

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, July 27, 2015, 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

Vice-Chair Butler called the meeting to order at 3:00 p.m. and declared that a quorum was present.

PRESENT: Commissioners Anguiano, Butler, Garner,  
Karnes, Smith

ABSENT: Commissioners Witten, Burruss

OFFICER PRESENT: Glenda Edwards Goh, Secretary-Treasurer

ALSO PRESENT: Christina Back, Executive Assistant;  
David Bustamante, VP of Housing; Antwyne  
Calloway, Blue Ridge Independent Living Center;  
Jimmy Cook, Hurt Park Resident; Nick Conte, Legal  
Counsel; Betsy Crow, HR Director; Jessica Farmer,  
HCV Manager; Crystal Hall, Community Support  
Services Director; Justina Megginson, Site Manager;  
Brenda Randolph, Hurt Park Resident; Joel Shank,  
VP of Operations;

Vice-Chair Butler welcomed everyone to today's meeting.

II. REPORTS

1. Financial Report

Vice-Chair Butler stated that Mrs. Austin provided a Financial Narrative along with the Financial Report and asked if there were any comments or questions.

Mrs. Goh stated that Mrs. Austin was not present but that Mrs. Goh would answer any questions the Board may have regarding the Financial Report.

Commissioner Anguiano stated that in reviewing the Financial Report, RRHA is under budget due to some vacancies and asked about the impact of those vacancies on RRHA staff, in relation to carrying additional workloads.

Mrs. Goh stated that when RRHA has turnover other staff members may have to pick up additional duties while the position is vacant. Mrs. Goh asked Betsy Crow to address the Board regarding the RRHA effort to fill those vacancies.

Ms. Crow stated that in the past vacancies are posted internally and sent out to the local newspapers. New recruitment attempts are being made using social media, which should be both effective and reduce costs. There are currently three positions open. The HR Coordinator inputs all the resumes and applications into the human resources information system and forwards them to the hiring manager to be screened. The plan is to review and modify recruitment methods in order to find qualified applicants and fill positions more quickly and effectively.

Mrs. Goh stated that RRHA does have contracts with temporary placement services, mainly for administrative support and maintenance positions. This helps to maintain the work load for those types of positions while recruitment and selection occurs. For other positions where temporary staffing is not available, such as director level positions, the work must be handled by other management staff.

Commissioner Anguiano stated that he did not mean for the question to be

critical in nature, he just wanted to ask the question, as an advocate for the staff and community, to ensure that staff members are not asked to carry additional workloads for extensive periods of time.

Mrs. Goh stated that once a resignation notice is received, RRHA generally begins recruitment quickly; however, sometimes recruitment is not successful with the first round and the timeframe must be extended in order to find the right candidate. A current example is the employment specialist position which is in the third round of recruitment. Some positions can be filled quickly or with temporary personnel, but that is not always possible.

Vice-Chair Butler asked if there were any other comments or questions. There were none.

## 2. Executive Director's Report

Vice-Chair Butler asked for the Executive Director's report.

Mrs. Goh reported that RRHA has hired Frederick Gusler to fill the Director of Redevelopment and Revitalization position. Mr. Gusler is currently a Senior City Planner for the City of Roanoke. He has been the City's lead staff member for Choice Neighborhoods, which is very valuable experience for this position. He will be starting with RRHA effective August 24, and RRHA will be working with him to transition his projects for the City.

Mrs. Goh announced that Commissioner Karnes has been reappointed by City Council to serve another term through August 2019. Mrs. Goh stated that she appreciates his willingness to continue serving on the Board.

Mrs. Goh stated that the Joint Resident Council is having their Annual

Recognition event this Friday, July 31, at 6:00 p.m. at the Melrose Towers Community Room, and Commissioners are invited to attend.

Mrs. Goh stated that the Jobs-Plus Program is progressing. The Lansdowne Park community room is being renovated to serve as a jobs center. She stated that Commissioners are welcome to visit the center after the meeting; it is not 100% complete but is rapidly progressing. The staff is doing an excellent job at getting the word out to potential enrollees in the program. In the grant application, the year one goal was to have fifty enrollees. As of this morning, there are eight-two enrollees. At this point, it appears that RRHA may have 100 enrollees in the first year of the grant. The program manager has communicated that the high enrollment is because people really want jobs. There will be a kickoff event on August 8, and Commissioners are invited to attend.

Mrs. Goh stated that this concludes her report and that she will be happy to answer any questions.

Vice-Chair Butler asked if there were any other comments or questions. There were none.

### 3. Staff Reports

Vice-Chair Butler introduced Joel Shank to provide a presentation on the bidding process.

