]
- B. Illegal use, or possession for personal use, of a controlled substance, as defined in Section 102 of the Controlled Substances Act. [21 USC 802]

Economic Self-Sufficiency Program: Any program designed to encourage, assist, train or facilitate the economic independence of assisted families or to provide work for such families. Can include job training, employment counseling, work placement, basic skills training, education, English proficiency, workforce, financial or household management, apprenticeship or any other program necessary to ready a participant to work (such as treatment for drug abuse or mental health treatment). Includes any work activities as defined in the Social Security Act. (42 USC 607(d) [*See also* 24 CFR 5.603 (c)])

Elderly Family: A family whose head, spouse, co-head, or sole member is a person who is at least 62 years of age; or two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

Elderly Person: An individual who is at least 62 years of age.

Eligible Family: A family, who qualifies as a low-income family and meets the other requirements of the ACT and Part 5 of 24 CFR.

Employer Identification Number (EIN): The nine-digit taxpayer identifying number that is assigned to an individual, trust, estate, partnership, association, company or corporation.

Entity Applicant: A partnership, corporation or any other association or entity, other than an individual owner applicant or a public entity, such as a PHA, that seeks to participate as a private owner in any of the following:

- The project-based assistance programs under Section 8 of the 1937 Housing Act;
- The programs in 24 CFR Parts 215, 221 or 236; or
- The other mortgage and loan insurance programs in 24 CFR parts 201 through 267, except that the term “entity applicant” does not include a mortgagee or lender.

Estranged: An unfriendly or hostile spousal relationship that results in a spouse being removed from or distancing themselves from the family.

Evidence of Citizenship or Eligible Immigration Status: The documents that must be submitted to prove citizenship or eligible immigration status. (24 CFR 5.508 (b))

Exception Rent: A rent approved by HUD not to exceed 120 percent of the published fair market rent.

Extremely Low-Income Family: A lower-income family whose annual income does not exceed 30

percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 30 percent of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes. (24 CFR 5.603)

Eviction: The dispossession of the family from the leased unit as a result of the termination of tenancy, including a termination prior to the end of a lease term.

Facility: All or any portion of buildings, structures, equipment, roads, walks, parking lots, rolling stock or other real or personal property or interest in the property.

Fair Housing Act: Title VIII of the Civil Rights Act of 1968, 42 USC 3601. A broad statute that prohibits discrimination based upon race, color, religion, sex, national origin, disability or familial status in most housing and housing-related transactions.

Fair Market Rent (FMR): The rent limit periodically published in the Federal Register for rental assistance programs including utilities (except telephone). The FMR is used as a standard to obtain privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. Separate FMRs are established for dwelling units of varying sizes (number of bedrooms) and types.

Familial Status: One or more individuals (who have not attained the age of 18 years) living with:

- A parent or another person having legal custody of such individual or individuals (regardless of age or number of children); or
- The designee of such parent or other person having such custody, with the written permission of such parent or another person.

Family: Family includes, but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity or marital status:

1. A single person, who may be an elderly person, displaced person, disabled person, near-elderly person or any other single person; or
2. A group of persons residing together. Such group includes, but is not limited to:
 - a. A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family).
 - b. An elderly family.
 - c. A near-elderly family.
 - d. A disabled family.
 - e. A displaced family.
 - f. The remaining member of a tenant family.

Family Rent to Owner: In the Housing Choice Voucher Program, the portion of rent to owner paid by the family.

Family Self-Sufficiency (FSS) Program: The program established by an HA to promote self-sufficiency of

assisted families, including the provision of supportive services (42 USC 1437u). See 24 CFR, Part 984.

Family Share: The portion of rent and utilities paid by the family. For calculation of family share, see 24 CFR 982.515(a).

Family Unit Size: The appropriate number of bedrooms for a family. Family unit size is determined by the PHA under program subsidy standards.

Federal Agency: A department of the executive branch of the federal government.

