

MINUTES OF A REGULAR MEETING OF THE COMMISSIONERS  
OF THE  
CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY

The Commissioners of the City of Roanoke Redevelopment and Housing Authority met for a regular session on Monday, June 23, 2014, in the offices of the City of Roanoke Redevelopment and Housing Authority, 2624 Salem Turnpike, NW, in the City of Roanoke, Virginia.

I. CALL TO ORDER – ROLL CALL

Chair Smith called the meeting to order at 3:02 p.m. and declared that a quorum was present.

PRESENT: Commissioners Burruss, Butler, Garner, Karnes, Witten, Smith

ABSENT:

OFFICER PRESENT: Glenda Edwards Goh, Secretary-Treasurer

ALSO PRESENT: Jackie Austin, VP of Finance/CFO; Christina Back, Executive Assistant; David Bustamante, VP of Housing; Dawn Fields, HR Director; Crystal Hall, Community Support Services Director; Joel Shank, VP of Operations; Desi Wynter, Director of Redevelopment and Modernization

Chair Smith welcomed everyone to today's meeting and announced that Commissioner Boitnott has resigned from the Board due to work related demands.

II. REPORTS

1. Financial Report

Chair Smith stated that Mrs. Austin provided a Financial Narrative along with the Financial Report and asked if there were any comments or questions. There were none.

## 2. Executive Director's Report

Chair Smith asked for the Executive Director's report.

Mrs. Goh referenced her written report and stated that, in the interest of time given today's long agenda, she will not provide a lengthy report but would like to briefly state that she and Desi Wynter attended the Choice Neighborhoods Conference in Arlington, Virginia this past week. Additionally, she stated that she is hopeful that Choice Neighborhoods implementation funds will be included in the federal budget for next year. At this point, the House and Senate versions include substantially different amounts for Choice Neighborhoods grants. As the differences are resolved, the outcome will determine whether RRHA may have the opportunity to submit an implementation grant application next year.

Mrs. Goh stated that, in the past as Commissioners have left the Board either through expiration of term or through resignation, the Board has adopted a resolution expressing appreciation for the individual's service to RRHA that is framed and given to that Commissioner. Commissioners indicated that they would like to do the same for Commissioner Boitnott, and Mrs. Goh stated that she would prepare the resolution for the July meeting.

Chair Smith asked if there were any comments or questions. There were none.

## 3. Staff Reports

Chair Smith asked if there were any staff reports. There were none.

4. Committee Reports

Chair Smith asked if there were any committee reports. There were none.

5. Commissioner Comments

Chair Smith asked if there were any Commissioner comments. There were none.

6. Residents or other community members to address the Board.

Chair Smith asked if there were any residents or other community members who would like to address the Board. There were none.

III. CONSENT AGENDA

C-1 Minutes of the Regular Meeting of the Board of Commissioners held Monday, May 19, 2014.

RECOMMENDED ACTION: Dispense with the reading thereof and approve as recorded.

C-2 Monthly Operations Report for the month of May 2014.

RECOMMENDED ACTION: File as submitted

Vice Chair Witten introduced a motion to approve the Consent Agenda. The motion was seconded by Commissioner Garner and upon roll call the following vote was recorded:

AYES: Commissioners Burruss, Butler, Garner, Karnes, Witten, Smith

NAYS: None

Chair Smith thereupon declared said motion carried as introduced.

IV. **REGULAR AGENDA**

1. Resolution No. 3795

Dawn Fields asked for approval of Resolution No. 3795 approving revised Personnel Policies regarding Promotions, Transfers, Demotions, and Reclassifications, and Use of Vehicles, Equipment, Materials, and Property, and elimination of Personnel Policies regarding Telephone Use and Mail. Mrs. Fields stated that the Personnel Committee recommends revision to Personnel Policy No. 620 to include transfers, demotions, and reclassifications to better reflect the current requirements and practices. Mrs. Fields stated that the proposed revision to Personnel Policy No. 920 expands the policy to include RRHA vehicles, equipment, materials and property, as compared to the current policy which includes only vehicles and credit cards. This revision allows the policy to encompass equipment, machinery, vehicles, devices, and all items furnished to employees for business use. Mrs. Fields stated that expansion of Policy No. 920 allows for the elimination of Policies 408 and 515, Telephone Use and Mail Use.

Chair Smith asked if there were any other comments or questions. There were none.

Commissioner Burruss introduced Resolution No. 3795 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY APPROVING REVISED PERSONNEL POLICIES REGARDING PROMOTIONS, TRANSFERS, DEMOTIONS, AND RECLASSIFICATIONS, AND USE OF VEHICLES, EQUIPMENT, MATERIALS AND PROPERTY, AND ELIMINATION OF PERSONNEL POLICIES REGARDING TELEPHONE USE AND MAIL

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) has undertaken a review of its personnel policies to ensure they are relevant, meet the needs of the agency and are legally compliant; and

WHEREAS, RRHA has reviewed and is proposing revisions to Personnel Policy No. 620 regarding Promotions, dated December 20, 1996, including changing the policy

title to Promotions, Transfers, Demotions, and Reclassifications, to better reflect current requirements and practices; and

WHEREAS, RRHA has reviewed and is proposing revisions to Personnel Policy No. 920 regarding Use of Authority Vehicles, Equipment, Materials and Property, last revised April 14, 2000, including changing the policy title to Use of RRHA Vehicles, Equipment, Materials, and Property, to better reflect current requirements and practices; and

WHEREAS, RRHA has determined that Personnel Policy No. 408, Telephone Use, and Personnel Policy No. 515, Mail, are no longer needed as their major provisions have been incorporated into Policy No. 920, Use of RRHA, Vehicles, Equipment, Materials, and Property; and

WHEREAS, the Personnel Committee of the RRHA Board of Commissioners supports and recommends approval of these revised policies and elimination of Policy No. 408 and Policy No. 515.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that:

1. The attached revised Personnel Policies No. 620, Promotions, Transfers, Demotions, and Reclassifications, and No. 920, Use of RRHA Vehicles, Equipment, Materials, and Property, are approved effective July 1, 2014; and
2. Elimination of the attached Personnel Policies No. 408, Telephone Use, and No. 515, Mail, is approved effective July 1, 2014.

The motion was seconded by Commissioner Butler and upon roll call the following vote was recorded:

AYES: Commissioners Burruss, Butler, Garner, Karnes, Witten, Smith

NAYS: None

Chair Smith thereupon declared said motion carried and Resolution No. 3795 adopted as introduced.

2. Resolution No. 3796

Mr. Bustamante asked for approval of Resolution No. 3796 approving a revised Administrative Plan for the Section 8 Housing Choice Voucher Program, consisting of

policy revisions necessary for implementation of direct deposit effective September 1, 2014. The notification process has begun for landlords to provide direct deposit information, and that information is being entered into the system. A portal has been purchased that will allow landlords to log in and check the status of payments and inspections.

Commissioner Butler asked why this requires Board approval.

Mr. Bustamante stated that Board approval is necessary since the policy is changing as it relates to how payments are issued under the Section 8 program, moving from payments made by paper check to mandatory direct deposit.

Mrs. Goh stated that HUD requires Board approval for any changes made to the Administrative Plan for the Section 8 program or the Admissions and Continued Occupancy Policy for Public Housing.

Chair Smith asked if there were any other comments or questions. There were none.

Commissioner Garner introduced Resolution No. 3796 and moved its adoption as introduced:

**RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY TO APPROVE A REVISED ADMINISTRATIVE PLAN FOR THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM**

WHEREAS, the Roanoke Redevelopment and Housing Authority's (RRHA) Board of Commissioners and staff are committed to providing safe and affordable housing to eligible individuals and families, including persons with disabilities; and

WHEREAS, the United States Department and Housing and Urban Development (HUD) has authorized Public Housing Agencies (PHA) to administer a Housing Choice Voucher (HCV) program, through the use of the PHA's Administrative Plan; and

WHEREAS, the Administrative Plan must state the PHA's policies on matters for which the PHA has discretion to establish local policies; and

WHEREAS, a PHA is required to revise its Administrative Plan as necessary to remain in compliance with the Department of Housing and Urban Development (HUD) regulations as set forth in 24 CFR 5, 8, 35, 92, 882, 887, 888, 903, 908, 982, 983, 984 and 985; and

WHEREAS, the current Administrative Plan for the RRHA Section 8 HCV Program, dated May 19, 2014, was approved by the RRHA Board of Commissioners by Resolution No. 3792; and

WHEREAS, due to severe reductions in funding for Section 8 administrative fees, RRHA staff are identifying avenues for ensuring the financial viability of this critical program by increasing administrative efficiencies and decreasing administrative expenses for the Housing Choice Voucher program; and

WHEREAS, on September 1, 2014, RRHA will convert its system for providing Housing Assistance Payments to landlords from a paper check system to direct deposit; and

WHEREAS, RRHA has informed landlords of this change and will provide support in transitioning to the new system; and

WHEREAS, RRHA has incorporated policy revisions to reflect these changes to payment procedures into its Administrative Plan for the Section 8 HCV Program.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the City of Roanoke Redevelopment and Housing Authority that:

1. The Revised Administrative Plan for the RRHA Section 8 Housing Choice Voucher Program, with the attached revised chapters 9, 10 and 13, is approved.
2. The Executive Director be and hereby is authorized and directed to make minor procedural changes as necessary between annual updates.

The motion was seconded by Commissioner Burruss and upon roll call the following vote was recorded:

AYES: Commissioners Burruss, Butler, Garner, Karnes, Witten, Smith

NAYS: None

Chair Smith thereupon declared said motion carried and Resolution No. 3796 adopted as introduced.

3. Resolution No. 3797

Mr. Shank asked for approval of Resolution No. 3797 authorizing renewal of commercial insurance policies currently held by the Virginia Municipal League Insurance Programs. The increase from last year is \$9,937, a 3.7% increase, which is considered to be reasonable. The full amount of the contract is \$277,596.

Chair Smith asked if there were any other comments or questions. There were none.

Commissioner Butler introduced Resolution No. 3797 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING THE RENEWAL OF COMMERCIAL INSURANCE POLICIES CURRENTLY HELD BY THE VIRGINIA MUNICIPAL LEAGUE INSURANCE PROGRAMS

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) is required by Section 13 of the Annual Contributions Contract (ACC) with the U. S. Department of Housing and Urban Development (HUD) to procure adequate insurance for its public housing properties to protect RRHA from financial loss resulting from various hazards; and

WHEREAS, on September 27, 2007, HUD authorized non-competitive procurement with the Virginia Municipal League (VML) Insurance Programs as provided for under 24 CFR Part 85 – Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments; and

WHEREAS, RRHA has held commercial insurance policies through the VML since 2008; and

WHEREAS, VML provided a \$9,937 increase in the 2014-15 renewal rate for RRHA's Automobile, Property, Excess Auto Liability, Boiler & Machinery, Crime, Workers' Compensation, General Liability, and Miscellaneous Coverage policies; and

WHEREAS, the cost of this insurance is deemed fair and reasonable, based on cost analysis completed by RRHA staff.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the Executive Director is authorized to provide a Notice of Renewal for and execute necessary documents to

renew Automobile, Automobile Excess Liability, Property, Crime, Workers' Compensation, Boiler & Machinery, General Liability, and Miscellaneous Coverage policies from Virginia Municipal League Insurance Programs for the term of July 1, 2014 through June 30, 2015, for a not to exceed contract amount of \$277,596.

The motion was seconded by Commissioner Garner and upon roll call the following vote was recorded:

AYES: Commissioners Burruss, Butler, Garner, Karnes, Witten, Smith

NAYS: None

Chair Smith thereupon declared said motion carried and Resolution No. 3797 adopted as introduced.

4. Resolution No. 3798

Mr. Shank asked for approval of Resolution No. 3798 to award a contract for HVAC System Improvements for Melrose Towers, VA 11-6, AMP 206 under Capital Fund Program Grant Numbers VA36P01150112 and VA36P01150113. Two responsive bids were received with Russell's Remodeling being the lower bid amount at \$201,400. This work is related to follow up after the boiler upgrade years ago and there still being some heat related problems. The engineer found that the individual control valves and other equipment in the apartments had been there for forty plus years and were not functioning as they should. As a result, the engineer recommended replacement of the zone valves and thermostats, and installation of an isolation valve that will allow shutting off heat to individual apartments rather than having to drain the entire building to make repairs in one apartment.

Commissioner Butler asked what self-certified means as it relates to Section 3 and contractors.

Mr. Shank stated that contractors submit a form stating they are certifying

themselves as Section 3 business concerns. RRHA does not certify contractors.

Commissioner Butler asked if there is an audit that goes along with the self-certification process.

Mr. Shank stated that there can be an audit if RRHA feels the need to do so. Contractors will also provide information relative to existing employees and new hires as part of Section 3 compliance.

Commissioner Butler asked if the contractors and vendors are straightforward with the Section 3 information.

Mr. Shank stated that contractors have generally been straightforward and that RRHA now has a Section 3 Coordinator who works closely with the contractors to make sure they understand the requirements for self-certification as a Section 3 business concern.

Commissioner Butler asked if HUD found out that a contractor did not actually meet Section 3 certification requirements, who would be held responsible.

Mr. Shank stated that it would be the contractor.

Mr. Conte stated that Mr. Shank was correct and RRHA is entitled to rely on a contractor's self-certification.

Commissioner Butler asked if there was no obligation for RRHA to audit the self-certification.

Mrs. Goh stated that there is not an obligation; however, two safeguards were put in place. One is that RRHA reserves the right to audit whenever it is deemed necessary. RRHA would then require supporting documentation to verify that a contractor met Section 3 business concern requirements. Secondly, contractors are

notified by a statement on the form they sign for self-certification that, should RRHA determine they were not truthful in the self-certification, they may be prohibited from future contracting with RRHA.

Chair Smith asked if there were any other comments or questions. There were none.