Mr. Shank provided a copy of a project manual and an independent cost estimate to the Board and stated that he will be providing the Board an overview of the bid evaluation process. The project manual includes instructions to the bidders, terms and conditions of the contract, a wage decision that applies to the project, Section 3

information, bid forms, sample contract forms, and technical specifications for the project. The project manual circulated was for the bathroom renovations at Indian Rock Village, for which the Board approved a contract award earlier this year. Mr. Shank described the approach taken to generate an independent cost estimate. He stated that, similar to the way a contractor develops a bid, the cost estimate includes analysis of the amount of equipment, fixtures, supplies, and labor required. This project was for forty apartment units and involved the bathrooms, including toilets, showers, and floors, which are all reflected in the cost estimate. When the bids are received, the first action is to review to determine whether bidders acknowledged all addendums that were issued. Many times the addendums will have information that will have an effect on the cost of the project. If the contractor did not acknowledge the addendum, this cannot be overlooked and treated as a minor informality. The next action is to look for the line items such as unit cost for certain items for which the actual quantity involved cannot be known until the project is finished, such as the number of bathrooms that will have to be primed due to stains or the exact amount of floor tiles to be replaced when resetting a tub. At times, bidders will make mathematical errors that will have an impact on their final bid or quotation amount, so the math is double checked for correctness. The next area is reviewing whether bidders self-certified as Section 3 business concerns. That will have an impact on the award of the contract. If any bidders self-certified, then the amount of allowance for the Section 3 preference is determined. This is based on a percentage of the low bid or low quote and compared to the other bids. For this project, two responsive bids were received. The cost included in the bids is compared to the cost estimate. For this project, the low bid was a little over 6% less than the cost

estimate. The second bid was about 12% more above the cost estimate. Both were within the 15% range that is generally used as a guideline for reasonable amounts on a bid. Both bids would be considered good bids even though there was quite a bit of discrepancy between the low and the high bids. RRHA then completes an evaluation of the low bid to ensure that everything is included. The last task is to look at SAM.gov, which is the System for Award Management of the federal government. SAM lists contractors that are barred from doing projects involving federal funds. Once these steps have been completed, a meeting is set up with the contractor to conduct a working paper review. Sometimes the contractors will bring in their notes used in calculating the bid, which includes the quantities, cost, and the amount of time needed to complete the project. All this information is discussed and compared to the RRHA project estimates. Sometimes there are differences between the two. Years ago there were bids submitted for light replacements at Morningside Manor. In the bid evaluation process, it was discovered that the contractor omitted two floors of the building. In these situations, the contractor is allowed to withdraw the bid due to the tremendous mathematical error. In another situation, RRHA staff met with a bidder regarding a painting quotation, and it was discovered during the meeting that he had left off the columns in the back of the building, resulting in a huge mistake on his quote. The contractors seem to really appreciate these meetings. In going over the scope of work regarding the project manual provided to Commissioners, items reviewed included the number of apartments, square footage, quantity of tiles needed, plaster work to be completed, and the number of items to be replaced such as tubs and toilets. As referenced in the cost estimate, there are forty apartments but actually fifty bathrooms

for renovation. The addendum is reviewed with the contractor to ensure items of the addendum were also included in the bid that was submitted. Any issues regarding materials are addressed. In the performance specifications, something may be specified, such as low flow faucets or items to meet ADA requirements for an accessible unit. The submittal process is discussed with the contractor, explaining the opportunity to submit an equivalent item to meet the specification. The HUD wage decision is also discussed. Each project has a wage decision assigned to it for construction project over \$2,000. When work is done at the central office building, that is more of a commercial nature as compared to the work that is done in the apartments, so painting for a the central office building will generally cost more than a residential building. It may also be more than the amount contractors would normally pay an employee on a job done out in the private industry. All this is reviewed with the contractor to make sure that they included the wage decision in the hourly rates for the various trades that might be involved for that particular job. Permitting is discussed, to ensure that contractors included information regarding any required permits for the work. When applicable, unusual circumstances are also discussed, such as a compressed timeframe required for completion of work or projects that require working outside of normal business hours. Overall capacity to do the work is discussed. Sometimes projects are more technical in nature and may require an electrician or other trades person who has special qualifications or experience. RRHA does not tell the contractor who to use but makes sure the contractor has someone who will be capable of doing the work. For a new contractor, references are requested. Generally the reference is for the type of work in which the contractor is bidding on. Recently, a contractor submitted a low bid

for work to repair the brick veneer at Melrose Towers. That same contractor does a lot of work in roof replacement. In the reference search, the reference requested for this project would be that for work as a masonry contractor not as a roofer. This overall bid evaluation process is similar to evaluation of change orders, which include a cost analysis, cost estimate, review of the proposal as it relates to the the scope of work relative to the change.

Vice-Chair Butler asked about HUD's requirements for auditing contractors that self-certify for Section 3.