Foster Adult: The guardian member of the family is legally responsible for the care and support of the person.

Foster Children: Children whose legal guardianship or custody is held by someone other than their natural parents and whose care is the responsibility of the foster parent.

Foster Child Care Payment: Payments to eligible households by state, local or private agencies appointed by the state to administer payments for the care of foster children.

Fraud: Deliberate deceit practiced to gain an advantage dishonestly. Fraud is an intentional deception and cannot be committed accidentally.

Full-Time Student: A person who is attending school or vocational training on a full-time basis (carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended). An educational institution includes a vocational school with a diploma or certificate program, as well as an institution offering a college degree. (24 CFR 5.603)

Funding Increment: Each commitment of budget authority by HUD to a PHA under the consolidated annual contributions contract for the PHA program.

General Counsel: The general counsel of HUD.

Gross Rent: The sum of the contract rent and the utility allowance. If there is no utility allowance, Contract Rent equals gross rent.

Group Home: A dwelling that is licensed by a state as a group home for the exclusive residential use of two to 12 persons who are elderly or persons with disabilities (including any live-in aide). A special housing type. (24 CFR 982.610 to 982.614)

Guest: A person temporarily staying in the assisted unit, not more than two weeks, with the consent of the family or other member of the household who has expressed or implied authority to so consent on behalf of the family.

Handicapped Person and/or Disabled Person: A person having a physical or mental impairment which:

- Is expected to be of long-continued and indefinite duration.
- Substantially impedes his/her ability to live independently.

- Is of such nature that the disability could be improved by more suitable housing conditions.

Handicap Assistance Expense: See “Disability Assistance Expense.”

HAP Contract: Housing assistance payments contract is a written contract between HUD or a contract administrator and an owner for the purpose of providing housing assistance payments to the owner on behalf of an eligible family (sometimes referred to as the HAP contract). For Housing Choice Voucher programs, the housing assistance payment contract is executed between the PHA and the private owner.

Hardship Exemption: An exemption from the minimum rent requirement for any household unable to pay the Housing Choice Voucher minimum rent due to a long-term financial hardship as defined in the program regulations.

Hate Crime: Any hate incident, which constitutes a criminal offense, perceived by the victim or any other person, as being motivated by prejudice or hate.

Hazardous Duty Pay: Pay to a family member in the armed forces away from home and exposed to hostile fire.

HCDA: The Housing and Community Development Act of 1974 (HCDA, sometimes referred to as the Act).

Head of Household: The adult member of the family who is the head of the household for purposes of determining income eligibility and rent. Also, the head of household is primarily responsible and accountable for the family, particularly in regard to lease obligations.

Homeless Family: Any individual or family who:

- Lacks a fixed, regular and adequate nighttime residence;
- Has a primary nighttime residence that is:
 - A supervised publicly or privately-operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, transitional housing or housing for the mentally ill);
 - An institution that provides a temporary residence for individuals intended to be institutionalized; or
 - A public or private place not designed for, or ordinarily used as a regular sleeping accommodation for human beings.
- A homeless family does not include:
 - Any individual imprisoned or otherwise detained pursuant to an Act of the Congress or a state law; or
 - Any individual who is a single room occupant that is not considered substandard housing.

Housing Agency: A state, county, municipality or other governmental entity or public body (or agency

or instrumentality thereof) authorized to engage in or assist in the development or operation of low-income housing ("PHA" or "HA").

Housing Assistance Payment (HAP): The monthly assistance payment by KHC to the landlord on behalf of an eligible family, determined in accordance with schedules and criteria established by HUD. For the Housing Choice Voucher Program, it is the difference between the contract rent and the family rent.

Housing Choice Voucher: A voucher issued by KHC under the rental assistance program, stating the terms and conditions for program participation.

Housing Quality Standards (HQS): The HUD minimum quality standards for housing assistance under the tenant-based programs.