Vice-Chair Witten introduced Resolution No. 3798 and moved its adoption as introduced:

**RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AWARDDING A CONTRACT FOR HVAC SYSTEM IMPROVEMENTS FOR MELROSE TOWERS, VA 11-6, AMP 206 UNDER CAPITAL FUND PROGRAM GRANT NUMBERS VA36P01150112 AND VA36P01150113**

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) has been awarded a grant from the Department of Housing and Urban Development (HUD) Capital Fund Program (CFP), grant number VA36P01150112 in the amount of \$1,779,968; and

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) has been awarded a grant from the HUD CFP, grant number VA36P01150113 in the amount of \$1,577,083; and

WHEREAS, HVAC Upgrades for Melrose Towers was included on the Annual Statement detailing the planned use of CFP grant number VA36P01150112, which was approved by the RRHA Board of Commissioners by Resolution 3701 on June 26, 2012; and

WHEREAS, 24 CFR 968.305 defines fungibility as a concept which permits a PHA to substitute any work item from the latest approved Five-Year Action Plan to any previously approved CFP Annual Statement and to move work items among approved budgets without prior HUD approval; and

WHEREAS, work item HVAC Upgrades for Melrose Towers was funged to the CFP grant number VA36P01150113 Annual Statement; and

WHEREAS, RRHA needs a qualified contractor to complete HVAC System Improvements for Melrose Towers, VA 11-6, AMP 206; and

WHEREAS, RRHA issued an Invitation for Bid on April 27, 2014, with bids being due on May 20, 2014; and

WHEREAS, RRHA received two (2) responsive bids to the invitation which were opened for consideration, such bids being as follows:

Bidder

	<u>Total Bid Amount</u>
Russell's Remodeling, LLC (Self-certified as Section 3 Business Concern)	\$201,400
Valley Boiler and Mechanical, Inc.	\$207,000

WHEREAS, HUD regulations at 24 CFR 135.1 state that "section 3 of the Housing and Urban Development Act of 1968 (12 U. S. C. 1701u) (section 3) directs that employment and other economic opportunities generated by certain HUD financial assistance shall to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed to business concerns which provide economic opportunities to low- and very low-income persons."; and

WHEREAS, the low bid received by RRHA in this procurement was submitted by a self-certified Section 3 Business Concern; and

WHEREAS, because the lowest responsive bid received by RRHA is self-certified Section 3 Business Concern, section 3 is not a determining factor in the procurement; and

WHEREAS, the amount of the bid submitted by Russell's Remodeling, LLC was determined to be fair and reasonable for the work specified when compared to the amount of the independent cost estimate, based on R S Means Cost Data, for the project; and

WHEREAS, Russell's Remodeling, LLC has been found to be capable and in all other respects acceptable to RRHA; and

WHEREAS, the VP of Operations recommends an award to Russell's Remodeling, LLC; and

WHEREAS, the Executive Director has determined that this procurement complies with RRHA's Procurement Policy and that it is in the best interest of RRHA to accept such bid and execute an appropriate contract.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that:

- (1) The bid submitted by Russell's Remodeling, LLC be and hereby is accepted.
- (2) The Executive Director be and hereby is authorized and directed to execute a standard contract for construction, which by reference is inclusive of all plans, specifications, addenda and related project documents, between Russell's Remodeling, LLC and RRHA for the fixed price of \$201,400.
- (3) The Executive Director be and hereby is authorized to take such other actions as may be necessary to fulfill the intent of this Resolution.

The motion was seconded by Commissioner Butler and upon roll call the following vote was recorded:

AYES: Commissioners Burruss, Butler, Garner, Karnes, Witten, Smith

NAYS: None

Chair Smith thereupon declared said motion carried and Resolution No. 3798 adopted as introduced.

5. Resolution No. 3799

Mr. Shank asked for approval of Resolution No. 3799 approving a modification of Purchase Order Number 11100 under Capital Fund Program Grant Number VA36P01150112. This is for the lighting upgrades in the common areas at Melrose Towers for more efficient lighting. This modification will cross the threshold of 10% of the original contract amount for a contract over \$100,000; therefore, Board approval is needed. The first change order was due to code issues. The lighting on the first floor was grounded to code forty years ago. As a result, changes had to be made to those lighting fixtures to bring them up to current code. The second change order related to lighting in the community room. Configuration of the duct work had to be aligned to the placement of the lighting. The third change order relates to the reduction in the number

of fixtures based on higher efficiency of the new fixtures. When installing the new fixtures as directed by the engineer, conflicts occurred with the plumbing, water lines and sprinkler system, which prevented installation of the new fixtures at locations shown on the drawings. The installation of 26 additional light fixtures and ballasts for emergency lighting necessitates a change order.

Commissioner Burruss asked if the energy efficiency is something that RRHA deliberately seeks to do as it relates to the Strategic Plan.

Mr. Shank stated that energy efficiency is something that is done whenever possible. In this case, florescent fixtures have been upgraded over the years and some fixtures were replaced with LED fixtures.

Chair Smith asked if there were any other comments or questions. There were none.

Commissioner Karnes introduced Resolution No. 3799 and moved its adoption as introduced:

**RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY APPROVING MODIFICATION OF PURCHASE ORDER NUMBER 11100 UNDER CAPITAL FUND PROGRAM GRANT NUMBER VA36P01150112**

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) has been awarded a grant from the Department of Housing and Urban Development (HUD) Capital Fund Program (CFP), grant number VA36P01150112 in the amount of \$1,779,968; and

WHEREAS, Common Area Lighting Upgrades for Melrose Towers was included on the 2012 Annual Plan update to the 2010 – 2014 Annual Plan, which was approved by the RRHA Board of Commissioners by Resolution No. 3701 on June 25, 2012; and

WHEREAS, RRHA awarded Purchase Order Number 11100 for common area lighting upgrades for Melrose Towers to Russell's Remodeling, LLC with a fixed amount of \$99,900, on February 11, 2014; and

WHEREAS, RRHA staff have subsequently determined that there were conflicts with existing above-ceiling piping, wiring, electrical conduit, and HVAC ductwork, which prevented installation of new lighting fixtures at locations shown on project drawings, conditions which were unknown at the time of receipt of bids; and

WHEREAS, Russell's Remodeling, LLC was requested to provide a proposal for furnishing and installing 29 additional light fixtures to be installed in locations for existing light fixtures and furnishing and installing of additional ballasts for emergency light fixtures; and

WHEREAS, the amount of the change proposal submitted Russell's Remodeling, LLC was \$5,913.08; and

WHEREAS, the amount of the change proposal submitted by Russell's Remodeling, LLC was determined to be fair and reasonable for the work specified when compared to the amount of the independent cost estimate, based on R S Means Cost Data, for the change proposal; and

WHEREAS, review, evaluation, and confirmation of change proposal documentation has been completed, and has been found to be in all respects acceptable to RRHA; and

WHEREAS, the Vice President of Operations recommends the acceptance of Russell's Remodeling, LLC's change proposal; and

WHEREAS, the Executive Director has determined that this purchase order modification complies with RRHA's Procurement Policy and that it is in the best interest of RRHA to accept such change proposal and execute an appropriate purchase order modification; and

WHEREAS, a modification for Purchase Order 11100 in the amount of \$3,850, for furnishing and installing power supply wiring to light fixtures installed on the first floor for Melrose Towers that meets current electrical codes, was executed on May 16, 2014; and

WHEREAS, a modification for Purchase Order 11100 in the amount of \$2,432, for lifting and supporting HVAC ductwork and relocation of electrical conduit to facilitate installation of light fixtures in the Community Room for Melrose Towers and meet current building codes, was executed on May 19, 2014; and

WHEREAS, RRHA's Procurement Policy states, "For all contracts of \$100,000 or more, any and all change orders, contract modifications, and/or amendments that result in a cumulative dollar value that exceeds 10% of the original contract value, must be submitted to the Board of Commissioners for review and approval prior to executing the contract modification."

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that:

- (4) The change proposal submitted by Russell's Remodeling, LLC in the amount of \$5,913.08 is accepted;
- (5) The Executive Director be and hereby is authorized and directed to execute a purchase order modification, which by reference, is inclusive of Russell's Remodeling, LLC's change proposal dated June 3, 2014, for furnishing and installing 29 additional light fixtures to be installed in locations for existing light fixtures and furnishing and installation of additional ballasts for emergency light fixtures.
- (6) The Executive Director be and hereby is authorized to take such other actions as may be necessary to fulfill the intent of this Resolution.

The motion was seconded by Commissioner Burruss and upon roll call the following vote was recorded:

AYES: Commissioners Burruss, Butler, Garner, Karnes, Witten, Smith

NAYS: None

Chair Smith thereupon declared said motion carried and Resolution No. 3799 adopted as introduced.

#### 6. Strategic Planning Work Session

Mrs. Goh facilitated the strategic planning work session with the Board of Commissioners and the Strategic Planning Steering Group. Mrs. Goh guided the group through a series of activities that included reviewing highs and lows of the past five years and identifying and prioritizing goals for the next 5 years. Notes from these activities follow:

1. Organizational highs, lows and themes exercise.

#### **Highs Identified:**

##### 2009-2010

- End of "Troubled Status"

##### 2010-2011

- Taking Agency from troubled status to one of high ratings
- Completed resident needs assessment
- High performer designation
- Including residents in decision making
- Resolution of impasse on S. Jefferson St. project

#### 2011-2012

- Funding for self-sufficiency coordinators
- Property upgrades
- HCV High Performer
- Managed funding reductions effectively; focus on efficiencies
- Standard performer designation
- Seamless transition for management changes
- Transparent “Best Practices” policies
- Divesting itself of properties that performed poorly financially
- Choice Neighborhoods Planning grant

#### 2012-2013

- Award for innovative housing
- Homeownership
- Resident Services caseloads escrow
- Strong focus on getting community and especially tenant input
- Recent high performer status
- Remodeled/renovated housing to look renewed and appeal to the public
- Managed the Section 8 admin funding situation well
- Up to five resident councils
- Improve relations with the City Council
- Better management
- More Scattered Site housing

#### 2013-2014

- High performer designation – PHAS high performer
- Section 8
- Material improvements to unmet housing needs
- Made good use of funding to improve properties on physical going
- Financial stability
- Positive public perception and HUD performance recognition
- Image improvement and positive news comments
- PHAS high performer

- 98% lease up VASH/FUP
- Accepted Tap vouchers
- Employee morale and performance recognition
- Reached high performer status in the PH program
- In process of getting lots off Housing Authority books that have no current plan for use
- In process of building additional units to increase housing stock
- 2013-2014 focus on partnerships promoting employment for residents
- Ongoing improvements in physical structures
- Changes in employee benefits that will allow the agency to sustain itself
- Consistent good administrative leadership

**Lows Identified:**

2009-2010

- Lawsuit over eminent domain

2010-2011

None

2011-2012

- Dealing with the ever decreasing funding of housing programs by HUD
- Become more for more

2012-2013

- Losing high performer status

2013-2014

- Failure to prevent crimes on persons living in public housing
- Down to three active resident councils
- More homeownership opportunities needed
- Whole lot of blight out there
- Diversify funding streams

**Themes Identified:**

- Good Management
- Not able to sustain success in some areas (re: high performer and number of resident councils)

- Clean up over time and being given credit for clean up (ex: 8JP, Day Ave, better relationships with City Council, and public image improvement)

## 2. Identified and prioritized goals for the next five years

- Do more to improve housing - focus on families of moderate income – housing and programs ( 6 dots)
- Crime prevention ( 4 dots)
- Senior housing/accessibility ( 0 dots)
- Reduce domestic violence – more staff awareness/involvement, management to have an active role with councils ( 5 dots)
- Increase move out rate - self sufficiency ( 4 dots)
  - Explore partnership for increasing access to childcare and transportation
- Create housing of choice ( 0 dots)
- Improve how employees view their roles at RRHA in relation to the big picture ( 0 dots)
- How to get people involved ( 0 dots)
- Public housing not to be distinguishable from any other housing ( 5 dots)
- Advocate for HUD policies to incentivize self-sufficiency ( 0 dots)
- Create a culture where community is desired ( 7 dots)
- Define RRHA redevelopment role going forward ( 1 dot)
- Identify high impact projects for redevelopment in the future ( 4 dots)
- Increase positive visibility of RRHA in the community ( 4 dots)
- Explore option for regional expansion to serve families in the surrounding communities ( 3 dots)
- Explore diverse funding revenue streams ( 3 dots)
- Explore RRHA role in economic development ( 7 dots)
- Explore possibility of fostering resident owned business ( 5 dots)

## 3. Identify and prioritize short-term objectives and strategies for goal achievement

- Do more to improve housing - focus on families of moderate income - housing and programs
  - Define need
  - Benchmark – identify communities where they have done this successfully
  - Explore partnerships with City, Habitat, Rebuilding Together

- Public housing not to be distinguishable from any other housing
  - Scattered Site development
  - Development integrated with City's street grid, not isolated
  
- Explore RRHA's role in economic development
  - Determine what the City perceives as role for RRHA
  - Invite City Council to meet at RRHA
  
- Explore possibility of fostering resident owned business
  - Determine what business types would be viable
  - Visit others to see what they are doing
  
- Reduce domestic violence – more staff awareness/involvement, management to have an active role with councils
  - Increase involvement of property management with the community and resident councils
  
- Create culture where community is desired
  - Identify cities where this is being done successfully
  - Opportunities for partnerships to connect people
  - Do what we say we will do

#### V. **ADJOURNMENT**

Commissioners Burruss and Butler left the meeting at 6:24 p.m.

There being no further business to come before the Board, Commissioner Garner moved that the meeting be adjourned.

The motion was seconded by Commissioner Karnes and upon roll call the following vote was recorded:

AYES: Commissioners Garner, Karnes, Witten, Smith

NAYS: None

Chair Smith declared the meeting adjourned at 6:26 p.m.

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Duane Smith, Chair

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Glenda Edwards Goh, Secretary-Treasurer

DRAFT

Policy No. 620  
Date: December 20, 1996  
Revised: 07/01/2014

## PROMOTIONS, TRANSFERS, DEMOTIONS, AND RECLASSIFICATIONS

### I. PURPOSE

To provide guidelines for the promotion, transfer, demotion, and reclassification of staff employees, in keeping with equal employment practices.

### II. SCOPE

This policy applies to all RRHA positions and employees.

### III. DEFINITIONS

- A. **Promotion:** The permanent movement of a RRHA employee from a position in one job class to a position in another job class of increased responsibility or complexity of duties and in a higher salary range.
- B. **Transfer:** The permanent lateral movement of a RRHA employee from one position to another position in the same or another job class assigned to the same salary range. Transfers may be initiated by the employee or management.
- C. **Demotion:** The permanent movement of a RRHA employee from one position in one job class to a position in another job class of decreased responsibility or complexity of duties and in a lower salary range. Demotions may be initiated by the employee or management.
- D. **Reclassification:** The permanent movement of a RRHA position's title and/or salary grade assignment. Reclassification may result in a promotion, transfer, or demotion of an employee.

### IV. POLICY

RRHA believes employees are valued assets and is committed to placing employees in positions best suited to match their talents, skills, and abilities to benefit both the employee and the agency. All promotion, transfer, and demotion decisions will follow RRHA's EEO Policy and be based on job related factors including experience, education, training, and work record.

The Board of Commissioners has established this policy and delegates responsibility for establishing or modifying procedures for implementation of the policy to the Executive Director. Current procedures are detailed below.