Mr. Shank stated that HUD does not require audits for Section 3 self-certification; however, RRHA can choose to audit randomly or when questions are raised.

Vice-Chair Butler asked, if a contractor self-certifies in order to get the bid and then does not comply during the execution of the work, whether that creates an issue.

Mr. Shank stated that RRHA can request documentation.

Mrs. Goh stated the preference that contractors receive during the bid process is based on information they are certifying to at that time of procurement. There is a separate requirement for all contractors to submit a Section 3 plan once they are awarded a contract, regardless of whether it is a Section 3 business. That involves doing outreach and giving preference to Section 3 residents if job openings occur during the contract. For the preference in procurement, the certification is based on characteristics at the time of the bid, including what percentage of employees are Section 3 residents or what percentage of the company is owned by Section 3 residents. The one self-certification criterion that would create issues after award under the contract would be when a contractor self-certifies based on commitment to

subcontract a percentage of the contract work to Section 3 business concerns.

Vice-Chair Butler asked whether it would put the contractors Section 3 certification at risk if that were to change during the course of the project.

Mrs. Goh stated that, if contractors do not subcontract the percentage of the contract to which they committed, it could jeopardize their eligibility to claim the preference or to bid on future projects. Mrs. Goh stated that the new Section 3 regulations which were recently published will no longer allow the self-certification based on subcontracting.

Commissioner Garner stated that Section D of the document includes several goals, including that 30% of new hires are Section 3 residents and 10% of total dollar amounts for contracts are to Section 3 business concerns, and asked whether this is tracked.

Mr. Shank stated that RRHA tracks contractors that self-certify as Section 3 and the amount of their awards. This information is required to be reported to HUD annually.

Commissioner Garner asked what is done during the course of a contract when the contractor does not hire Section 3 residents for 30% of new hires.

Mrs. Goh stated that all contractors are required to give preference to Section 3 residents for new hires that result from the contract. What happens most often is contractors say they are not hiring anyone as a result of the contract.

Mr. Shank stated that, during pre-bid meetings, it is pointed out to potential bidders that, when job openings occur, the company awarded the contract should consult RRHA first to see if RRHA has a Section 3 individual looking for employment

who will fit the qualifications of the open position.

Commissioner Garner asked how close RRHA usually comes to reaching these goals each year.

Mr. Shank stated that RRHA typically exceeds the dollar amount goals for contracts awarded.

Mrs. Goh stated that RRHA generally does not achieve the goals for new hires because many of the contactors say they are not hiring additional people for the projects. In addition, when a contractor is willing to hire, sometimes there is not a qualified Section 3 resident ready to go to work at that point. The employment specialist has been assigned with the Jobs Plus group to build a stronger employment services component that is intended to impact positively on those numbers.

Commissioner Garner asked whether a change order is used to handle situations where a contractor is not suitable or has misestimated a job.

Mr. Shank stated that is the purpose of the working paper review meeting he described is to review the bid to ensure accuracy of the bid in comparison to the project's estimated cost and scope of work. The reasons for issuing a change order are related to unanticipated work items. In renovation the scope of work is determined based on the best information available; however, there are items that may be identified during the course of work, such as a bad floor underneath a bath tub, that are not visible at the time the scope of work is originally developed. In such circumstances a change order would be processed in order to handle that unexpected work items.

Vice-Chair Butler thanked Mr. Shank for that presentation and asked if there were any additional comments or questions. There were none.

#### 4. Committee Reports

Vice-Chair Butler asked if there were any committee reports.

Commissioner Karnes stated that the Personnel Committee met today to discuss the feasibility of including raises in the 2016 operating budget. Related information will be presented to the Board at the August meeting.

#### 5. Commissioner Comments

Vice-Chair Butler asked if there were any Commissioner comments. There were none.

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

Mr. Cook stated that he is the president of the Hurt Park Neighborhood Alliance, and there are some concerns. He introduced Hurt Park Townhomes resident Brenda Randolph to address the Board.

Ms. Randolph stated that the Hurt Park Site Manager is aware of the issues that she will be sharing with the Board. Ms. Randolph stated that, during bad weather people take cover on her porch, and that she would like to have storm doors like Lincoln Terrace. There is some type of crabgrass growing that needs to be treated because it is encroaching on the sidewalks and driveways and has become an ongoing problem. There is plenty of lighting in the front of the complex along the main streets; however, the back of the complex does not have lighting, and Ms. Randolph would like to know whether the Housing Authority or AEP would consider putting in some kind of lighting. It is very dark with a lot of traffic at night going down those streets. Ms. Randolph asked about the plan for the vacant lots at Hurt Park. People are using the lots for different things. Ms. Randolph stated that she spoke with a former maintenance employee about