Housing Quality Standards Abatement: The cessation of HAP when an owner has failed to make HQS repairs within the time frame allotted, i.e., 30 days and 24 hours.

HUD: The U.S. Department of Housing and Urban Development or its designee.

Imputed Asset: Asset disposed of for less than fair market value for two years preceding the examination or reexamination.

Imputed Income: HUD passbook rate times total cash value of assets. Calculation used when assets exceed \$5,000.

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

Income for Eligibility: Annual income.

Income Information: Information relating to an individual's income, including:

- All employment income information known to current or previous employers or other income.
- All information about wages as defined in the state's unemployment compensation law, including any Social Security number; name of employee; quarterly wages of the employee; and the name, full address, telephone number, and, Employer Identification Number of an employer reporting wages under a state unemployment compensation law (when known).
- Whether an individual is receiving, has received or has applied, for unemployment compensation, and the amount and the period received.
- Unearned IRS income and self-employment, wages and retirement income.
- Wages, Social Security and supplemental security income data obtained from the Social Security Administration.

Income Limit: HUD establishes income limits that are used to determine whether housing applicants qualify for admission to assisted housing programs. These income limits are based on HUD estimates for area median income with certain statutorily permissible adjustments. Different programs use different income limits.

Income-Targeting: A statutory requirement that at least 40 percent of new admissions to the Housing Choice Voucher Program in each fiscal year must be households with incomes at or below 30 percent of the area median income. This law assures that a significant portion of federal housing assistance goes to families with the greatest need.

Individual Owner Applicant: An individual who seeks to participate as a private owner in: The project-based assistance programs in 24 CFR Parts 880,882,886,887 or 891; the project-based assistance programs under Section 8 of the 1937 Housing Act.

Individual with Handicaps: Any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such an impairment.

Initial Lease-Up: The date a family first moves into a housing unit under a HAP contract.

Initial PHA: In portability, the term refers to both: (1) A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and (2) A PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA.

Initial Payment Standard: The payment standard at the beginning of the HAP contract term.

Initial Rent to Owner: The rent to owner at the beginning of the HAP contract term.

INS: The U.S. Immigration and Naturalization Service.

Institution of Higher Learning: KHC shall define an institution of higher learning as “A facility that requires high school diploma or equivalent, is not less than a one-year program of training to prepare students for gainful employment.”

Jurisdiction: The geographic area authority under state and local law to administer the program.

Landlord: Either the owner of the property or his/her representative or the managing agent or his/her representative, as designated by the owner.

Lease: A written agreement between an owner and a family for the leasing of a housing unit to the family. The lease establishes conditions for occupancy of the housing unit by a family.

Live-In Aide: A person approved in advance by KHC who resides in the unit to care for a family member who is disabled or at least 50 years of age and who:

- Is determined to be essential to the care and well-being of the person(s).
- Is not obligated for support of the person(s).
- Would not be living in the unit except to provide supportive services. The income of a live-in aide that meets these requirements is not included as income to the family.

Local Preference: A preference used by a PHA to select among applicant families.

Love Eviction: Evictions from family or friends' residences.

Low-Income Family: A family whose income does not exceed 80 percent of the median income for the area as determined by HUD with adjustments for smaller or larger families. HUD may establish income limits higher or lower than 80 percent for areas with unusually high or low incomes.

Manufactured Homes: A manufactured structure that is built on a permanent chassis that is designed for use as a principal place of residence and meets the HQS. (24 CFR 982.620 and 982.621)

Manufactured Home Space: A manufactured home space leased by an owner to a family who owns and occupies the manufactured home located on the space. (24 CFR 982.622 to 982.624).

Medical Expense: Those necessary medical expenses, including medical insurance premiums that are anticipated during the period for which annual income is computed and that are not covered by insurance. Medical expenses, in excess of three percent of annual income, are deductible from income by elderly and disabled families only.