## V. PROCEDURE

- A. When a position vacancy occurs, opportunities to promote, transfer, or demote from within may be explored, consistent with the goal of filling positions with the most capable individual available. Eligible employees should only apply for those posted jobs for which they possess the required skills, competencies, and qualifications per job posting / job description.
- B. Available job openings will be posted, and current employees must apply for positions in which they have an interest. Only those employees who have completed their initial employment period and have a satisfactory performance and attendance record are eligible to apply. Employees who have a written or final warning on file within the past twelve months or those who are on disciplinary suspension are not eligible to apply for posted jobs.
- C. Receipt of a promotion does not constitute a commitment for continued employment in the new position for any specific time, nor is there a guarantee that an employee will be able to return to his or her former position if he or she is unsuccessful in the new job.
- D. Employees selected for a position vacancy will be required to complete a six-month initial employment period relating to the new position.
- E. Once a posted job is accepted, the employee must remain in that position for a minimum of six (6) months before he or she is eligible to apply for another posted position.
- F. Human Resources will determine fair and equitable pay adjustments based on the following guidelines:
  - **Promotion:** Based on budget availability, the employee may receive a salary adjustment to the minimum of the new pay grade or an increase commensurate with education and experience related to the new position. The new salary rate may not exceed the maximum pay rate for the new pay grade.
  - **Transfer:** An employee who transfers laterally to another position within the same pay grade is not eligible for a salary increase unless the employee substantially exceeds the minimum requirements of the job and/or the job market demands it. The new salary must be equitable with that of other comparable positions.
  - **Demotion:** An employee's salary may be adjusted to an appropriate level within the lower pay grade based on the circumstances related to the demotion, the employee's performance record and job performance.
- G. The Executive Director may grant exceptions to the provisions of this policy on a case by case basis.

#### IV. RELATED POLICIES

Policy No. 021, Equal Employment Opportunity  
Policy No.120, Classification and Pay  
Policy No. 030, Initial Employment Period  
Policy No.610, Employee Performance Appraisal

Policy No. 620  
Date: December 20, 1996  
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## PROMOTIONS

### I. PURPOSE

To support the Authority's process of promoting qualified employees to positions of greater responsibility and recognition.

### II. SCOPE

This policy applies to all positions.

### III. POLICY

- A. When a position vacancy occurs, opportunities to promote from within may be explored, consistent with the goal of filling positions with the most capable individual available.
- B. Available job openings will be posted, and current employees must apply for the position. Job posting and employee performance appraisals will provide the primary input to the internal selection process.
- C. Receipt of a promotion does not constitute a commitment for continued employment in a new position at the Authority for any specific time, nor is there a guarantee that an employee will be able to return to his or her former position if he or she is unsuccessful in the new job.
- D. Employees selected for a position vacancy will be required to complete a six-month probationary period relating to the new position.

### IV. RELATED POLICIES

Policy No.120, Classification and Pay  
Policy No.610, Employee Performance Appraisal  
Policy No.621, Job Posting

Policy No. 920  
Date: December 20, 1996  
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Revised: 4/14/00  
Revised: 7/1/14

## **USE OF RRHA VEHICLES, EQUIPMENT, MATERIALS AND PROPERTY**

### **I. PURPOSE**

The purpose of this policy is to ensure that all property owned and maintained by RRHA is kept in the best possible working condition and to establish a firm and uniform standard for proper utilization, and to establish guidelines against using any such items for private or personal purposes.

### **II. SCOPE**

This policy applies to all RRHA employees. RRHA property shall be defined as vehicles, equipment, machinery, telephones, computers, hardware/software, agency mail, postage meters, electronic mail, voice mail, copiers, facsimile machines, furnishings, supplies, and all other like items and systems that are furnished to employees for business purposes.

### **III. POLICY**

It is the policy of RRHA to maintain efficiency, responsiveness, and productivity in its operations and to prevent the unauthorized use of agency equipment and/or property in a manner that is inconsistent with RRHA's intent of maintaining efficient operations. RRHA enforces these rules to protect assets of the Agency.

The Board of Commissioners has established this policy and delegates responsibility for establishing or modifying procedures for implementation of the policy to the Executive Director. Current procedures are detailed below.

### **IV. PROCEDURE**

It is the responsibility of each employee to maintain his/her work environment in an orderly fashion and follow all RRHA guidelines to ensure the proper use and maintenance of all RRHA vehicles, equipment, materials, and property.

1. Should any employee have knowledge of any misuse, he/she must notify his/her manager immediately.
2. No employee shall use RRHA property for personal use unless specific permission has been granted by the Executive Director.
3. Personal use of the agencies land line telephones must not adversely affect the performance of the employee or the operations of RRHA, and must be of reasonable duration and frequency. Local personal

calls may be made and received by employees on an incidental or emergency basis as long as they are not detrimental to the interests of RRHA.

Personal long distance calls cannot be charged to RRHA. Should a personal long distance call occur by accident or be necessary in the case of a personal emergency, the employee must notify their manager and promptly reimburse the expense.

4. No employee shall use RRHA's postage meters or overnight delivery service for his/her personal mail. Employees must not direct personal mail to be delivered to the RRHA address.
5. Office, cleaning, and other supplies are to be used for RRHA purposes only.
6. No employee shall remove property for personal use from any RRHA premise, even though it may appear to be of no value.
7. Offices and/or work areas may be entered and the equipment within those areas may be examined, without notice, by management when there is a question about the use or misuse of RRHA property.
8. Any employee found to neglect or misuse RRHA property will be subject to disciplinary policies up to and including termination.

Policy No. 920  
 Date: December 20, 1996  
 Page 1 of 2  
 Revised: 4/14/00

## USE OF AUTHORITY VEHICLES, EQUIPMENT, MATERIALS AND PROPERTY

### I. PURPOSE

The purpose of this policy is to establish a firm and uniform standard for the use of Authority owned vehicles, equipment, materials and property and to establish guidelines against using any such items for private or personal purposes.

### II. SCOPE

This applies to all Authority employees authorized to use Authority vehicles.

### III. POLICY

It is the policy of the Authority to maintain efficiency responsiveness and productivity in its operations and to prevent the use of Authority equipment and property in a manner that is inconsistent with the Authority's intent of maintaining efficient operations.

### IV. PROCEDURE

A. Authority Vehicles and Equipment. The following procedures apply to use of all Authority owned and operated vehicles and equipment:

1. No employee shall use or cause to be used any item or Authority vehicle or equipment for any purpose not related to the business of the Authority.
2. All employees operating an Authority vehicle must have and maintain a valid Virginia driver's license.
3. All traffic citations, except tickets for expired inspection stickers and mechanical defects, received while operating an Authority vehicle are the responsibility of the driver charged, not the Authority.
4. All drivers and front-seat passengers are required to abide by the Virginia Safety Belt Law.
5. Authority motor vehicles shall be used only for Authority purposes and by Authority employees unless otherwise assigned by the Executive Director.

Director.

B. Credit Cards. The following procedures apply to the use of Authority credit cards for Authority-related business:

1. Each cardholder's monthly limit is \$500.00. Purchases above this limit must be approved in advance by the Executive Director or designee.

Policy No. 920  
Date: December 20, 1996  
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Revised 9/17/01

2. Credit cards are to be used only by the person whose name appears on the front of the card for purchase of materials, supplies, or goods necessary to ensure the efficient operation of the Authority. Under no circumstances is the credit card to be loaned to ANYONE. Unauthorized use of the credit card by the cardholder or any other employee may result in immediate dismissal of both the cardholder and the person using the card.
3. Credit cards are not to be used in lieu of or substitute for reasonable planning and scheduling of foreseeable inventory stock. Typically, credit card use should be limited to one-of-a-kind time purchases or for equipment repairs that do not lend themselves to bidding or estimating of cost.
4. The customer's copy of the charge ticket is to be forwarded, immediately after purchase, to Accounts Payable. Please include on the ticket the appropriate account number to which the purchase is to be charged. When Accounts Payable receives the credit card statement, ONE purchase order will be prepared reflecting the total amount charged for that month. The purchase order will be reviewed and signed by the Executive Director or designee.
5. If a credit card were to be lost or stolen, then the cardholder is responsible for immediately reporting same to the Purchasing Officer.

TO BE ELIMINATED

ORIGINAL

Policy No. 408  
Date: December 20, 1996  
Page 1 of 1

## **TELEPHONE USE**

### **I. PURPOSE**

To provide guidelines for using Authority telephones.

### **II. SCOPE**

This policy applies to all employees.

### **III. POLICY**

Efficient telephone service is vital to Authority business. Employees must adhere to the following guidelines:

- A. Answer all calls promptly, courteously and always identify yourself to the caller.
- B. Hold personal calls, both incoming and outgoing, to emergencies or essential personal business and keep them as brief as possible. All personal toll and long distance calls will be charged to the employee. Personal long distance phone calls charged to Authority phones are prohibited.
- C. Long distance calls may be placed for business purposes, but should be used conservatively and only when other forms of communication are not cost effective.

**TO BE ELIMINATED**

**Original**

Policy No. 515  
Date: December 20, 1996  
Page 1 of 1

**MAIL**

**I. PURPOSE**

To maximize processing and delivery of the Authority's mail.

**II. SCOPE**

This policy applies to all employees.

**III. POLICY**

The Authority receives and sends large quantities of mail daily. The Authority's mail system must be restricted to business mail only.

Employees may not send outgoing personal mail through our in-house system. Employees must not direct personal mail to be delivered to the Authority.

Overnight delivery services should be used only when absolutely necessary to get important information to receivers fast. Normally, the U.S. Mail should be used.

Employees may not use postage meters or overnight delivery service for their personal mail.

## Chapter 9 GENERAL LEASING POLICIES

### INTRODUCTION

Chapter 9 covers the lease-up process from the family's submission of a Request for Tenancy Approval to execution of the HAP contract.

In order for the RRHA to assist a family in a particular dwelling unit, or execute a Housing Assistance Payments (HAP) contract with the owner of a dwelling unit, the RRHA must determine that all the following program requirements are met:

- The unit itself must qualify as an eligible unit [24 CFR 982.305(a)]
- The unit must be inspected by the RRHA and meet the Housing Quality Standards (HQS) [24 CFR 982.305(a)]
- The lease offered by the owner must be approvable and must include the required Tenancy Addendum [24 CFR 982.305(a)]
- The rent to be charged by the owner for the unit must be reasonable [24 CFR 982.305(a)]
- The owner must be an eligible owner, approvable by the RRHA, with no conflicts of interest [24 CFR 982.306]
- For families initially leasing a unit only: Where the gross rent of the unit exceeds the applicable payment standard for the family, the share of rent to be paid by the family cannot exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)]

### **9-I.A. TENANT SCREENING**

The RRHA has no liability or responsibility to the owner or other persons for the family's behavior or suitability for tenancy [24 CFR 982.307(a)(1)].

The RRHA may elect to screen applicants for family behavior or suitability for tenancy. See Chapter 3 for discussion of the RRHA's policies with regard to screening applicant families for program eligibility [14 CFR 982.307(a)(1)].

The owner is responsible for screening and selection of the family to occupy the owner's unit. At or before RRHA approval of the tenancy, the RRHA must inform the owner that screening and selection for tenancy is the responsibility of the owner [24 CFR 982.307(a)(2)].

The RRHA must also inform the owner or manager of his/her rights and obligations under the Violence against Women Act of 2013-(VAWA) [24 CFR 5.2005(a)(2)].

The RRHA must provide the owner with the family's current and prior address (as shown in the RRHA records); and the name and address (if known to the RRHA) of the landlord at the family's current and prior address. [24 CFR 982.307 (b)(1)].

The RRHA is permitted, but not required, to offer the owner other information in the RRHA's possession about the tenancy history or drug trafficking of family members [24 CFR 982.307(b)(2)].

The RRHA's policy on providing information to the owner must be included in the family's briefing packet [24 CFR 982.307(b)(3)].

The RRHA may not disclose to the owner any confidential information provided by the family in response to a RRHA request for documentation of domestic violence, dating violence, sexual assault or stalking except at the written request or with the written consent of the individual providing the documentation [24CFR 5.2007 (b)(4)].

#### RRHA Policy

The RRHA will not screen applicants for family behavior or suitability for tenancy.

The RRHA will not provide additional screening information to the owner.

### **9-I.B. REQUESTING TENANCY APPROVAL [Form HUD-52517]**

After the family is issued a voucher, the family must locate an eligible unit, with an owner or landlord willing to participate in the voucher program. Once a family finds a suitable unit and the owner is willing to lease the unit under the program, the owner and the family must request the RRHA to approve the assisted tenancy in the selected unit.

The owner and the family must submit two documents to the RRHA:

- Completed Request for Tenancy Approval (RTA) – Form HUD-52517
- Copy of the proposed lease, including the HUD-prescribed Tenancy Addendum – Form HUD-52641-A

The RTA contains important information about the rental unit selected by the family, including the unit address, number of bedrooms, structure type, year constructed, utilities included in the

rent, and the requested beginning date of the lease, necessary for the RRHA to determine whether to approve the assisted tenancy in this unit.

Owners must certify to the most recent amount of rent charged for the unit and provide an explanation for any difference between the prior rent and the proposed rent.

Owners must certify that they are not the parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the RRHA has granted a request for reasonable accommodation for a person with disabilities who is a member of the tenant household.

For units constructed prior to 1978, owners must either 1) certify that the unit, common areas, and exterior have been found to be free of lead-based paint by a certified inspector; or 2) attach a lead-based paint disclosure statement.

Both the RTA and the proposed lease must be submitted no later than the expiration date stated on the voucher. [HCV GB p.8-15].

#### RRHA Policy

The RTA must be signed by both the family and the owner.

The owner may submit the RTA on behalf of the family.

Completed RTA (including the proposed dwelling lease) must be submitted as hard copies, in-person, by mail, or by fax.

The family may not submit, and the RRHA will not process, more than one (1) RTA at a time.

When the family submits the RTA the RRHA will review the RTA for completeness.

If the RTA is incomplete (including lack of signature by family, owner, or both), or if the dwelling lease is not submitted with the RTA, the RRHA will notify the family and the owner of the deficiencies.

Missing information and/or missing documents will only be accepted as hard copies, in-person, by mail, or by fax. The RRHA will accept missing information over the phone.

When the family submits the RTA and proposed lease, the RRHA will also review the terms of the RTA for consistency with the terms of the proposed lease.

If the terms of the RTA are not consistent with the terms of the proposed lease, the RRHA will notify the family and the owner of the discrepancies.

Corrections to the terms of the RTA and/or the proposed lease will only be accepted as hard copies, in-person, by mail or by fax. The RRHA will accept corrections by phone for the RTA only.

Because of the time sensitive nature of the tenancy approval process, the RRHA will attempt to communicate with the owner and family by phone, fax, or email. The RRHA will use mail when the parties can't be reached by phone, fax, or email.

### **9-I.C. OWNER PARTICIPATION**

The RRHA does not formally approve an owner to participate in the HCV program. However, there are a number of criteria where the RRHA may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. There are also criteria for which the RRHA must disapprove an owner. No owner has a right to participate in the HCV program [24 CFR 982.306(e)]

See Chapter 13 for a full discussion of owner qualification to participate in the HCV program.

### **9-I.D. ELIGIBLE UNITS**

There are a number of criteria that a dwelling unit must meet in order to be eligible for assistance under the voucher program. Generally, a voucher-holder family may choose any available rental dwelling unit on the market in the RRHA's jurisdiction. This includes the dwelling unit they are currently occupying.

#### **Ineligible Units [24 CFR 982.352(a)]**

The RRHA may not assist a unit under the voucher program if the unit is a public housing or Indian housing unit; a unit receiving project-based assistance under section 8 of the 1937 Act (42 U.S.C. 1437f); nursing homes, board and care homes, or facilities providing continual psychiatric, medical, or nursing services; college or other school dormitories; units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions; a unit occupied by its owner or by a person with any interest in the unit.