pressure washing the units, and he stated that he could do that, but it was never done. The dust from the N & W railroad tracks is all over the buildings. She stated that, if tenants were to do it themselves, it would cost \$99. Ms. Randolph stated that, on the survey last year, it was submitted that cement bumpers were needed for the driveways. This would prevent her from driving into her apartment in icy weather. Her daughter lived at Hurt Park in 2006, and laminate flooring was requested at that time. The carpet has major wear and tear from high traffic, dogs, and children. The evergreen trees in the back of the complex are covered in vines from the N & W property that are killing the evergreens. The vines need to be removed so the evergreens will not die. Ms. Randolph stated that, when she talks to tenants she has been told that the Housing Authority does not own Hurt Park anymore, so she came to a meeting to get some kind of understanding. Ms. Randolph stated that she was with the housing authority in Huntington and realizes that they do change from state to state.

Vice- Chair Butler thanked Ms. Randolph for speaking to the Board and advised that the Board is a policy or supervisory Board and is not individually or collectively in a position to respond to those issues at this time without knowing full facts of the situation. Vice-Chair Butler stated that Mrs. Goh or the appropriate site manager will respond to everything Ms. Randolph read into the record, with answers to the specific questions raised, as well as explanation of what can or cannot be done and for what reasons.

Vice-Chair asked Ms. Randolph if that would be okay.

Ms. Randolph confirmed that would be okay.

Vice-Chair Butler 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, June 22, 2015.

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

C-2 Monthly Operations Report for the month of June 2015.

RECOMMENDED ACTION: File as submitted

Commissioner Karnes 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 Anguiano, Butler, Garner, Karnes, Smith

NAYS: None

Vice-Chair Butler thereupon declared said motion carried as introduced.

IV. **REGULAR AGENDA**

1. Resolution No. 3847

Ms. Hall requested adoption of a resolution approving a revised Chapter 15, Part VII, of the Administrative Plan for the Section 8 Housing Choice Voucher Program which addresses the Homeownership program. Ms. Hall explained that the revisions include added information for clarity and that the process has been made a little more formalized than the current process.

Commissioner Garner asked if he is interpreting correctly that mortgage assistance is funded but not down payment assistance. If that interpretation is

correct, then his question is whether it is anticipated that down payment assistance will be funded.

Ms. Hall stated that is correct and it is not anticipated that down payment assistance will be funded. Generally, participants use their escrow funds from the FSS program or their savings to help with the down payment.

Mrs. Goh stated that the City does have a down payment assistance program, and there are some other resources available in the Roanoke Valley. RRHA's program helps only with the mortgage payment itself.

Ms. Hall stated that RRHA tries to help participants prepare for the down payment through the FSS program, utilizing either the escrow funds or IDA accounts, which are savings accounts with a 2 to 1 match.

Commissioner Garner asked if down payment assistance has ever been funded.

Ms. Hall stated that it has not. She stated that she recalled this being an item that Congress had said could be done; however, funding was never approved. It has been addressed in the Administrative Plan but will be removed with this revision.

Vice-Chair Butler asked if there were any comments or questions. There were none.

Commissioner Smith introduced Resolution No. 3847 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY TO APPROVE A REVISED CHAPTER 15, PART VII, OF THE 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 March 23, 2015, was approved by the RRHA Board of Commissioners by Resolution No. 3834; and

WHEREAS, upon review, RRHA staff have determined that revisions are needed to better describe and clarify RRHA's policies and procedures relative to the Housing Choice Voucher Homeownership program; and

WHEREAS, RRHA has drafted policy revisions to Chapter 15, Part VII, of the Administrative Plan for the Section 8 Housing Choice Voucher program.

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

1. The attached Revised Chapter 15, Part VII, addressing the Housing Choice Voucher Homeownership program, of the Administrative Plan for the RRHA Section 8 Housing Choice Voucher Program, 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 Garner and upon roll call the following vote was recorded:

AYES: Commissioners Anguiano, Butler, Garner, Karnes, Smith

NAYS: None

Vice-Chair Butler thereupon declared said motion carried and Resolution No.

3847 adopted as introduced.

2. Resolution No. 3848

Mr. Bustamante requested adoption of a resolution approving a revised Chapter 4 of the Administrative Plan for the Section 8 Housing Choice Voucher Program for the DOJ Olmstead set aside of ten vouchers. This chapter includes the process for referrals and eligibility determination for issuance of these vouchers. The voucher referrals will come from Virginia Department of Behavioral Health and Developmental Services and the local community services board, which is Blue Ridge Behavioral Healthcare. As of last week, one referral has been received.

Vice-Chair Butler asked if there were any other comments or questions. There were none.