Military Service: The active military service of the United States, which includes the Army, Navy, Air Force, Marine Corps, Coast Guard and since July 29, 1945, the Commissioned Corps of the United States Public Health Service.

Minimum Rent: The lowest total family payment permitted for families receiving rental assistance. The PHA has the discretion to establish the "minimum rent" from \$0 to \$50. The minimum rent covers the family's contribution for rent and utilities.

Minor: A member of the household (excluding foster children) other than the family head or spouse who is under 18 years of age.

Mixed Family: A family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status.

Monthly Adjusted Income: 1/12 of the adjusted annual income.

Monthly Income: 1/12 of the annual income.

Move-In: (Same as lease-up) The date the rental unit passes housing quality standards and housing assistance payments to the owner begins.

National: A person who owes permanent allegiance to a country as a result of birth in that country's territory or possession.

Near-Elderly Families: A family whose head, spouse, co-head, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.

Net Family Assets: Net cash value after deducting reasonable costs that would be incurred in disposing

of real property, savings, stocks, bonds, IRA and KEOGH accounts, life insurance and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

- In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under 24 CFR 5.609.
- In determining net family assets, PHAs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or participating family for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or participating family receives important consideration not measurable in dollar terms.

Noncitizen: A person who is neither a citizen nor national of the United States.

Noncitizens Rule: Refers to the regulation effective June 19, 1995 restricting assistance to U.S. citizens and eligible immigrants.

Notice of Funding Availability (NOFA): For budget authority that HUD distributes by competitive process, the federal register document that invites applications for funding. The document explains how to apply for assistance and the criteria for awarding the funding.

Other Person Under the Family's Control: The person, although not staying as a guest in the unit, who is or was on the premises at the time of the activity in question because of an invitation from the family or other member of the household who has express or implied authority. A person temporarily and infrequently on the premises solely for legitimate commercial business is not under the family's control, i.e., pest control treatment or postal worker.

Owner: Any persons or entity having the legal right to lease or sublease housing.

Parents: For the purposes of student-eligibility restrictions and to be consistent with long-standing HUD policy regarding eligibility for rental assistance programs, means the biological or adoptive parents or guardians (e.g., grandparents, aunt/uncle, godparents, etc.).

Participant: A family that has been admitted to a rental assistance program and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by KHC for the family

Payment Standard: The maximum subsidy payment for a family (before deducting the family contribution). PHA's may set the payment standard between 90 to 110 percent of the fair market rent. HUD must approve any rents above 110 percent.

PHA Plan: The annual plan and the five-year plan as adopted by the PHA and approved by HUD.

PHA's Quality Control Sample: An annual sample of files or records drawn in an unbiased manner and reviewed by a PHA supervisor (or by another qualified person other than the person who performed the original work) to determine if the work documented in the files or records conforms to program requirements. For a minimum sample size see 24 CFR 985.3.

Portability: Renting a dwelling unit with Housing Choice Voucher tenant-based assistance outside the jurisdiction of the initial PHA.

Premises: The building or complex in which the dwelling unit is located, including common areas and grounds.

Preponderance of Evidence: Evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is evidence, which as a whole, show that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred. Preponderance of evidence may not be determined by the number of witnesses, but the greater weight of all evidence.

Pre-Training Program Income: The last certified income.

Private Space: In shared housing, the portion of a contract unit that is for the exclusive use of an assisted family.

Processing Entity: The person or entity that, under any of the programs covered, is responsible for making eligibility and related determinations and any income reexamination. In the Housing Choice Voucher Program, the "processing entity" is the "responsible entity."

Program: The Housing Choice Voucher Tenant-Based Assistance Program.

Project Owner: The person or entity who owns the housing project containing the assisted dwelling unit.

Project-Based: Rental assistance that is attached to the structure.

Prorated Assistance: Partial rental assistance, or reduced housing assistance payments received by mixed families. In mixed families, the level of assistance is calculated at the ratio of eligible family members to ineligible family members. Prorated assistance can also be the amount of housing assistance paid to an owner for a partial month's occupancy such as when the family moves into the rental unit in the middle of the month.