#### **RRHA-Owned Units [24 CFR 982.352(b)]**

##### RRHA Policy

The RRHA has eligible RRHA -owned units available for leasing under the voucher program.

The RRHA will inform the family of this housing at the time of the briefing.

The RRHA will also inform the family, both orally and in writing, that the family has the right to select any eligible unit available for lease and that the family is free to select a RRHA-owned unit without any pressure of steering by the RRHA.

#### **Special Housing Types [24 CFR 982 Subpart M]**

HUD regulations permit, but do not generally require, the RRHA to permit families to use voucher assistance in a number of special housing types in accordance with the specific requirements applicable to those programs. These special housing types include single room occupancy (SRO) housing, congregate housing, group home, shared housing, manufactured home space (where the family owns the manufactured home and leases only the space), cooperative housing and homeownership option. See Chapter 15 for specific information and policies on any of these housing types that the RRHA has chosen to allow.

The regulations do require the RRHA to permit use of any special housing type if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

### **Duplicative Assistance [24 CFR 982.352(c)]**

A family may not receive the benefit of HCV tenant-based assistance while receiving the benefit of any of the following forms of other housing subsidy, for the same unit or for a different unit:

- Public or Indian housing assistance;
- Other Section 8 assistance (including other tenant-based assistance);
- Assistance under former Section 23 of the United States Housing Act of 1937 (before amendment by the Housing and Community Development Act of 1974);
- Section 101 rent supplements;
- Section 236 rental assistance payments;
- Tenant-based assistance under the HOME Program;
- Rental assistance payments under Section 521 of the Housing Act of 1949 (a program of the Rural Development Administration);
- Any local or State rent subsidy;
- Section 202 supportive housing for the elderly;
- Section 811 supportive housing for persons with disabilities; (11) Section 202 projects for non-elderly persons with disabilities (Section 162 assistance); or
- Any other duplicative federal, State, or local housing subsidy, as determined by HUD. For this purpose, 'housing subsidy' does not include the housing component of a welfare payment, a social security payment received by the family, or a rent reduction because of a tax credit.

### **Housing Quality Standards (HQS) [24 CFR 982.305 and 24 CFR 982.401]**

In order to be eligible, the dwelling unit must be in decent, safe and sanitary condition. This determination is made using HUD's Housing Quality Standards (HQS) and/or equivalent state or local standards approved by HUD. See Chapter 8 for a full discussion of the HQS standards, as well as the process for HQS inspection at initial lease-up.

#### **Unit Size**

In order to be eligible, the dwelling unit must be appropriate for the number of persons in the household. A family must be allowed to lease an otherwise acceptable dwelling unit with fewer bedrooms than the number of bedrooms stated on the voucher issued to the family, provided the unit meets the applicable HQS space requirements [24 CFR 982.402(d)]. The family must be allowed to lease an otherwise acceptable dwelling unit with more bedrooms than the number of bedrooms stated on the voucher issued to the family. See Chapter 5 for a full discussion of subsidy standards.

### **Rent Reasonableness [24 CFR 982.305 and 24 CFR 982.507]**

In order to be eligible, the dwelling unit must have a reasonable rent. The rent must be reasonable in relation to comparable unassisted units in the area and must not be in excess of rents charged by the owner for comparable, unassisted units on the premises. See Chapter 8 for a full discussion of rent reasonableness and the rent reasonableness determination process.

**Rent Burden [24 CFR 982.508]**

Where a family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, the family share of the rent cannot exceed 40 percent of the family's adjusted monthly income. The term "family share" refers to the amount the family pays toward rent and utilities. The gross rent for the unit minus the total housing assistance payment (HAP) for the unit equals the family share. See Chapter 6 for a discussion of calculation of gross rent, the use of payment standards, and calculation of family income, family share of rent and HAP.

**9-I.E. LEASE AND TENANCY ADDENDUM**

The family and the owner must execute a written dwelling lease agreement for the assisted unit.. This written lease is a contract between the tenant family and the owner; the RRHA is not a party to this contract.

The tenant must have legal capacity to enter a lease under State and local law. 'Legal capacity' means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner [24 CFR 982.308(a)]

**Lease Form and Tenancy Addendum [24 CFR 982.308]**

If the owner uses a standard lease form for rental to unassisted tenants in the locality or the premises, the lease must be in such standard form. If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease. The HAP contract prescribed by HUD contains the owner's certification that if the owner uses a standard lease form for rental to unassisted tenants, the lease is in such standard form.

All provisions in the HUD-required Tenancy Addendum must also be added word-for-word to the owner's standard lease form. The Tenancy Addendum includes the HUD requirements for the tenancy. Because it is a part of the lease, the tenant shall have the right to enforce the Tenancy Addendum against the owner. If there is a conflict between the owner's lease and the Tenancy Addendum, the terms of the Tenancy Addendum shall prevail over any other provisions of the lease.

RRHA Policy

The RRHA does not provide a model or standard dwelling lease for owners to use in the HCV program.

**Lease Information [24 CFR 982.308(d)]**

The assisted dwelling lease must contain all of the required information as listed below:

- The names of the owner and the tenant:
- The unit rented (address, apartment number, and any other information needed to identify the contract unit)
- The term of the lease (initial term and any provisions for renewal)
- The amount of the monthly rent to owner
- A specification of what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied by the family

## **Term of Assisted Tenancy**

### RRHA Policy

The RRHA may approve an initial lease term of less than one (1) year. The reason for acceptance of a term less than twelve months will be clearly documented to justify this approval.

During the initial term of the lease, the owner may not raise the rent to owner [24 CFR 982.309].

Any provisions for renewal of the dwelling lease will be stated in the dwelling lease [HCV Guidebook, pg. 8-22]. There are no HUD requirements regarding any renewal extension terms, except that they must be in the dwelling lease if they exist.

The RRHA may execute the HAP contract even if there is less than one year remaining from the beginning of the initial lease term to the end of the last expiring funding increment under the consolidated ACC. [24 CFR 982.309(b)].

## **Security Deposit [24 CFR 982.313 (a) and (b)]**

### RRHA Policy

The RRHA will allow the owner to collect any security deposit amount the owner determines is appropriate. Therefore, no modifications to the HAP contract will be necessary.

## **Separate Non-Lease Agreements between Owner and Tenant**

Owners may not demand or accept any rent payment from the family in excess of the rent to the owner as approved by the RRHA minus the RRHA 's housing assistance payments to the owner [24 CFR 982.451(b)(4)].

The owner may not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises [24 CFR 982.510(c)].

### RRHA Policy

The RRHA permits owners and families to execute separate, non-lease agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease.

Any items, appliances, or other services that are customarily provided to unassisted families as part of the dwelling lease with those families, or are permanently installed in the dwelling unit must be included in the dwelling lease for the assisted family. These items, appliances or services cannot be placed under a separate non-lease agreement between the owner and family. Side payments for additional rent, or for items, appliances or services customarily provided to unassisted families as part of the dwelling lease for those families, are prohibited.

Any items, appliances, or other services that are not customarily provided to unassisted families as part of the dwelling lease with those families, are not permanently installed in the dwelling unit and where the family has the sole option of not utilizing the item, appliance or service, may be included in a separate non-lease agreement between the owner and the family.

The family is not liable and cannot be held responsible under the terms of the assisted dwelling lease for any charges pursuant to a separate non-lease agreement between the owner and the family. Non-payment of any charges pursuant to a separate non-lease agreement between the owner and the family cannot be a cause for eviction or termination of tenancy under the terms of the assisted dwelling lease.

Separate non-lease agreements that involve additional items, appliances or other services may be considered amenities offered by the owner and may be taken into consideration when determining the reasonableness of the rent for the property.

## **RRHA Review of Lease**

### RRHA Policy

The RRHA will review the dwelling lease for compliance with all applicable requirements.

If the dwelling lease is incomplete or incorrect, the RRHA will notify the family and the owner of the deficiencies. Missing and corrected lease information will only be accepted as hard copies, in-person, by mail, or by fax. The RRHA will not accept missing and corrected information over the phone.

Because the initial leasing process is time-sensitive, the RRHA will attempt to communicate with the owner and family by phone, fax, or email. The RRHA will use mail when the parties can't be reached by phone, fax, or email.

The RRHA will not review the owner's lease for compliance with state/local law [24 CFR 982.308(c)].

## **9-I.F. TENANCY APPROVAL [24 CFR 982.305]**

After receiving the family's Request for Tenancy Approval, with proposed dwelling lease, the RRHA must promptly notify the family and owner whether the assisted tenancy is approved.

Prior to approving the assisted tenancy and execution of a HAP contract, the RRHA must ensure that all required actions and determinations, discussed in Part I of this chapter have been completed.

These actions include ensuring that the unit is eligible; the unit has been inspected by the RRHA and meets the Housing Quality Standards (HQS); the lease offered by the owner is approvable and includes the required Tenancy Addendum; the rent to be charged by the owner for the unit must be reasonable; where the family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, the share of rent to be paid by the family does not exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)]; the owner is an eligible owner, not disapproved by the RRHA, with no conflicts of interest [24 CFR 982.306]; the family and the owner have executed the lease, including the Tenancy Addendum, and the lead-based paint disclosure information [24 CFR 982.305(b)].

### RRHA Policy

The RRHA will complete its determination within 10 business days of receiving all required information.

If the terms of the RTA/proposed lease are changed for any reason, including but not limited to negotiation with the RRHA, the RRHA will obtain corrected copies of the RTA and proposed lease, signed by the family and the owner.

Corrections to the RTA/proposed lease will only be accepted as hard copies, in-person, by mail, or by fax. The RRHA will not accept corrections over the phone.

If the RRHA determines that the tenancy cannot be approved for any reason, the owner and the family will be notified in writing and given the opportunity to address any reasons for disapproval. The RRHA will instruct the owner and family of the steps that are necessary to obtain approval of the tenancy.

Where the tenancy is not approvable because the unit is not approvable, the family must continue to search for eligible housing within the timeframe of the issued voucher.

If the tenancy is not approvable due to rent affordability or rent reasonableness the RRHA will attempt to negotiate the rent with the owner. If a new, approvable rent is negotiated, the tenancy will be approved. If the owner is not willing to negotiate an approvable rent, the family must continue to search for eligible housing within the timeframe of the issued voucher.

#### **9-I.G. HAP CONTRACT EXECUTION [24 CFR 982.305]**

The HAP contract is a written agreement between the RRHA and the owner of the dwelling unit.. Under the HAP contract, the RRHA agrees to make housing assistance payments to the owner on behalf of the family, and the owner agrees to comply with all program requirements as stated in the HAP contract.

The HAP contract format is prescribed by HUD.

If the RRHA has given approval for the family of the assisted tenancy, the owner and the RRHA execute the HAP contract.

The term of the HAP contract must be the same as the term of the lease [24 CFR 982.451(a)(2)].

The RRHA is permitted to execute a HAP contract even if the funding currently available does not extend for the full term of the HAP contract.

The RRHA must make a best effort to ensure that the HAP contract is executed before the beginning of the lease term. Regardless, the HAP contract must be executed no later than 60 calendar days from the beginning of the lease term.

The RRHA may not pay any housing assistance payment to the owner until the HAP contract has been executed. If the HAP contract is executed during the period of 60 calendar days from the beginning of the lease term, the RRHA will pay housing assistance payments after execution of the HAP contract (in accordance with the terms of the HAP contract), to cover the portion of the lease term before execution of the HAP contract (a maximum of 60 days).

Any HAP contract executed after the 60 day period is void, and the RRHA may not pay any housing assistance payment to the owner.

### RRHA Policy

Owners who have not previously participated in the HCV program must attend a meeting with the RRHA in which the terms of the Tenancy Addendum and the HAP contract will be explained. The RRHA may waive this requirement on a case-by-case basis, if it determines that the owner is sufficiently familiar with the requirements and responsibilities under the HCV program.

The owner and the assisted family will execute the dwelling lease and the owner must provide a copy to the RRHA. The RRHA will ensure that both the owner and the assisted family receive copies of the dwelling lease.

The owner and the RRHA will execute the HAP contract. The RRHA will not execute the HAP contract until the owner has submitted IRS form W-9 [and the direct deposit form](#). The RRHA will ensure that the owner receives a copy of the executed HAP contract.

See Chapter 13 for a discussion of the HAP contract and contract provisions.

### **9-I.H. CHANGES IN LEASE OR RENT [24 CFR 982.308]**

If the tenant and the owner agree to any changes in the lease, such changes must be in writing, and the owner must immediately give the RRHA a copy of such changes. The lease, including any changes, must remain in accordance with the requirements of this chapter.

Generally, RRHA approval of tenancy and execution of a new HAP contract are not required for changes in the lease. However, under certain circumstances, the execution of a new lease and HAP contract are required. These circumstances include:

- Changes in lease requirements governing tenant or owner responsibilities for utilities or appliances
- Changes in lease provisions governing the term of the lease
- The family moves to a new unit, even if the unit is in the same building or complex

In these cases, if the HCV assistance is to continue, the family must submit a new Request for Tenancy Approval (RTA) along with a new dwelling lease containing the altered terms. A new tenancy must then be approved in accordance with this chapter.

Where the owner is changing the amount of rent to owner, the owner must notify the RRHA at least 60 days before any such changes go into effect [24 CFR 982.308(g)(4)]. The RRHA will agree to such an increase only if the amount of the rent to owner is considered reasonable according to the rent reasonableness standards discussed in Chapter 8. If the requested rent is not found to be reasonable, the owner must either reduce the requested rent increase, or terminate the tenancy in accordance with the terms of the lease.

No rent increase is permitted during the initial term of the lease [24 CFR 982.309(a)(3)].

### RRHA Policy

Where the owner is requesting a rent increase, the RRHA will determine whether the requested increase is reasonable within 10 business days of receiving the request from the

owner. The owner will be notified in writing if the requested increase cannot be approved.

Rent increases will go into effect on the first of the month following the 60 day period after the owner notifies the RRHA of the rent change or on the date specified by the owner, whichever is later.

## Chapter 10

### MOVING WITH CONTINUED ASSISTANCE AND PORTABILITY

#### INTRODUCTION

Freedom of housing choice is a hallmark of the housing choice voucher (HCV) program. In general, HUD regulations impose few restrictions on where families may live or move with HCV assistance. This chapter sets forth HUD regulations and RRHA policies governing moves within or outside the RRHA's jurisdiction in two parts:

Part I: Moving with Continued Assistance. This part covers the general rules that apply to all moves by a family assisted under the RRHA's HCV program, whether the family moves to another unit within the RRHA's jurisdiction or to a unit outside the RRHA's jurisdiction under portability.

Part II: Portability. This part covers the special rules that apply to moves by a family under portability, whether the family moves out of or into the RRHA's jurisdiction. This part also covers the special responsibilities that the RRHA has under portability regulations and procedures.

## PART I. MOVING WITH CONTINUED ASSISTANCE

### 10-I.A. ALLOWABLE MOVES

HUD lists six regulatory conditions under which an assisted family is allowed to move to a new unit with continued assistance. Permission to move is subject to the restrictions set forth in section 10-I.B.