Commissioner Smith introduced Resolution No. 3848 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY TO APPROVE A REVISED CHAPTER 4 OF THE 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 March 23, 2015, was approved by the RRHA Board of Commissioners by Resolution No. 3834; and

WHEREAS, HUD has stated a willingness to approve waivers to allow establishment of local preferences for the target population of Virginia's Olmstead Settlement Agreement with the Department of Justice; and

WHEREAS, the 2015-2019 Agency Plan, approved by the RRHA Board of Commissioners by Resolution No. 3843 on June 22, 2015, stated RRHA's intention to set aside 10 vouchers from its existing pool to serve individuals who are in the target population of Virginia's Olmstead Settlement Agreement with the Department of Justice (DOJ Olmstead Preference) and also states that selection policies will be revised to reflect addition of the preference for this specialized population; and

WHEREAS, RRHA has drafted policy revisions to Chapter 4 of the Administrative Plan for the Section 8 Housing Choice Voucher program to incorporate this preference and set aside of vouchers.

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

1. The attached Revised Chapter 4, establishing a DOJ Olmstead Preference and set aside of 10 vouchers, of the Administrative Plan for the RRHA Section 8 Housing Choice Voucher Program, is approved, contingent upon receiving necessary HUD approval.
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 Garner and upon roll call the following vote was recorded:

AYES: Commissioners Anguiano, Butler, Garner, Karnes, Smith

NAYS: None

Vice-Chair Butler thereupon declared said motion carried and Resolution No. 3848 adopted as introduced.

3. Resolution No. 3849

Mr. Bustamante requested adoption of a resolution awarding a contract for

curbside toter and back door service for Lansdowne Park to be funded from Public Housing Operating funds to County Waste in the amount of \$382,916.04. The package was sent out to nine bidders and only one responded. The contract is effective November 1, 2015 and is a five year contract.

Commissioner Garner asked if the total of \$382,916.04 is for the entire five year contract and what was the response to the inquiry as to why the other companies did not submit bids.

Mr. Bustamante confirmed that is the amount for the entire five year contract. The response from the companies that did not submit bids is because it is was housing authority property.

Mrs. Goh stated that at least one responded that they would do dumpster service but not toter service. Some sites do not have an appropriate location for dumpster placement.

Mr. Bustamante stated that some companies will pick up RRHA's dumpsters but will not touch the curbside.

Vice-Chair Butler asked if there were any comments or questions. There were none.

Commissioner Garner introduced Resolution No. 3849 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND  
HOUSING AUTHORITY AWARDDING A CONTRACT FOR CURBSIDE TOTER  
AND BACK DOOR SERVICE FOR LANSDOWNE PARK TO BE FUNDED  
FROM PUBLIC HOUSING OPERATING FUNDS

WHEREAS, the current contract of the City of Roanoke Redevelopment and Housing Authority (RRHA) for provision of curbside and back door garbage collection services for Lansdowne Park expires October 31, 2015; and

WHEREAS, RRHA issued an Invitation for Bid for Curbside Toter and Back Door Service on May 4, 2015, with bids being due on June 9, 2015; and

WHEREAS, RRHA received one (1) responsive bid to the invitation which was opened for consideration, such bid being as follows:

<u>Bidder</u>	<u>Total Bid Amount</u>
County Waste	\$382,916.04

WHEREAS, RRHA's Procurement Policy and U.S. Department of Housing and Urban Development (HUD) regulations at 24 CFR 85.36(d)(4)(i)(D) allow for use of noncompetitive proposals when after solicitation of a number of sources, competition is determined inadequate; and

WHEREAS, RRHA solicited bids through advertisement in newspapers and solicitation announcement sent to nine (9) vendors that provide garbage collection services, this number being five (5) more than the minimum number of vendors required by regulation and policy; and

WHEREAS, after receiving only one (1) responsive bid, RRHA contacted several vendors who did not submit bids to inquire as to their reasons for not submitting a bid; and

WHEREAS, after these efforts RRHA determined that competition is inadequate for curbside and back door garbage collection services for the Lansdowne Park public housing site; and

WHEREAS, the amount of the bid submitted by County Waste was determined to be fair and reasonable for the work specified when compared to the amount of the independent cost estimate for the project; and

WHEREAS, review, evaluation, and confirmation of bid documentation has been completed, and County Waste has been found to be capable and in all other respects acceptable to RRHA; and

WHEREAS, based on the described review, the Vice President of Housing recommends award of a contract to County Waste through the noncompetitive proposal process, based on a determination of inadequate competition after solicitation of a number of sources; 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 execute an appropriate contract; and

WHEREAS, RRHA's Procurement Policy requires that all contracts having a

dollar value of \$100,000 or more must be submitted to the Board of Commissioners for review and approval prior to awarding a contract.