Protected Classes: Demographic categories of persons established by civil rights statutes against which discrimination is prohibited.

Public Assistance: Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately or jointly, by federal, state or local governments.

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

Reasonable Rent: A rent to owner that is not more than either:

- Rent charged for comparable units in the private unassisted market.
- Rent charged by the owner for a comparable unassisted unit in the building or premises.

Recertification: Sometimes called reexamination. The process of securing documentation of total family income used to determine the rent amount the family will pay for the next 12 months if there are no additional changes to be reported.

Re-examination Date: The date on which any rent change is effective or would be effective if required as a result of the annual re-examination of eligibility and rent.

Remaining Member of Family: Person left in assisted housing that may or may not normally qualify for assistance on his or her own circumstances. (i.e., an elderly spouse dies, leaving a 47-year-old widow who is not disabled).

Rent to Owner: The total monthly rent payable to the owner under the lease for the rental unit. Rent to owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay for.

Residency Preference: A PHA preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the residency preference area.

Residency Preference Area: The specified area where families must reside to qualify for a residency preference.

Responsible Entity: For the public housing and the Housing Choice Voucher tenant-based assistance, project-based voucher assistance, and moderate rehabilitation programs, the responsible entity means the PHA administering the program under an Annual Contributions Contract (ACC) with HUD. For all other Section 8 programs, the responsible entity refers to the owner.

Secretary: The secretary of the U.S. Department of Housing and Urban Development.

Section 8: Section 8 of the United States Housing Act of 1937.

Section 8 Covered Programs: All HUD programs which assist housing under Section 8 of the 1937 Housing Act.

Security Deposit: A dollar amount (maximum set according to the regulations) which can be used for unpaid rent or damages to the owner upon termination of the lease.

Set-Up Charges: Charges payable by the family for assembling, skirting and anchoring a manufactured

home.

Single Person: A person living alone or intending to live alone.

Single Room Occupancy Housing (SRO): Single Room Occupancy (SRO) Housing is a unit which does not contain sanitary facilities or food preparation facilities, or which contains one but not both types of facilities and is suitable for occupancy by an eligible individual who is capable of independent living. SRO housing is not substandard solely because it does not contain sanitary facilities or food preparation facilities, or both. CFR 982.602 60 982.605.

Social Security Number (SSN): The nine-digit number that is assigned to a person by the Social Security Administration that identifies the record of the person's earnings reported to the Social Security Administration. The term does not include a number with a letter as a suffix that is used to identify an auxiliary beneficiary.

Special Admission: Admission of an applicant that is not on KHC's waiting list or without consideration of the applicant's waiting list position.

Special Housing Types: See subpart M of CFR 982. Subpart M states the special regulatory requirements for: SRO housing, congregate housing, group homes, shared housing, cooperatives and manufactured homes (including manufactured home space).

Sporadic Income: Income that is neither reliable nor periodic.

Spouse: A spouse is the legal husband or wife of the head of the household.

Stalking: (A) (i) to follow, pursue or repeatedly commit acts with the intent to kill, injure, harass or intimidate another person; and (ii) to place under surveillance with the intent to kill, injure, harass or intimidate another person; and
(B) in the course of, or as a result of, such following, pursuit, surveillance or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to or to cause substantial emotional harm to—

- i. That person;
- ii. A member of the immediate family of that person; or
- iii. The spouse or intimate partner of that person;..."

Immediate Family Member – “with respect to a person—

- 11.1 a spouse, parent, brother, sister or child of that person, or an individual to whom that person stands in loco parentis; or
- 11.2 any other person living in the household of that person and related to that person by blood or marriage.”

Statement of Family Responsibility: A voucher issued by KHC under the Section 8 Moderate Rehabilitation and Project-Based Voucher Rental Assistance Programs declaring a family to be eligible for participation in these programs and stating the terms and conditions for such participation.