- The family has a right to terminate the lease on notice to the owner (for the owner's breach or otherwise) and has given a notice of termination to the owner in accordance with the lease [24 CFR 982.314(b)(3)]. If the family terminates the lease on notice to the owner, the family must give the RRHA a copy of the notice at the same time [24 CFR 982.314(d)(1)].
- The lease for the family's unit has been terminated by mutual agreement of the owner and the family [24 CFR 982.314(b)(1)(ii)].

#### RRHA Policy

If the family and the owner mutually agree to terminate the lease for the family's unit, the family must give the RRHA a copy of the termination agreement.

- The owner has given the family a notice to vacate, has commenced an action to evict the family, or has obtained a court judgment or other process allowing the owner to evict the family [24 CFR 982.314(b)(2)]. The family must give the RRHA a copy of any owner eviction notice [24 CFR 982.551(g)].
- The family or member of the family is or has been the victim of domestic violence, dating violence, sexual assault or stalking and the move is needed to protect the health or safety of the family or family member [24 CFR 982.314 (b)(4)]. This condition applies even when the family has moved out of its unit in violation of the lease, with or without prior notification to the RRHA, if the family or family member who is the victim reasonably believed that he or she was imminently threatened by harm from further violence if he or she remained in the unit [24CFR982.314(b)(4), 24 CFR 982.353(b)].

#### RRHA Policy

If a family requests permission to move with continued assistance based on a claim that the move is necessary to protect the health or safety of a family member who is or has been the victim of domestic violence, dating violence, sexual assault or stalking, the RRHA will request documentation in accordance with section 16-IX.D of this plan.

The RRHA reserves the right to waive documentation if it determines that a statement or other corroborating evidence from the family or family member will suffice. In such cases the RRHA will document the waiver in the family's file.

- The RRHA has terminated the assisted lease for the family's unit for the owner's breach [24 CFR 982.314(b)(1)(i)].
- The RRHA determines that the family's current unit does not meet the HQS space standards because of an increase in family size or a change in family composition. In such cases, the RRHA must issue the family a new voucher, and the family and RRHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for the family, the

RRHA must terminate the HAP contract for the family's old unit in accordance with the HAP contract terms and must notify both the family and the owner of the termination. The HAP contract terminates at the end of the calendar month that follows the calendar month in which the RRHA gives notice to the owner. [24 CFR 982.403(a) and (c)]

### **10-I.B. RESTRICTIONS ON MOVES**

A family's right to move is generally contingent upon the family's compliance with program requirements [24 CFR 982.1(b)(2)]. HUD specifies two conditions under which the RRHA may deny a family permission to move and two ways in which the RRHA may restrict moves by a family.

#### **Denial of Moves**

**HUD regulations permit the RRHA to deny a family permission to move under the following conditions:**

##### ***Insufficient Funding***

The RRHA may deny a family permission to move if the RRHA does not have sufficient funding for continued assistance [24 CFR 982.314(e)(1)]. However, Notice PIH 2008-42 significantly restricts the ability of RRHA to deny permission to move due to insufficient funding and places further requirements on the RRHA regarding moves denied due to lack of funding. The requirements found in this notice are mandatory.

##### RRHA Policy

The RRHA will deny a family permission to move on grounds that the RRHA does not have sufficient funding for continued assistance if (a) the move is initiated by the family, not the owner or the PHA; (b) the RRHA can demonstrate that the move will, in fact, result in higher subsidy costs; and (c) the RRHA can demonstrate, in accordance with the policies in Part VIII of Chapter 16, that it does not have sufficient funding in its annual budget to accommodate the higher subsidy costs.

The RRHA will create a list of families whose moves have been denied due to insufficient funding. When funds become available, the families on this list will take precedence over families on the waiting list. The RRHA will use the same procedures for notifying families with open requests to move when funds become available as it uses for notifying families on the waiting list (see section 4-III.D.).

The RRHA will inform the family of its policy regarding moves denied due to insufficient funding in a letter to the family at the time the move is denied.

##### ***Grounds for Denial or Termination of Assistance***

The RRHA may deny a family permission to move if it has grounds for denying or terminating the family's assistance [24 CFR 982.314 (e) (2)]

##### RRHA Policy

If the RRHA has grounds for denying or terminating a family's assistance, the RRHA will act on those grounds in accordance with the regulations and policies set forth in

Chapters 3 and 12, respectively. In general, it will not deny a family permission to move for this reason; however, it retains the discretion to do so under special circumstances.

### **Restrictions on Elective Moves [24 CFR 982.314(c)]**

HUD regulations permit the RRHA to prohibit any elective move by a participant family during the family's initial lease term. They also permit the RRHA to prohibit more than one elective move by a participant family during any 12-month period. However, such prohibitions, if adopted, do not apply when the family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault or stalking and the move is needed to protect the health or safety of the family or family member. (For the policy on documentation of abuse, see section

10-I.A.) In addition, the RRHA may not establish a policy permitting moves only at reexamination [Notice PIH 2012-42].

### RRHA Policy

The RRHA will deny a family permission to make an elective move during the family's initial lease term. This policy applies to moves within the RRHA's jurisdiction or outside it under portability.

The RRHA will also deny a family permission to make more than one elective move during any 12-month period. This policy applies to all assisted families residing in the RRHA's jurisdiction. These prohibitions do not apply when the family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault or stalking and the move is needed to protect the health or safety of the family or family member (see section 10-1.A).

The RRHA will consider exceptions to these policies for the following reasons: to protect the health or safety of a family member (e.g., lead-based paint hazards, domestic violence, witness protection programs), to accommodate a change in family circumstances (e.g., new employment, school attendance in a distant area), or to address an emergency situation over which a family has no control.

In addition, the RRHA will allow exceptions to these policies for purposes of reasonable accommodation of a family member who is a person with disabilities (see Chapter 2).

## **10-I.C. MOVING PROCESS**

### **Notification**

If a family wishes to move to a new unit, the family must notify the RRHA and the owner before moving out of the old unit or terminating the lease on notice to the owner [24 CFR 982.314(d)(2)]. If the family wishes to move to a unit outside the RRHA's jurisdiction under portability, the notice to the RRHA must specify the area where the family wishes to move [24 CFR 982.314(d)(2), Notice PIH 2011-3]. The notices must be in writing [24 CFR 982.5].

## **Approval**

### RRHA Policy

Upon receipt of a family's notification that it wishes to move, the RRHA will determine whether the move is approvable in accordance with the regulations and policies set forth in sections 10-I.A and 10-I.B.

## **Reexamination of Family Income and Composition**

### RRHA Policy

For families approved to move to a new unit within the RRHA's jurisdiction, the RRHA will perform a new annual reexamination in accordance with the policies set forth in Chapter 11 of this plan.

For families moving into or families approved to move out of the RRHA's jurisdiction under portability, the RRHA will follow the policies set forth in Part II of this chapter.

## **Voucher Issuance and Briefing**

### RRHA Policy

For families approved to move to a new unit within the RRHA's jurisdiction, the RRHA will issue a new voucher within 10 business days of the RRHA's written approval to move. No briefing is required for these families. The RRHA will follow the policies set forth in Chapter 5 on voucher term, extension, and expiration. If a family does not locate a new unit within the term of the voucher and any extensions, the family may remain in its current unit with continued voucher assistance if the owner agrees and the RRHA approves. Otherwise, the family will lose its assistance.

For families moving into or families approved to move out of the RRHA's jurisdiction under portability, the RRHA will follow the policies set forth in Part II of this chapter.

## **Housing Assistance Payments [24 CFR 982.311(d)]**

When a family moves out of an assisted unit, the RRHA may not make any housing assistance payment to the owner for any month **after** the month the family moves out. The owner may keep the housing assistance payment for the month when the family moves out of the unit.

If a participant family moves from an assisted unit with continued tenant-based assistance, the term of the assisted lease for the new assisted unit may begin during the month the family moves out of the first assisted unit. Overlap of the last housing assistance payment (for the month when the family moves out of the old unit) and the first assistance payment for the new unit, is not considered to constitute a duplicative housing subsidy.

## **PART II: PORTABILITY**

### **10-II.A. OVERVIEW**

Within the limitations of the regulations and this plan, a participant family or an applicant family that has been issued a voucher has the right to use tenant-based voucher assistance to lease a unit anywhere in the United States providing that the unit is located within the jurisdiction of a PHA administering a tenant-based voucher program [24 CFR 982.353(b)]. The process by which a family obtains a voucher from one PHA and uses it to lease a unit in the jurisdiction of another

PHA is known as portability. The first PHA is called the **initial PHA**. The second is called the **receiving PHA**.

The receiving PHA has the option of administering the family's voucher for the initial PHA or absorbing the family into its own program. Under the first option, the receiving PHA provides all housing services for the family and bills the initial PHA for the family's housing assistance payments and the fees for administering the family's voucher. Under the second option, the receiving PHA pays for the family's assistance out of its own program funds, and the initial PHA has no further relationship with the family. The initial PHA must contact the receiving PHA via email or other confirmed delivery method to determine whether the receiving PHA will administer or absorb the initial PHA's voucher. Based on the receiving PHA's response, the initial PHA must determine whether they will approve or deny the portability request [Notice PIH 2012-42].

PHAs commonly act as both the initial and receiving PHA because families may move into or out of their jurisdiction under portability. Each role involves different responsibilities. The PHA will follow the rules and policies in section 10-II.B when it is acting as the initial PHA for a family. It will follow the rules and policies in section 10-II.C when it is acting as the receiving PHA for a family.

## **10-II.B. INITIAL PHA ROLE**

### **Allowable Moves under Portability**

A family may move with voucher assistance only to an area where there is at least one PHA administering a voucher program [24 CFR 982.353(b)]. If there is more than one PHA in the area, the initial PHA may choose the receiving PHA [24 CFR 982.355(b)].

Applicant families that have been issued vouchers as well as participant families may qualify to lease a unit outside the RRHA's jurisdiction under portability. HUD regulations and PHA policy determine whether a family qualifies.

### ***Applicant Families***

Under HUD regulations, most applicant families qualify to lease a unit outside the PHA's jurisdiction under portability. However, HUD gives the PHA discretion to deny a portability move by an applicant for the same two reasons that it may deny any move by a participant family: insufficient funding and grounds for denial or termination of assistance.

#### RRHA Policy

In determining whether or not to deny an applicant family permission to move under portability because the RRHA lacks sufficient funding or has grounds for denying assistance to the family, the RRHA will follow the policies established in section 10-I.B of this chapter.

In addition, the PHA may establish a policy denying the right to portability to nonresident applicants during the first 12 months after they are admitted to the program [24 CFR 982.353(c)].

If neither the head of household nor the spouse/cohead of an applicant family had a domicile (legal residence) in the RRHA's jurisdiction at the time the family's initial

application for assistance was submitted, the family must lease a unit within the RRHA's jurisdiction for at least 12 months before requesting portability.

The RRHA will consider exceptions to this policy for purposes of reasonable accommodation (see Chapter 2) or reasons related to domestic violence, dating violence sexual assault or stalking. However, any exception to this policy is subject to the approval of the receiving RRHA [24 CFR 982.353(c)(3)].

### ***Participant Families***

#### RRHA Policy

The RRHA must not provide portable assistance for a participant if a family has moved out of its assisted unit in violation of the lease [24 CFR 982.3539b)]. The Violence against Women Act of 2013 (VAWA) creates an exception to this prohibition for families who are otherwise in compliance with program obligations but have moved to protect the health or safety of a family member who is or has been a victim of domestic violence, dating violence, sexual assault or stalking and who reasonably believes he or she was imminently threatened by harm from further violence if they remained in the unit [24 CFR 982.353(b)].

#### RRHA Policy

The RRHA will determine whether a participant family may move out of the RRHA's jurisdiction with continued assistance in accordance with the regulations and policies set forth here and in sections 10-I.A and 10-I.B of this chapter. The RRHA will notify the family of its determination in accordance with the approval policy set forth in section 10-I.C of this chapter.

### **Determining Income Eligibility**

#### ***Applicant Families***

An applicant family may lease a unit in a particular area under portability only if the family is income eligible for admission to the voucher program in that area [24 CFR 982.353(d)(3)]. The family must specify the area to which the family wishes to move [Notice PIH 2008-42].

The RRHA is responsible for determining whether the family is income eligible in the area to which the family wishes to move [24 CFR 982.355(c)(1)]. If the applicant family is not income eligible in that area, the RRHA must inform the family that it may not move there and receive voucher assistance [Notice PIH 2012-42].

#### ***Participant Families***

The income eligibility of a participant family is not re-determined if the family moves to a new jurisdiction under portability [24 CFR 982.353(d)(2), 24 CFR 982.355(c)(1)].

### **Reexamination of Family Income and Composition**

No new reexamination of family income and composition is required for an applicant family.

#### RRHA Policy

For a participant family approved to move out of its jurisdiction under portability, the RRHA will conduct a reexamination of family income and composition only if the

family's annual reexamination must be completed on or before the initial billing deadline specified on form HUD-52665, Family Portability Information.

The RRHA will make any exceptions to this policy necessary to remain in compliance with HUD regulations.

## **Briefing**

### RRHA Policy

No formal briefing will be required for a participant family wishing to move outside the RRHA's jurisdiction under portability. However, the RRHA will provide the family with the same oral and written explanation of portability that it provides to applicant families selected for admission to the program (see Chapter 5). The RRHA will provide the name, address, and telephone number of the contact for the PHA in the jurisdiction to which they wish to move. The RRHA will advise the family that they will be under the receiving PHA's policies and procedures, including subsidy standards and voucher extension policies.

## **Voucher Issuance and Term**

An applicant family has no right to portability until after the family has been issued a voucher [24 CFR 982.353(b)]. In issuing vouchers to applicant families, the RRHA will follow the regulations and procedures set forth in Chapter 5.

### RRHA Policy

For families approved to move under portability, the RRHA will issue a new voucher within 10 business days of the RRHA's written approval to move.

The initial term of the voucher will be 60 days.

## **Voucher Extensions and Expiration**

### RRHA Policy

The RRHA will approve **no** extensions to a voucher issued to an applicant or participant family porting out of the RRHA's jurisdiction except under the following circumstances: (a) the initial term of the voucher will expire before the portable family will be issued a voucher by the receiving PHA, (b) the family decides to return to the initial PHA's jurisdiction and search for a unit there, or (c) the family decides to search for a unit in a third PHA's jurisdiction. In such cases, the policies on voucher extensions set forth in Chapter 5, section 5-II.E, of this plan will apply, including the requirement that the family apply for an extension in writing prior to the expiration of the initial voucher term.

To receive or continue receiving assistance under the initial PHA's voucher program, a family that moves to another PHA's jurisdiction under portability must be under HAP contract in the receiving PHA's jurisdiction within 60 days following the expiration date of the initial PHA's voucher term (including any extensions). (See below under "Initial Billing Deadline" for one exception to this policy.)

## **Preapproval Contact with the Receiving PHA**

Prior to approving a family's request to move under portability, the initial PHA must contact the receiving PHA via e-mail or other confirmed delivery method to determine whether the

receiving PHA will administer or absorb the family's voucher. Based on the receiving PHA's response, the initial PHA must determine whether it will approve or deny the move [Notice PIH 2012-42].