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

- (1) The bid submitted by County Waste be and hereby is accepted as a noncompetitive proposal, based on a determination of inadequate competition after solicitation of a number of sources.
- (2) The Executive Director be and hereby is authorized and directed to execute RRHA's standard contract for services, which by reference is inclusive of the scope of services and related project documents, between County Waste and RRHA for the fixed price of \$382,916.04 for a five-year term effective November 1, 2015.
- (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 Smith and upon roll call the following vote was recorded:

AYES: Commissioners Anguiano, Butler, Garner, Karnes, Smith

NAYS: None

Vice-Chair Butler thereupon declared said motion carried and Resolution No. 3849 adopted as introduced.

#### 4. Resolution No. 3850

Mr. Bustamante requested adoption of a resolution awarding curbside toter and back door service for Villages at Lincoln to be funded from Public Housing Operating funds to County Waste in the amount of \$245,715.60 for a five year period commencing November 1, 2015. This was sent out to the same nine vendors and only the one bid was received.

Vice-Chair Butler asked if there were any other comments or questions. There were none.

Commissioner Garner introduced Resolution No. 3850 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AWARDDING A CONTRACT FOR CURBSIDE TOTER AND BACK DOOR SERVICE FOR VILLAGES AT LINCOLN TO BE FUNDED FROM PUBLIC HOUSING OPERATING FUNDS

WHEREAS, the current contract of the City of Roanoke Redevelopment and Housing Authority (RRHA) for provision of curbside and back door garbage collection services for Villages at Lincoln expires October 31, 2015; and

WHEREAS, RRHA issued an Invitation for Bid for Curbside Toter and Back Door Service on May 4, 2015, with bids being due on June 9, 2015; and

WHEREAS, RRHA received one (1) responsive bid to the invitation which was opened for consideration, such bid being as follows:

<u>Bidder</u>	<u>Total Bid Amount</u>
County Waste	\$245,715.60

WHEREAS, RRHA's Procurement Policy and U.S. Department of Housing and Urban Development (HUD) regulations at 24 CFR 85.36(d)(4)(i)(D) allow for use of noncompetitive proposals when after solicitation of a number of sources, competition is determined inadequate; and

WHEREAS, RRHA solicited bids through advertisement in newspapers and solicitation announcement sent to nine (9) vendors that provide garbage collection services, this number being five (5) more than the minimum number of vendors required by regulation and policy; and

WHEREAS, after receiving only one (1) responsive bid, RRHA contacted several vendors who did not submit bids to inquire as to their reasons for not submitting a bid; and

WHEREAS, after these efforts RRHA determined that competition is inadequate for curbside and back door garbage collection services for the Villages at Lincoln public housing site; and

WHEREAS, the amount of the bid submitted by County Waste was determined to be fair and reasonable for the work specified when compared to the amount of the independent cost estimate for the project; and

WHEREAS, review, evaluation, and confirmation of bid documentation has been

completed, and County Waste has been found to be capable and in all other respects acceptable to RRHA; and

WHEREAS, based on the described review, the Vice President of Housing recommends award of a contract to County Waste through the noncompetitive proposal process, based on a determination of inadequate competition after solicitation of a number of sources; 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 execute an appropriate contract; and

WHEREAS, RRHA's Procurement Policy requires that all contracts having a dollar value of \$100,000 or more must be submitted to the Board of Commissioners for review and approval prior to awarding a contract.

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

- (1) The bid submitted by County Waste be and hereby is accepted as a noncompetitive proposal, based on a determination of inadequate competition after solicitation of a number of sources.
- (2) The Executive Director be and hereby is authorized and directed to execute RRHA's standard contract for services, which by reference is inclusive of the scope of services and related project documents, between County Waste and RRHA for the fixed price of \$245,715.60 for a five-year term effective November 1, 2015.
- (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 Smith and upon roll call the following vote was recorded:

AYES: Commissioners Anguiano, Butler, Garner, Karnes, Smith

NAYS: None

Vice-Chair Butler thereupon declared said motion carried and Resolution No. 3850 adopted as introduced.

5. Resolution No. 3851

Mr. Bustamante requested adoption of a resolution authorizing execution of a contract modification to the Cooperative Agreement with Virginia Polytechnic Institute and State University and SDI. As of today, cameras are functional at all sites. The replacement of cameras at Morningside Manor and Melrose Towers was not included in the initial scope of work. Those are not wi-fi cameras. They are hard-wired, plug and play cameras. When the cameras were cleaned it was discovered that one camera at Morningside Manor and six cameras at Melrose Towers were not functional. Per the cooperative contract, this price was quoted for the replacement of the seven cameras. This contract modification also includes preventative maintenance in order to keep the cameras up and functioning. The cameras will be serviced twice a year, once in June and once in December. If something were to happen to the cameras, all parts are under warranty for one year. The \$40,109.51 modification includes the seven replacement cameras and preventive maintenance for a one year period.

Vice-Chair Butler asked if there were any other comments or questions. There were none.