State Wage Information Collection Agency (SWICA): The State agency, including any Indian tribal agency, receiving quarterly wage reports from employers in the State, or an alternative system that has been determined by the Secretary of Labor to be as effective and timely in providing employment-related income and eligibility information.

Student: All students enrolled either full-time or part-time at an institution of higher education. The student eligibility law does not exempt part-time students.

Subsidy Standards: Standards established by KHC to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and composition.

Suspension: Stopping the clock on the term of a family's voucher after the family submits a request for tenancy approval. If the HA decides to allow extensions or suspensions of the voucher term, the HA administrative plan must describe how the HA determines whether to grant extensions or suspension and how the HA determines the length of any extension or suspension. (See Section 23.1)

Tenancy Addendum: For the Housing Choice Voucher Program, the lease language required by HUD in the lease between the family and the owner.

Tenant: The person or persons (other than a live-in aide) who executes the lease as the lessee of the dwelling unit. May also be referred to as "resident."

Tenant Rent (formerly called net family contribution): The amount payable monthly by the family as rent to the owner. Where all utilities (except telephone) and other essential housing services are supplied by the owner, tenant rent equals the total family payment. Where some or all utilities (except telephone) and other essential housing services are not supplied by the owner and the cost is not included in the amount paid as rent to the owner, tenant rent equals total family payment less the utility allowance.

Term of Lease: The amount of time a family agrees in writing to live in a dwelling unit.

Total Tenant Payment (TTP) (Also known as "family share"): The total amount the HUD rent formula requires the family to pay toward rent and utilities.

Training Program: A learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period of time. It is designed to lead to a higher level of proficiency, and it enhances the individual's ability to obtain employment. It may have performance standards to measure proficiency. Training may include, but is not limited to, classroom training in a specific occupational skill, on-the-job training with wages subsidized by the program or basic education.

Unauthorized Occupant: A person who, with the consent of a family, is staying in the unit, but is not listed on the lease documents or approved by the owner and KHC to dwell in the unit.

Unearned Income: Income received that is not wages, tips or other compensation for work performed.

Unit: Residential space for the private use of a family. The size of a unit is based on the number of bedrooms contained within the unit and generally ranges from zero bedrooms to six bedrooms.

Utility Allowance: HUD's (or the contract administrator's, depending on the program) estimate of the average monthly utility bills (except telephone) for an energy-conscious household. If all utilities are included in the rent, there is no utility allowance. Utility allowances vary by unit type and are listed on the project's rent schedule or HAP contract.

Utility Reimbursement Payment (URP): the amount KHC pays the family to help the family pay its utility bills. It is the amount by which the utility allowance exceeds the TTP.

Vacancy Loss Payments: Moderate Rehabilitation and eligible Project-Based Voucher Programs only. When a family vacates its unit in violation of its lease, the owner is eligible for 80 percent of the contract rent for a vacancy period of up to one additional month (beyond the month in which the vacancy occurred), if he/she notifies KHC as soon as he/she learns of the vacancy and does not reject any eligible applicant except for good cause.

Very Low-Income Family: A low-income family whose annual income does not exceed 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50 percent of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes. This is the income limit for premerger certificate and voucher programs.

Veteran: A person who served in the active military, naval or air service, and who was discharged or released from said service under conditions other than dishonorable.

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

Voucher: A document issued by KHC to a family selected for admission to the housing choice voucher program. The voucher describes the program and the procedures for HA approval of a unit selected by the family. The voucher also states the obligations of the family under the program.

Voucher Holder: A family holding a voucher with an unexpired term (search time).

Voucher Program: The Housing Choice Voucher Program.

Waiting List: A formal record of applicants for housing assistance and/or assisted housing units that identifies the applicant's name, date of application, income category and the need for an accessible unit. The waiting list may be kept in either a bound journal or a computer program.