#### RRHA Policy

The RRHA will use e-mail, when possible, to contact the receiving PHA regarding whether the receiving PHA will administer or absorb the family's voucher.

#### **Initial Contact with the Receiving PHA**

After approving a family's request to move under portability, the RRHA must promptly notify the receiving PHA to expect the family [24 CFR 982.355(c)(2)]. This means that the RRHA must contact the receiving PHA directly on the family's behalf [Notice PIH 2012-42]. The RRHA must also advise the family how to contact and request assistance from the receiving PHA [24 CFR 982.355(c)(2)].

#### RRHA Policy

Because the portability process is time-sensitive, the RRHA will notify the receiving PHA by phone, fax, or e-mail to expect the family. The RRHA will also ask the receiving PHA to provide any information the family may need upon arrival, including the name, fax, email and telephone number of the staff person responsible for business with incoming portable families and procedures related to appointments for voucher issuance. The RRHA will pass this information along to the family. The RRHA will also ask for the name, address, telephone number, fax and email of the person responsible for processing the billing information.

#### **Sending Documentation to the Receiving PHA**

The RRHA is required to send the receiving PHA the following documents:

- Form HUD-52665, Family Portability Information, with Part I filled out [Notice PIH 2012-42]
- A copy of the family's voucher [Notice PIH 2012-42]
- A copy of the family's most recent form HUD-50058, Family Report, or, if necessary in the case of an applicant family, family and income information in a format similar to that of form HUD-50058 [24 CFR 982.355(c)(4), Notice PIH 2012-42]
- Copies of the income verifications backing up the form HUD-50058, including a copy of the family's current EIV data [24 CFR 982.355(c)(4), Notice PIH 2012-42]

#### RRHA Policy

In addition to these documents, the RRHA will provide the following information, if available, to the receiving PHA:

Social security numbers (SSNs)

Documentation of SSNs for all nonexempt household members whose SSNs have not been verified through the EIV system

Documentation of legal identity

Documentation of citizenship or eligible immigration status

Documentation of participation in the earned income disallowance (EID) benefit

Documentation of participation in a family self-sufficiency (FSS) program

The RRHA will notify the family in writing regarding any information provided to the receiving PHA [HCV GB, p. 13-3].

### **Initial Billing Deadline [Notice PIH 2011-3]**

When the RRHA sends form HUD-52665 to the receiving PHA, it specifies in Part I the deadline by which it must receive the initial billing notice from the receiving PHA. This deadline is 60 days following the expiration date of the voucher issued to the family by the RRHA. If the RRHA does not receive a billing notice by the deadline and does not intend to honor a late billing submission, it must contact the receiving PHA to determine the status of the family. If the receiving PHA reports that the family is not yet under HAP contract, the RRHA may refuse to accept a late billing submission. If the receiving PHA reports that the family is under HAP contract and the receiving PHA cannot absorb the family, the RRHA must accept a late billing submission; however, it may report to HUD the receiving PHA's failure to comply with the deadline.

### RRHA Policy

If the RRHA has not received an initial billing notice from the receiving PHA by the deadline specified on form HUD-52665, it will contact the receiving PHA by phone, fax, or e-mail on the next business day. If the PHA reports that the family is not yet under HAP contract, the RRHA will inform the receiving PHA that it will not honor a late billing submission and will return any subsequent billings that it receives on behalf of the family. The RRHA will send the receiving PHA a written confirmation of its decision by mail.

The RRHA will allow an exception to this policy if the family includes a person with disabilities and the late billing is a result of a reasonable accommodation granted to the family by the receiving PHA.

### **Monthly Billing Payments [24 CFR 982.355(e), Notice PIH 2012-42]**

If the receiving PHA is administering the family's voucher, the RRHA is responsible for making billing payments in a timely manner. The first billing amount is due within 30 calendar days after the initial PHA receives Part II of form HUD-52665 from the receiving PHA.

Subsequent payments must be **received** by the receiving PHA no later than the fifth business day of each month. The payments must be provided in a form and manner that the receiving PHA is able and willing to accept.

The RRHA may not terminate or delay making payments under existing portability billing arrangements as a result of over-leasing or funding shortfalls. The RRHA must manage its tenant-based program in a manner that ensures that it has the financial ability to provide assistance for families that move out of its jurisdiction under portability and are not absorbed by receiving PHA as well as for families that remain within its jurisdiction.

### RRHA Policy

The RRHA will ensure that the payments are processed within the designated timeframe unless the receiving PHA fails to provide required information and documents necessary for timely processing. [The RRHA will utilize direct deposit to ensure that the payment is received by the deadline.](#)

### **Annual Updates of Form HUD-50058**

If the RRHA is being billed on behalf of a portable family, it should receive an updated form HUD-50058 each year from the receiving PHA. If the RRHA fails to receive an updated 50058 by the family's annual reexamination date, the RRHA should contact the receiving PHA to verify the status of the family.

### **Denial or Termination of Assistance [24 CFR 982.355(c)(9)]**

If the RRHA has grounds for denying or terminating assistance for a portable family that has not been absorbed by the receiving PHA, the RRHA may act on those grounds at any time. (For RRHA policies on denial and termination, see Chapters 3 and 12, respectively.)

### **10-II.C. RECEIVING PHA ROLE**

If a family has a right to lease a unit in the receiving PHA jurisdiction under portability, the receiving PHA must provide assistance for the family [24 CFR 982.355(10)].

The receiving PHA procedures and preferences for selection among eligible applicants do not apply, and the receiving PHA's waiting list is not used [24 CFR 982.355(10)]. However, the family's unit, or voucher, size is determined in accordance with the subsidy standards of the receiving PHA [24 CFR 982.355(7)], and the amount of the family's housing assistance payment is determined in the same manner as for other families in the receiving PHA's voucher program [24 CFR 982.355(e)(2)].

### **Responding to Initial PHA's Request**

The receiving PHA must respond via e-mail or other confirmed delivery method to the initial PHA's inquiry to determine whether the family's voucher will be billed or absorbed. If the receiving PHA informs the initial PHA that it will be absorbing the voucher, the receiving PHA cannot reverse its decision at a later date [Notice PIH 2012-42]

### RRHA Policy

The RRHA will use e-mail, when possible, to notify the initial PHA whether it will administer or absorb the family's voucher [Notice PIH 2012-42].

### **Initial Contact with Family**

When a family moves into the RRHA's jurisdiction under portability, the family is responsible for promptly contacting the RRHA and complying with the RRHA's procedures for incoming portable families [24 CFR 982.355(c)(3)].

If the voucher issued to the family by the initial PHA has expired, the RRHA does not process the family's paperwork but instead refers the family back to the initial PHA [Notice PIH 2012-42].

If for any reason the RRHA refuses to process or provide assistance to a family under the portability procedures, the family must be given the opportunity for an informal review or

hearing [Notice PIH 2012-42]. (For more on this topic, see later under “Denial or Termination of Assistance.”)

## **Briefing**

### RRHA Policy

The RRHA will not require the incoming portable family to attend a briefing. The RRHA will provide the family with a briefing packet (as described in Chapter 5) and, in an individual briefing, will orally inform the family about the RRHA’s payment and subsidy standards, procedures for requesting approval of a unit, the unit inspection process, and the leasing process. The RRHA will suggest that the family attend a briefing at a later date.

**Income Eligibility and Reexamination** HUD allows the receiving PHA to conduct its own income reexamination of a portable family [24 CFR 982.355(c)(4)]. However the RRHA may not delay voucher issuance or unit approval until the reexamination process is complete unless the reexamination is necessary to determine that an applicant family is income ineligible for admission to the program in the area where the family wishes to lease a unit [Notice 201-42, 24 CFR 982.201(b)(4)]. The receiving PHA does not re-determine income eligibility for a portable family that was already receiving assistance in the initial PHA’s voucher program [24 CFR 982.355(c)(1)].

### RRHA Policy

For any family moving into its jurisdiction under portability, the RRHA will conduct a new reexamination of family income and composition. However, the RRHA will not delay issuing the family a voucher for this reason. Nor will the RRHA delay approving a unit for family until the reexamination process is complete unless the family is an applicant and the RRHA cannot otherwise confirm that the family is income eligible for admission to the program in the area where the unit is located.

In conducting its own reexamination, the RRHA will rely upon any verifications provided by the initial PHA to the extent that they (a) accurately reflect the family’s current circumstances and (b) were obtained within the last 120 days. Any new information may be verified by documents provided by the family and adjusted, if necessary when third party verification is received.

## **Voucher Issuance**

When a family moves into its jurisdiction under portability, the receiving PHA is required to issue the family a voucher [24 CFR 982.355(b)(6)]. The family must submit a request for tenancy approval to the receiving PHA during the term of the receiving PHA’s voucher [24 CFR 982.355(c)(6)].

### ***Timing of Voucher Issuance***[Notice PIH 2012-42]

#### RRHA Policy

When a family ports into its jurisdiction, the RRHA will issue the family a voucher based on the paperwork provided by the initial PHA unless the family’s paperwork from the initial PHA is incomplete, the family’s voucher from the initial PHA has expired or the

family does not comply with the RRHA's procedures. The RRHA will update the family's information when verification has been completed.

***Voucher Term***[24 CFR 982.355(c)(6)]

RRHA Policy

The RRHA voucher will expire on the same date as the initial PHA's voucher.

***Voucher Extensions*** [24 CFR 982.355(c)(6), Notice 2012-42]

RRHA Policy

The RRHA generally will not extend the term of the voucher that it issues to an incoming portable family unless the RRHA plans to absorb the family into its own program, in which case it will follow the policies on voucher extension set forth in section 5-II.E.

The RRHA will consider an exception to this policy as a reasonable accommodation to a person with disabilities (see Chapter 2).

**Notifying the Initial PHA**

The RRHA must promptly notify the initial PHA if the family has leased an eligible unit under the program or if the family fails to submit a request for tenancy approval for an eligible unit within the term of the RRHA's voucher [24 CFR 982.355(c)(8)]. The RRHA is required to use Part II of form HUD-52665, Family Portability Information, for this purpose [24 CFR 982.355(e)(5), Notice PIH 2012-42]. (For more on this topic and the deadline for notification, see below under "Administering a Portable Family's Voucher,")

If an incoming portable family ultimately decides not to lease in the jurisdiction of the RRHA but instead wishes to return to the initial PHA's jurisdiction or to search in another jurisdiction, the RRHA must refer the family back to the initial PHA. In such a case the voucher of record for the family is once again the voucher originally issued by the initial PHA. Any extension of search time provided by the RRHA's voucher is only valid for the family's search in the RRHA's jurisdiction. [Notice PIH 2012-42]

**Administering a Portable Family's Voucher**

***Initial Billing Deadline***

If a portable family's search for a unit is successful and the RRHA intends to administer the family's voucher, the RRHA must submit its initial billing notice (Part II of form HUD-52665) (a) no later than 10 business days following the date the RRHA **executes** a HAP contract on behalf of the family **and** (b) in time that the notice will be **received** no later than 60 days following the expiration date of the family's voucher issued by the RRHA [Notice PIH 2012-42]. A copy of the family's form HUD-50058, Family Report, completed by the RRHA must be attached to the initial billing notice. The RRHA may send these documents by mail, fax, or e-mail.

RRHA Policy

The RRHA will send its initial billing notice by fax or e-mail, if necessary, to meet the billing deadline but will also send the notice by regular mail.

If the RRHA fails to send the initial billing within 10 business days following the date the HAP contract is executed, it is required to absorb the family into its own program unless (a) the initial

PHA is willing to accept the late submission or (b) HUD requires the initial PHA to honor the late submission (e.g., because the RRHA is over-leased) [Notice PIH 2012-42].

***Ongoing Notification Responsibilities [Notice PIH 2012-42, HUD-52665]***

**Annual Reexamination.** The RRHA must send the initial PHA a copy of a portable family's updated form HUD-50058 after each annual reexamination for the duration of time the RRHA is billing the initial PHA on behalf of the family, regardless of whether there is a change in the billing amount.

RRHA Policy

The RRHA will send a copy of the updated HUD-50058 by regular mail at the same time the RRHA and owner are notified of the reexamination results.

**Change in Billing Amount.** The RRHA is required to notify the initial PHA, using form HUD-52665, of any change in the billing amount for the family as a result of:

- A change in the HAP amount (because of a reexamination, a change in the applicable payment standard, a move to another unit, etc.)
- An abatement or subsequent resumption of the HAP payments
- Termination of the HAP contract
- Payment of a damage/vacancy loss claim for the family
- Termination of the family from the program

The timing of the notice of the change in the billing amount should correspond with the notification to the owner and the family in order to provide the initial PHA with advance notice of the change. Under no circumstances should the notification be later than 10 business days following the effective date of the change in the billing amount. If the RRHA fails to send Form HUD-52665 within 10 days of effective date of billing changes, the initial PHA is not responsible for any increase prior to notification.

***Late Payments [Notice PIH 2012-42]***

If the initial PHA fails to make a monthly payment for a portable family by the fifth business day of the month, the RRHA must promptly notify the initial PHA in writing of the deficiency. The notice must identify the family, the amount of the billing payment, the date the billing payment was due, and the date the billing payment was received (if it arrived late). The RRHA must send a copy of the notification to the Office of Public Housing (OPH) in the HUD area office with jurisdiction over the PHA. If the initial PHA fails to correct the problem by the second month following the notification, the RRHA may request by memorandum to the director of the OPH with jurisdiction over the PHA that HUD transfer the unit in question.

A copy of the initial notification and any subsequent correspondence between the PHAs on the matter must be attached. The RRHA must send a copy of the memorandum to the initial PHA. If the OPH decides to grant the transfer, the billing arrangement on behalf of the family ceases with the transfer, but the initial PHA is still responsible for any outstanding payments due to the RRHA.

***Overpayments [Notice PIH 2012-42]***

In all cases where the RRHA has received billing payments for billing arrangements no longer in effect, the RRHA is responsible for returning the full amount of the overpayment (including the portion provided for administrative fees) to the initial PHA.

In the event that HUD determines billing payments have continued for at least three months because the RRHA failed to notify the initial PHA that the billing arrangement was terminated, the RRHA must take the following steps:

- Return the full amount of the overpayment, including the portion provided for administrative fees, to the initial PHA.
- Once full payment has been returned, notify the Office of Public Housing in the HUD area office with jurisdiction over the PHA of the date and the amount of reimbursement to the initial PHA.

At HUD's discretion, the RRHA will be subject to the sanctions spelled out in Notice PIH 2012-42.

***Denial or Termination of Assistance [24 CFR 982.355(c)(9), 24 CFR 982.355 (c)(10), Notice PIH 2012-42].***RRHA Policy

If the RRHA elects to deny or terminate assistance for a portable family, the RRHA will notify the initial PHA within 10 business days after the informal review or hearing if the denial or termination is upheld. The RRHA will base its denial or termination decision on the policies set forth in Chapter 3 or Chapter 12, respectively. The informal review or hearing will be held in accordance with the policies in Chapter 16. The RRHA will provide the initial PHA with a copy of the review or hearing decision.