Commissioner Smith introduced Resolution No. 3851 and moved its adoption as introduced:

**RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING EXECUTION OF A CONTRACT MODIFICATION TO THE COOPERATIVE AGREEMENT WITH VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY AND SDI**

WHEREAS, the Department of Housing and Urban Development (HUD) procurement regulations allow RRHA to join intergovernmental cooperative agreements; and

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) joined the Virginia Polytechnic Institute and State University (Virginia Tech) and SDI (formerly Orion) contract by agreement on November 5, 2013 with a term ending date of

April 17, 2014; and

WHEREAS, Virginia Tech and SDI have agreed to 2 extensions of the contract term, resulting in a current contract term ending date of April 17, 2016; and

WHEREAS, the Virginia Tech and SDI contract fully satisfies HUD's 5 intergovernmental cooperative agreement requirements; and

WHEREAS, RRHA initially executed a Virginia Tech and SDI contract in the not-to-exceed amount of \$94,200 for maintenance and repair, and directed SDI to perform a thorough assessment of RRHA's video surveillance systems, for which the cost was \$18,680.40; and

WHEREAS, based on the completed assessment, the RRHA Board of Commissioners approved a contract modification in the amount of \$400,000, by Resolution No. 3791 on May 19, 2014, for the completion of significant repair work and maintenance services for RRHA's video surveillance systems, resulting in a not-to-exceed contract amount of \$494,200; and

WHEREAS, based on SDI's determination that 41 cameras were nonfunctioning and beyond repair, the RRHA Board of Commissioners, by Resolution No. 3835 on March 23, 2015, approved a contract modification of \$120,448.64 for camera replacement, bringing the not-to-exceed amount for the contract to \$614,648.64; and

WHEREAS, based on the completed repairs of the wireless transmission system, SDI has determined that 7 cameras are nonfunctioning and beyond repair; and

WHEREAS, SDI has provided a quote for replacement of seven 7 nonfunctioning cameras needed to make RRHA's video surveillance systems fully functional, in the amount of \$9,763.51; and

WHEREAS, RRHA requires maintenance and support to maintain all RRHA camera systems, for which SDI has provided a quote the amount of \$30,346 through April 17, 2016, based on rates in the contract between Virginia Tech and SDI; and

WHEREAS, the Virginia Tech and SDI agreement requires additional modification of the not-to-exceed amount to complete necessary camera replacement and maintenance and support; and

WHEREAS, RRHA has sufficient Public Housing Operating Reserves to obligate for this contract modification.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the Executive Director is authorized to execute a modification, to be funded by Public Housing Operating Reserves, to the not-to-exceed amount of the Virginia Polytechnic Institute and State

University and SDI (formerly Orion) agreement from \$614,648.64 to \$654,758.15, a net increase of \$40,109.51, with all other agreement terms remaining unchanged.

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

AYES: Commissioners Anguiano, Butler, Garner, Karnes, Smith

NAYS: None

Vice-Chair Butler thereupon declared said motion carried and Resolution No. 3851 adopted as introduced.

6. Resolution No. 3852

Ms. Crow requested adoption of a resolution approving a revised Personnel Policy regarding Employee Separation. The primary revision is changing the resignation notice requirement of two weeks to four weeks for management and exempt positions. There was also a little bit of wordsmithing relative to references to benefits in the policy.

Vice-Chair Butler asked if there were any other comments or questions. There were none.

Commissioner Smith introduced Resolution No. 3852 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY APPROVING A REVISED PERSONNEL POLICY REGARDING EMPLOYEE SEPARATION

WHEREAS, the City of Roanoke Redevelopment & 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. 810 regarding Employee Separation, dated December 20, 1996, and previously revised on May 23, 2011, to better reflect current requirements and practices; and

WHEREAS, the Personnel Committee of the RRHA Board of Commissioners

supports and recommends approval of this revised policy.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the attached revised Personnel Policy No. 810, Employee Separation, is approved effective August 1, 2015.

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

AYES: Commissioners Anguiano, Butler, Garner, Karnes, Smith

NAYS: None

Vice-Chair Butler thereupon declared said motion carried and Resolution No. 3852 adopted as introduced.

7. Resolution No. 3853

Mr. Shank requested adoption of a resolution authorizing execution of a contract with National Joint Powers Alliance and Staples Contract and Commercial, Inc. operating as Staples Advantage. This is for a period of four years beginning August 1, 2015 through July 31, 2019 in the not-to-exceed amount of \$170,000. This is a cooperative agreement contract and steps were taken to evaluate compliance with HUD's procurement requirements. This is for routine office supplies and equipment.

Commissioner Garner asked about the length of the contract and whether this contract amount exceeded the amount of the prior contract.