68.2 Abbreviations

AAF:	Annual adjustment factor (published by HUD in the Federal Register and used to compute annual rent adjustment)
ACC:	Annual Contributions Contract
ADA:	Americans with Disabilities Act of 1990
BR:	Bedroom
CDBG:	Community Development Block Grant (Program)
CFR:	Code of Federal Regulations (published federal rules that define and implement laws; commonly referred to as “the regulations”)
CPD:	(HUD Office of) Community Planning and Development
CPI:	Consumer price index (published monthly by the Department of Labor as an inflation indicator)
CR:	Contract Rent
EIV:	Enterprise Income Verification System
EOHP:	Equal Opportunity Housing Plan
FDIC:	Federal Deposit Insurance Corporation
FHA:	Federal Housing Administration
FICA:	Federal Insurance Contributions Act (established Social Security taxes)
FMR:	Fair Market Rent
FR:	Federal Register
FSS:	Family Self-Sufficiency Program
FY:	Fiscal Year
FYE:	Fiscal Year End
GAO:	Government Accounting Office
GFC:	Gross family contribution; has been replaced by the term total tenant payment (TTP)
GR:	Gross Rent
HA:	Housing Authority or Housing Agency

HAP: Housing Assistance Payment

HCDA: Housing and Community Development Amendments of 1981
HCV: Housing Choice Voucher

HMO: Housing Management Officer (in a HUD field office)

HoDAG: Housing Development Action Grant

HOPE: Homeownership and Opportunity for People Everywhere (Program)

HOPWA: Housing Opportunities for Persons with AIDS (Program)

HQS: Housing Quality Standards

HUD: Department of Housing and Urban Development

HUDCAPS: HUD Central Accounting Processing System

HUDCLIPS: HUD Client Information and Policy System

HURRA: Housing and Urban/Rural Recovery Act of 1983

IG: (HUD Office of) Inspector General

IGR: Independent Group Residence

IIP: Initial implementation period (for rules requiring documenting of citizenship and/or eligible alien status)

IPA: Independent Public Accountant

IPS: Initial Payment Standard (applies to the Housing Choice Voucher Program)

IRA: Individual Retirement Account

IRS: Internal Revenue Service

JTPA: Job Training Partnership Act

LPB: Lead-Based Paint

MSA: Metropolitan Statistical Area (established by the U.S. Census Bureau)

MTCS: Multi-Family Tenant Characteristics System (now the Form HUD 50058 submodule of the PIC system)

NOFA: Notice of Funding Availability

OMB: Office of Management and Budget

PASS:	Plan for Achieving Self-Support
PCWA:	Public Child Welfare Agency
PHA:	Public Housing Agency
PIC:	PIH Information Center
PMSA:	Primary Metropolitan Statistical Area (established by the U.S. Census Bureau)
PS:	Payment Standard
QC:	Quality Control
QHWRA:	Quality Housing and Work Responsibility Act of 1998 (also known as the Public Housing Reform Act)
RAD:	(HUD) Regional Accounting Division
REAC:	(HUD) Real Estate Assessment Center
RFP:	Request for Proposals
RFTA:	Request for Tenancy Approval
RIGI:	Regional Inspector General for Investigation (handles fraud and program abuse matters for HUD at the regional office level)
RRP:	Rental Rehabilitation Program
SEMAP:	Section 8 Management Assessment Program
SRO:	Single Room Occupancy
SSA:	Social Security Administration
SSI:	Supplemental Security Income
SSMA:	Standard Statistical Metropolitan Area
TANF:	Temporary Assistance for Needy Families
TARC:	(HUD) Troubled Agency Recovery Center
TR:	Tenant Rent
TTP:	Total Tenant Payment
UA:	Utility Allowance
URP:	Utility Allowance Reimbursement Payment

VASH: Veteran's Administration Supportive Housing
VAWA: Violence Against Women Act
VETT: Veterans Emerging Through Transition