**Absorbing a Portable Family**

The RRHA may absorb an incoming portable family into its own program when the RRHA executes a HAP contract on behalf of the family or at any time thereafter providing that (a) the RRHA has funding available under its annual contributions contract (ACC) and (b) absorbing the family will not result in over-leasing [24 CFR 982.355(d)(1), Notice PIH 2012-42].

If the RRHA absorbs a family from the point of admission, the admission will be counted against the income-targeting obligation of the RRHA [24 CFR 982.201(b)(2)(vii)].

If the RRHA absorbs a family after providing assistance for the family under a billing arrangement with the initial PHA, HUD encourages the RRHA to provide adequate advance notice to the initial PHA to avoid having to return an overpayment. The RRHA must specify the effective date of the absorption of the family [Notice PIH 2012-42].

RRHA Policy

If the RRHA decides to absorb a portable family upon the execution of a HAP contract on behalf of the family, the RRHA will notify the initial PHA by the initial billing deadline specified on form HUD-52665. The effective date of the HAP contract will be the effective date of the absorption.

If the RRHA decides to absorb a family after that, it will provide the initial PHA with 30 days' advance notice.

Following the absorption of an incoming portable family, the family is assisted with funds available under the consolidated ACC for the RRHA's voucher program [24 CFR 982.355(d)], and the RRHA becomes the initial PHA in any subsequent moves by the family under portability.

## Chapter 13

### OWNERS

#### INTRODUCTION

Owners play a major role in the HCV program by supplying decent, safe, and sanitary housing for participating families.

The term “owner” refers to any person or entity with the legal right to lease or sublease a unit to a participant in the HCV program [24 CFR 982.4(b)]. The term “owner” includes a principal or other interested party [24 CFR 982.453; 24 CFR 982.306(f)], such as a designated agent of the owner.

Owners have numerous responsibilities under the program, including screening and leasing to families, maintaining the dwelling unit, enforcing the lease, and complying with various contractual obligations.

The chapter is organized in two parts:

Part I: Owners in the HCV Program. This part discusses the role of an owner in the RRHA’s HCV program and highlights key owner rights and responsibilities.

Part II: HAP Contracts. This part explains provisions of the HAP contract and the relationship between the RRHA and the owner as expressed in the HAP contract.

For detailed information about HCV program responsibilities and processes, including RRHA policies in key areas, owners will need to refer to several other chapters in this plan. Where appropriate, Chapter 13 will reference the other chapters.

## **PART I. OWNERS IN THE HCV PROGRAM**

### **13-I.A. OWNER RECRUITMENT AND RETENTION [HCV GB, pp. 2-4 to 2-6]**

#### **Recruitment**

The RRHA is responsible for ensuring that very low-income families have access to all types and ranges of affordable housing in the RRHA's jurisdiction, particularly housing outside areas of poverty or minority concentration. A critical element in fulfilling this responsibility is for the RRHA to ensure that a sufficient number of owners, representing all types and ranges of affordable housing in the RRHA's jurisdiction, are willing to participate in the HCV program.

To accomplish this objective, the RRHA must identify and recruit new owners to participate in the program.

#### RRHA Policy

The RRHA will conduct owner outreach to ensure that owners are familiar with the program and its advantages. The RRHA will actively recruit property owners with property located outside areas of poverty and minority concentration. These outreach strategies will include:

Distributing printed material about the program to property owners and managers

Contacting property owners and managers by phone or in-person

Holding owner recruitment/information meetings

Participating in community based organizations comprised of private property and apartment owners and managers

Developing working relationships with owners and real estate brokers associations

Outreach strategies will be monitored for effectiveness, and adapted accordingly.

#### **Retention**

In addition to recruiting owners to participate in the HCV program, the RRHA must also provide the kind of customer service that will encourage participating owners to remain active in the program.

#### RRHA Policy

All RRHA activities that may affect an owner's ability to lease a unit will be processed as rapidly as possible, in order to minimize vacancy losses for owners.

The RRHA will provide owners with information that explains the program, including HUD and RRHA policies and procedures, in easy-to-understand language.

The RRHA will give special attention to helping new owners succeed through activities such as:

Providing the owner with a designated RRHA contact person.

Coordinating inspection and leasing activities between the RRHA, the owner, and the family.

Initiating telephone contact with the owner to explain the inspection process, and providing an inspection booklet and other resource materials about HUD housing quality standards.

Providing other written information about how the program operates.

Additional services may be undertaken on an as-needed basis, and as resources permit.

### **13-I.B. BASIC HCV PROGRAM REQUIREMENTS**

#### RRHA Policy

Owners that wish to indicate their willingness to lease a unit to an eligible HCV family or to help the HCV family find a unit must notify the RRHA. The RRHA will maintain a listing of such owners and provide this listing to the HCV family as part of the informational briefing packet

When a family approaches an owner to apply for tenancy, the owner is responsible for screening the family and deciding whether to lease to the family, just as the owner would with any potential unassisted tenant. The RRHA has no liability or responsibility to the owner or other persons for the family's behavior or suitability for tenancy. See chapters 3 and 9 for more detail on tenant family screening policies and process.

If the owner is willing, the family and the owner must jointly complete a Request for Tenancy Approval (RTA, Form HUD 52517), which constitutes the family's request for assistance in the specified unit, and which documents the owner's willingness to lease to the family and to follow the program's requirements. When submitted to the RRHA, this document is the first step in the process of obtaining approval for the family to receive the financial assistance it will need in order to occupy the unit. Also submitted with the RTA is a copy of the owner's proposed dwelling lease, including the HUD-required Tenancy Addendum (Form HUD-52641-A). See Chapter 9 for more detail on request for tenancy approval policies and process.

HUD regulations stipulate that an assisted tenancy can be approved only under certain conditions.

The owner must be qualified to participate in the program [24 CFR 982.306]. Some owners are precluded from participating in the program, or from renting to a particular family, either because of their past history with this or another federal housing program, or because of certain conflicts of interest. Owner qualifications are discussed later in this chapter.

The selected unit must be of a type that is eligible for the program [24 CFR 982.305(a)]. Certain types of dwelling units cannot be assisted under the HCV program. Other types may be assisted under certain conditions. . See chapter 9 for more detail on unit eligibility policies and process.

The selected unit must meet HUD's Housing Quality Standards (HQS) and/or equivalent state or local standards approved by HUD [24 CFR 982.305(a)]. The RRHA will inspect the owner's dwelling unit at least annually to ensure that the unit continues to meet HQS requirements. See chapter 8 for a discussion of the HQS standards and policies for HQS inspections at initial lease-up and throughout the family's tenancy.

The RRHA must determine that the proposed rent for the unit is reasonable [24 CFR 982.305(a)]. The rent must be reasonable in relation to comparable unassisted units in the area and must not be in excess of rents charged by the owner for comparable, unassisted units on the premises. See chapter 8 for a discussion of requirements and policies on rent reasonableness, rent comparability and the rent reasonableness determination process.

At initial lease-up of a unit, if the gross rent exceeds the applicable payment standard, the RRHA must ensure that the family does not exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)]. See chapter 6 for a discussion of the calculation of family income, family share of rent and HAP.

The dwelling lease must comply with all program requirements [24 CFR 982.308]. Owners are encouraged to use their standard leases when renting to an assisted family. The HUD Tenancy Addendum includes the HUD requirements governing the tenancy and must be added word-for-word to the owner's lease. See chapter 9 for a discussion of the dwelling lease and tenancy addendum, including lease terms and provisions.

The RRHA and the owner must execute a Housing Assistance Payment (HAP) Contract (Form HUD-52641). The HAP contract format is prescribed by HUD. See chapter 9 for a discussion of the HAP contract execution process.

### **13-I.C. OWNER RESPONSIBILITIES [24 CFR 982.452]**

The basic owner responsibilities in the HCV program are outlined in the regulations as follows:

- Compliance with all of the owner's obligations under the housing assistance payments (HAP) contract and the lease
- Performing all management and rental functions for the assisted unit, including selecting a voucher-holder to lease the unit, and deciding if the family is suitable for tenancy of the unit
- Maintaining the unit in accordance with the Housing Quality Standards (HQS), including performance of ordinary and extraordinary maintenance
- Complying with equal opportunity requirements
- Preparing and furnishing to the RRHA information required under the HAP contract
- Collecting the security deposit, the tenant rent, and any charges for unit damage by the family.
- Enforcing tenant obligations under the dwelling lease
- Paying for utilities and services that are not the responsibility of the family as specified in the lease.
- Allow reasonable modifications to a dwelling unit occupied or to be occupied by a disabled person [24 CFR 100.203]
- Complying with the Violence Against Women Reauthorization Act of 2013 (VAWA) when screening prospective HCV tenants or terminating the tenancy of an HCV family (see 24 CFR part 5, Subpart L; 24 CFR 982.310(h)(4); and 24 CFR 982.452(b)(1).

### **13-I.D. OWNER QUALIFICATIONS**

The RRHA does not formally approve an owner to participate in the HCV program. However, there are a number of criteria where the RRHA may deny approval of an assisted tenancy based

on past owner behavior, conflict of interest, or other owner-related issues. No owner has a right to participate in the HCV program [24 CFR 982.306(e)].

[Owners must be willing to receive HAP via direct deposit. In addition, owners must notify the RRHA of any changes to their bank accounts. If owners fail to notify the RRHA, they will be subject to fees and/or penalties for non-compliance.](#)

### **Owners Barred from Participation [24 CFR 982.306(a) and (b)]**

The RRHA must not approve the assisted tenancy if the RRHA has been informed that the owner has been debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24. HUD may direct the RRHA not to approve a tenancy request if a court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements, or if such an action is pending.

### **Leasing to Relatives [24 CFR 982.306(d), HCV GB p. 11-2]**

The RRHA must not approve a tenancy if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family. The RRHA may make an exception as a reasonable accommodation for a family member with a disability. The owner is required to certify that no such relationship exists. This restriction applies at the time that the family receives assistance under the HCV program for occupancy of a particular unit. Current contracts on behalf of owners and families that are related may continue, but any new leases or contracts for these families may not be approved.

### **Conflict of Interest [24 CFR 982.161; HCV GB p. 8-19]**

The RRHA must not approve a tenancy in which any of the following classes of persons has any interest, direct or indirect, during tenure or for one year thereafter:

- Any present or former member or officer of the RRHA (except a participant commissioner)
- Any employee of the PHA, or any contractor, subcontractor or agent of the PHA, who formulates policy or who influences decisions with respect to the programs
- Any public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the programs
- Any member of the Congress of the United States

HUD may waive the conflict of interest requirements, except for members of Congress, for good cause. The RRHA must submit a waiver request to the appropriate HUD Field Office for determination.

Any waiver request submitted by the RRHA must include the following [HCV Guidebook pp.11-2 and 11-3]:

- Complete statement of the facts of the case;
- Analysis of the specific conflict of interest provision of the HAP contract and justification as to why the provision should be waived;
- Analysis of and statement of consistency with state and local laws. The local HUD office, the RRHA, or both parties may conduct this analysis. Where appropriate, an opinion by the state's attorney general should be obtained;

- Opinion by the local HUD office as to whether there would be an appearance of impropriety if the waiver were granted;
- Statement regarding alternative existing housing available for lease under the HCV program or other assisted housing if the waiver is denied;
- If the case involves a hardship for a particular family, statement of the circumstances and discussion of possible alternatives;
- If the case involves a public official or member of the governing body, explanation of his/her duties under state or local law, including reference to any responsibilities involving the HCV program;
- If the case involves employment of a family member by the RRHA or assistance under the HCV program for an eligible RRHA employee, explanation of the responsibilities and duties of the position, including any related to the HCV program;
- If the case involves an investment on the part of a member, officer, or employee of the RRHA, description of the nature of the investment, including disclosure/divestiture plans.

Where the RRHA has requested a conflict of interest waiver, the RRHA may not execute the HAP contract until HUD has made a decision on the waiver request.

#### RRHA Policy

In considering whether to request a conflict of interest waiver from HUD, the RRHA will consider certain factors such as consistency of the waiver with state and local laws, the existence of alternative housing available to families, the individual circumstances of a particular family, the specific duties of individuals whose positions present a possible conflict of interest, the nature of any financial investment in the property and plans for disclosure/divestiture, and the possible appearance of impropriety.

#### **Owner Actions That May Result in Disapproval of a Tenancy Request [24 CFR 982.306(c)]**

HUD regulations permit the RRHA to disapprove a request for tenancy for various actions and inactions of the owner.

If the RRHA disapproves a request for tenancy because an owner is not qualified, it may not terminate the HAP contract for any assisted families that are already living in the owner's properties unless the owner has violated the HAP contract for those units [HCV GB p. 11-4].

#### RRHA Policy

The RRHA will refuse to approve a request for tenancy if the RRHA becomes aware that any of the following are true:

The owner has violated obligations under a HAP contract under Section 8 of the 1937 Act (42 U.S.C. 1437f);

The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;

The owner has engaged in any drug-related criminal activity or any violent criminal activity;

The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs, or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program;

The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under Section 8 or any other federally assisted housing program for activity engaged in by the tenant, any member of the household, a guest or another person under the control of any member of the household that: (i) Threatens the right to peaceful enjoyment of the premises by other residents; (ii) Threatens the health or safety of other residents, of employees of the PHA, or of owner employees or other persons engaged in management of the housing; (iii) Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or (iv) Is drug-related criminal activity or violent criminal activity;

The owner has a history or practice of renting units that fail to meet state or local housing codes; or

The owner has not paid state or local real estate taxes, fines, or assessment.

In considering whether to disapprove owners for any of the discretionary reasons listed above, the RRHA will consider any mitigating factors. Such factors may include, but are not limited to, the seriousness of the violation in relation to program requirements, the impact on the ability of families to lease units under the program, health and safety of participating families, among others. Upon consideration of such circumstances, the RRHA may, on a case-by-case basis, choose to approve an owner.

### **Legal Ownership of Unit**

#### RRHA Policy

The RRHA will only enter into a contractual relationship with the legal owner or authorized representative of the owner of a qualified unit.

### **13-I.E. NON-DISCRIMINATION [HAP Contract – Form HUD-52641]**

The owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability, in connection with any actions or responsibilities under the HCV program and the HAP contract with the PHA.

The owner must cooperate with the RRHA and with HUD in conducting any equal opportunity compliance reviews and complaint investigations in connection with the HCV program and the HAP contract with the PHA.

See Chapter 2 for a more thorough discussion of Fair Housing and Equal Opportunity requirements in the HCV program.

## PART II. HAP CONTRACTS

### 13-II.A. OVERVIEW

The HAP contract represents a written agreement between the RRHA and the owner of the dwelling unit occupied by a HCV assisted family. The contract spells out the owner's responsibilities under the program, as well as the RRHA's obligations. Under the HAP contract, the RRHA agrees to make housing assistance payments to the owner on behalf of the family approved by the RRHA to occupy the unit.

The HAP contract is used for all HCV program tenancies except for assistance under the Section 8 homeownership program, and assistance to families that own a manufactured home and use their assistance to lease the space for the manufactured home. See chapter 15 for a discussion of any special housing types included in the PHA's HCV program.

If the RRHA has given approval for the family of the assisted tenancy, the owner and the RRHA execute the HAP contract. See chapter 9 for a discussion of the leasing process, including provisions for execution of the HAP contract.

### 13-II.B. HAP CONTRACT CONTENTS

The HAP contract format is required by HUD, specifically Housing Assistance Payment (HAP) Contract, Form HUD-52641.

The HAP contract contains three parts.

Part A of the contract includes basic contract information: the names of the tenant and all household members; the address of the contract unit; start and end dates of initial lease term; the amount of the initial monthly rent to owner; the amount of initial housing assistance payment; the utilities and appliances to be supplied by owner and tenant; and the signatures of the RRHA representative and owner [HCV Guidebook, pp 11-10 and 11-11].

#### RRHA Policy

~~The RRHA has not adopted a policy that defines when the housing assistance payment by the RRHA is deemed received by the owner. Therefore, no modifications to the HAP contract will be necessary. The RRHA shall deem the housing assistance payment received by the owner when the direct deposit transaction is made by the RRHA.~~

Part B is the body of the contract. It describes in detail program requirements affecting the owner and owner roles and responsibilities under the HCV program. Most of the requirements contained in Part B of the HAP contract are outlined elsewhere in this plan. Topics addressed in Part B include:

- Lease of Contract Unit
- Maintenance, Utilities, and Other Services
- Term of HAP Contract
- Provision and Payment of Utilities and Appliances
- Rent to Owner: Reasonable Rent

- RRHA Payment to Owner
- Prohibition of Discrimination
- Owner's Breach of HAP Contract
- RRHA and HUD Access to Premises and Owner's Records
- Exclusion of Third Party Rights
- Conflict of Interest
- Assignment of the HAP Contract
- Written Notices
- Entire Agreement Interpretation

Part C of the contract includes the Tenancy Addendum (Form HUD-52641-A). The addendum sets forth the tenancy requirements for the program and the composition of the household, as approved by the RRHA. The owner must sign the HUD Tenancy Addendum with the prospective tenant, and the tenant has the right to enforce the Tenancy Addendum against the owner. The terms of the Tenancy Addendum prevail over any other provisions of the lease.

### **13-II.C. HAP CONTRACT PAYMENTS**

#### **General**

During the term of the HAP contract, and subject to the provisions of the HAP contract, the RRHA must make monthly HAP payments to the owner on behalf of the family, at the beginning of each month. If a lease term begins after the first of the month, the HAP payment for the first month is prorated for a partial month.

The amount of the HAP payment is determined according to the policies described in Chapter 6, and is subject to change during the term of the HAP contract. The RRHA must notify the owner and the family in writing of any changes in the HAP payment.

HAP payments can be made only during the lease term, and only while the family is residing in the unit.

The monthly HAP payment by the RRHA is credited toward the monthly rent to owner under the family's lease. The total of the rent paid by the tenant and the HAP payment is equal to the rent to owner as specified in the lease.

The family is not responsible for payment of the HAP payment, and the RRHA is not responsible for payment of the family share of rent.

The family's share of the rent cannot be more than the difference between the rent to the owner and the HAP payment. The owner may not demand or accept any rent payment from the tenant in excess of this maximum [24 CFR 982.451(b)(4)]. The owner may not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises [24 CFR 982.510(c)]. See chapter 9 for a discussion of separate, non-lease agreements for services, appliances and other items that are not included in the lease.

If the owner receives any excess HAP from the RRHA, the excess amount must be returned immediately. If the RRHA determines that the owner is not entitled to all or a portion of the

HAP, the RRHA may deduct the amount of overpayment from any amounts due to the owner, including amounts due under any other Section 8 HCV contract. See Chapter 16 for additional detail on owner reimbursement of HAP overpayments.

### RRHA Policy

The RRHA will make HAP payments to owners by electronic transfer (direct deposit) to the owner's bank account.

### **Owner Certification of Compliance**

Unless the owner complies with all provisions of the HAP contract, the owner is not entitled to receive housing assistance payments under the HAP contract [HAP Contract – Form HUD-52641].

By endorsing the monthly check from the RRHA, the owner certifies to compliance with the terms of the HAP contract. This includes certification that the owner is maintaining the unit and premises in accordance with HQS; that the contract unit is leased to the tenant family and, to the best of the owner's knowledge, the family resides in the unit as the family's only residence; the rent to owner does not exceed rents charged by the owner for comparable unassisted units on the premises; and that the owner does not receive (other than rent to owner) any additional payments or other consideration for rent of the contract unit during the HAP term.

### **Late HAP Payments [24 CFR 982.451(a)(5)]**

The RRHA is responsible for making HAP payments promptly when due to the owner, in accordance with the terms of the HAP contract. After the first two calendar months of the HAP contract term, the HAP contract provides for penalties if the RRHA fails to make the HAP payment on time.

Penalties for late HAP payments can only be imposed if 1) the penalties are in accordance with generally accepted local rental market practices and law governing penalties for late payment by tenants; 2) it is the owner's normal business practice to charge late payment penalties for both assisted and unassisted families; and 3) the owner charges the assisted family for late payment of the family's share of the rent.

The RRHA is not required to pay a late payment penalty if HUD determines that the payment is late for reasons beyond the RRHA's control. In addition, late payment penalties are not required if the RRHA intentionally delays or denies payment as a remedy to an owner breach of the HAP contract [HCV Guidebook p. 11-7].

### **Termination of HAP Payments [24 CFR 982.311(b)]**

The RRHA must continue making housing assistance payments to the owner in accordance with the HAP contract as long as the tenant continues to occupy the unit and the HAP contract is not violated.

HAP payments terminate when the HAP contract terminates or when the tenancy is terminated in accordance with the terms of the lease.

If the owner has initiated eviction proceedings against the family and the family continues to reside in the unit, the RRHA must continue to make housing assistance payments to the owner until the owner has obtained a court judgment or other process allowing the owner to evict the tenant.

RRHA Policy

The owner must inform the RRHA when the owner has initiated eviction proceedings against the family and the family continues to reside in the unit.

The owner must inform the RRHA when the owner has obtained a court judgment or other process allowing the owner to evict the tenant, and provide the RRHA with a copy of such judgment or determination.

After the owner has obtained a court judgment or other process allowing the owner to evict the tenant, the RRHA will continue to make HAP payments to the owner until the family actually moves from the unit or until the family is physically evicted from the unit, whichever is earlier. The owner must inform the RRHA of the date when the family actually moves from the unit or the family is physically evicted from the unit.

### **13-II.D. BREACH OF HAP CONTRACT [24 CFR 982.453]**

Any of the following actions by the owner constitutes a breach of the HAP contract:

- If the owner violates any obligations under the HAP contract including failure to maintain the unit in accordance with HQS
- If the owner has violated any obligation under any other HAP contract under Section 8
- If the owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program
- For projects with mortgages insured by HUD or loans made by HUD, if the owner has failed to comply with the regulations for the applicable program; or if the owner has committed fraud, bribery or any other corrupt or criminal act in connection with the mortgage or loan
- If the owner has engaged in drug-related criminal activity
- If the owner has committed any violent criminal activity

If the RRHA determines that a breach of the HAP contract has occurred, it may exercise any of its rights and remedies under the HAP contract.

The RRHA rights and remedies against the owner under the HAP contract include recovery of any HAP overpayment, suspension of housing assistance payments, abatement or reduction of the housing assistance payment, termination of the payment or termination the HAP contract. The RRHA may also obtain additional relief by judicial order or action.

The RRHA must notify the owner of its determination and provide in writing the reasons for the determination. The notice may require the owner to take corrective action by an established deadline. The RRHA must provide the owner with written notice of any reduction in housing assistance payments or the termination of the HAP contract.

#### RRHA Policy

Before the RRHA invokes a remedy against an owner, the RRHA will evaluate all information and documents available to determine if the contract has been breached.

If relevant, the RRHA will conduct an audit of the owner's records pertaining to the tenancy or unit.

If it is determined that the owner has breached the contract, the RRHA will consider all of the relevant factors including the seriousness of the breach, the effect on the family, the owner's record of compliance and the number and seriousness of any prior HAP contract violations.

### **13-II.E. HAP CONTRACT TERM AND TERMINATIONS**

The term of the HAP contract runs concurrently with the term of the dwelling lease [24 CFR 982.451(a)(2)], beginning on the first day of the initial term of the lease and terminating on the last day of the term of the lease, including any lease term extensions.

The HAP contract and the housing assistance payments made under the HAP contract terminate if [HCV Guidebook pp.11-4 and 11-5, pg. 15-3]:

- The owner or the family terminates the lease;
- The lease expires;
- The RRHA terminates the HAP contract;
- The RRHA terminates assistance for the family;
- The family moves from the assisted unit. In this situation, the owner is entitled to keep the housing assistance payment for the month when the family moves out of the unit.
- 180 calendar days have elapsed since the RRHA made the last housing assistance payment to the owner;
- The family is absent from the unit for longer than the maximum period permitted by the RRHA;
- The Annual Contributions Contract (ACC) between the RRHA and HUD expires
- The RRHA elects to terminate the HAP contract.

#### RRHA Policy

The RRHA may elect to terminate the HAP contract in each of the following situations:

Available program funding is not sufficient to support continued assistance for families in the program [24 CFR 982.454];

The unit does not meet HQS size requirements due to change in family composition [24 CFR 982.403] – see chapter 8;

The unit does not meet HQS [24 CFR 982.404] – see chapter 8;

The family breaks up [HUD Form 52641] – see chapter 3;

The owner breaches the HAP contract [24 CFR 982.453(b)] – see Section 13-II.D.

If the RRHA terminates the HAP contract, the RRHA must give the owner and the family written notice. The notice must specify the reasons for the termination and the effective date of the termination. Once a HAP contract is terminated, no further HAP payments may be made under that contract [HCV Guidebook pg.15-4].

#### RRHA Policy

In all cases, the HAP contract terminates at the end of the calendar month that follows the calendar month in which the RRHA gives written notice to the owner. The owner is not entitled to any housing assistance payment after this period, and must return to the RRHA any housing assistance payment received after this period.

If the family moves from the assisted unit into a new unit, even if the new unit is in the same building or complex as the assisted unit, the HAP contract for the assisted unit terminates. A new HAP contract would be required [HCV GB, p. 11-17].

When the family moves from an assisted unit into a new unit, the term of the HAP contract for the new unit may begin in the same month in which the family moves out of its old unit. This is not considered a duplicative subsidy [HCV GB, p. 8-22].

### **13-II.F. CHANGE IN OWNERSHIP / ASSIGNMENT OF THE HAP CONTRACT [HUD-52641]**

The HAP contract cannot be assigned to a new owner without the prior written consent of the RRHA.

An owner under a HAP contract must notify the RRHA in writing prior to a change in the legal ownership of the unit. The owner must supply all information as requested by the RRHA.

Prior to approval of assignment to a new owner, the new owner must agree to be bound by and comply with the HAP contract. The agreement between the new owner and the former owner must be in writing and in a form that the RRHA finds acceptable. The new owner must provide the RRHA with a copy of the executed agreement.

#### RRHA Policy

Assignment of the HAP contract will be approved only if the new owner is qualified to become an owner under the HCV program according to the policies in Section 13-I.D. of this chapter.

The RRHA must receive a signed, written request from the existing owner stating the name and address of the new HAP payee and the effective date of the assignment in order to change the HAP payee under an outstanding HAP contract.

Within 10 business days of receiving the owner's request, the RRHA will inform the current owner in writing whether the assignment may take place.

The new owner must provide a written certification to the RRHA that includes:

- A copy of the escrow statement or other document showing the transfer of title and recorded deed;

- A copy of the owner's IRS Form W-9, Request for Taxpayer Identification Number and Certification, or the social security number of the new owner;

- The effective date of the HAP contract assignment;

- A written agreement to comply with the terms of the HAP contract; and

- A certification that the new owner is not a prohibited relative.

If the new owner does not agree to an assignment of the HAP contract, or fails to provide the necessary documents, the RRHA will terminate the HAP contract with the old owner. If the new owner wants to offer the family a new lease, and the family elects to stay with continued assistance, the RRHA will process the leasing in accordance with the policies in chapter 9.

### **13-II.G. FORECLOSURE [HUD-52641 and Notice PIH 2010-49]**

Families receiving HCV assistance are entitled to certain protections set forth under the Protecting Tenants at Foreclosure Act (PTFA). Specifically, the HAP contract now contains language stating that in the case of any foreclosure, the immediate successor in interest in the property pursuant to the foreclosure will assume such interest subject to the lease between the prior owner and the tenant, and to the HAP contract between the prior owner and the PHA for the occupied unit. This provision of the HAP contract does not affect any state or local law that provides longer time periods or other additional protections for tenants.

If the PHA learns that a property is in foreclosure, it must take the following actions:

- Make all reasonable efforts to determine the status of the foreclosure and ownership of the property. (Further guidance on how to obtain this information can be found in Notice PIH 2010-49.)
- Continue to make payments to the original owner until ownership legally transfers in accordance with the HAP contract.
- Attempt to obtain a written acknowledgement of the assignment of the HAP contract from the successor in interest. The written agreement should include a request for owner information, such as a tax identification number, and payment instructions from the new owner. Even if the new owner does not acknowledge the assignment of the HAP contract in writing, the assignment is still effective by operation of law.
- Inform the tenant that they must continue to pay rent in accordance with the lease, and if the successor in interest refuses to accept payment or cannot be identified, the tenant should pay rent into escrow. Failure to pay rent may constitute an independent ground for eviction.
- Inform the tenant in the event that the PHA is unable to make HAP payments to the successor in interest due to an action or inaction by the successor that prevents such payments (e.g., rejection of payments or failure to maintain the property according to HQS), or due to an inability to identify the successor. The PHA should also refer the tenant, as needed, to the local legal aid office in order to ensure adequate protection of the tenant's rights and enforcement of the successor in interest's performance under the HAP contract.
- Make reasonable inquiries to determine whether the unit, in addition to having a tenant receiving HCV assistance, will be or had been assisted under the Neighborhood Stabilization Program (NSP). (For further guidance on cases in where the units have been assisted under the NSP, see notice PIH 2010-49.)

PHAs are also required to notify HCV applicants who have been issued a voucher, participant heads of household, and current and prospective owner of HCV-assisted housing of the protections afforded to tenant under the PTFA.

#### RRHA Policy

The RRHA will provide all HCV applicants that have been issued a voucher with information regarding the PTFA at admission (see Section 5-I.B) and to participant heads of household at annual reexamination.

The RRHA will provide information regarding the PTFA to prospective owners when they begin their participation in the HCV program, and to current HCV owners one time with the monthly HAP.

Note that the foreclosure provision of the HAP contract and additional tenant protections under the Protecting Tenants at Foreclosure Act will sunset December 31, 2014.

See Section 12-III.B for a discussion of foreclosure as it pertains to owner termination of tenancy.