Mr. Shank stated that this is a four year contract and that he was not sure of the amount of the previous contract without double checking. The not-to-exceed amount for this contract was based on actual previous expenses.

Vice-Chair Butler asked if there were any other comments or questions. There were none.

Commissioner Anguiano introduced Resolution No. 3853 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING EXECUTION OF A CONTRACT WITH NATIONAL JOINT POWERS ALLIANCE AND STAPLES CONTRACT AND COMMERCIAL, INC. OPERATING AS STAPLES ADVANTAGE

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) includes office supplies and equipment as a necessary expense in its annual operating budget; and

WHEREAS, the Department of Housing and Urban Development (HUD) procurement regulations allow RRHA to join intergovernmental cooperative agreements; and

WHEREAS, RRHA has determined that joining the National Joint Powers Alliance (NJPA) and Staples Contract and Commercial operating as Staples Advantage identified as contract #010615 on August 1, 2015 with a term ending date of July 31, 2019 is cost effective and in the best interest of RRHA; and

WHEREAS, the National Joint Powers Alliance (NJPA) and Staples Contract and Commercial operating as Staples Advantage contract fully satisfies HUD's five (5) intergovernmental cooperative agreement requirements; and

WHEREAS, the not-to-exceed amount for this contract was determined based on review of RRHA's average expenses for office supplies and equipment for the past 4 years.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the Executive Director is authorized to execute a contract with a not-to-exceed amount of \$170,000 with National Joint Powers Alliance and Staples Contract and Commercial, Inc. operating as Staples Advantage.

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

AYES: Commissioners Anguiano, Butler, Garner, Karnes, Smith

NAYS: None

Vice-Chair Butler thereupon declared said motion carried and Resolution No.

3853 adopted as introduced.

V. **ADJOURNMENT**

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

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

AYES: Commissioners Anguiano, Butler, Garner, Karnes, Smith

NAYS: None

Vice-Chair Butler declared the meeting adjourned at 3:49 p.m.

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Timothy Witten, Chair

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Glenda Edwards Goh, Secretary-Treasurer

**PART VII: HOMEOWNERSHIP [24 CFR 982.625 through 982.643]****15-VII.A. OVERVIEW [24 CFR 982.625]**

The homeownership option is used to assist a family residing in a home purchased and owned by one or more members of the family. A family assisted under this option will be an existing participant in the Housing Choice Voucher (HCV) program for no less than one year at RRHA, and must be in good standing. RRHA has demonstrated the capacity to operate a successful HCV homeownership program as defined by the regulations and works with participants who use financial instruments that are recognized and accepted by governmental agencies or the secondary market of Fannie Mae, Freddie Mac or FHA.

There is only one form of homeownership assistance currently available that RRHA may offer under this option and that is monthly homeownership assistance payments.

The RRHA may offer homeownership assistance if needed as a reasonable accommodation so that the program is readily accessible to persons with disabilities. It is the sole responsibility of RRHA to determine whether it is reasonable to implement the Homeownership Program as a reasonable accommodation. RRHA must determine what is reasonable based on the specific circumstances and individual needs of the person with a disability.

RRHA will review request for reasonable accommodations and may approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

Criteria to be used to demonstrate RRHA capacity:

- RRHA requires that the financing for purchase of a home under its Section 8 homeownership program either comply with secondary mortgage market requirements or with generally accepted private sector underwriting standards.
- RRHA reserves the right to impose additional criteria on the financial instruments, depending on family circumstances or changes in the homeownership market.

RRHA will offer only monthly homeownership assistance payments at this time since the down payment assistance portion of the regulation cannot be implemented until Congress provides an additional appropriation. No such appropriation has been made available to date.

The RRHA HCV Homeownership Program is designed to expand homeownership opportunities for voucher participants. This program will assist HCV participants to transition from rental assistance to homeownership using their voucher assistance.

The HCV Homeownership Program is available to all voucher holders who meet the minimum qualifications set forth in this plan and who have the ability to independently secure a mortgage loan.

### **Housing Choice Voucher Rules Apply**

With the exception of unique eligibility and “family obligation” procedures identified elsewhere in the chapter, RRHA will administer the HCV Homeownership program in accordance with all the policies and procedures contained in the HCV Administrative Plan and 24 CFR Part 982.

#### **15-VII.B. FAMILY ELIGIBILITY [24 CFR 982.627]**

Participation in the HCV Homeownership Program is voluntary. Each participant must meet the general requirements for admission to the HCV rental program as set forth in the RRHA Section 8 Administrative Plan. The family must also meet all eligibility requirements of the HCV Homeownership Program.

##### **B1. General Requirements**

- Only current participants in the HCV rental program who have received assistance for at least one full year may apply for the homeownership program.
- An applicant must be in good standing with their landlord and RRHA with regard to their family obligations and contracts.

The family must satisfy the prerequisite of being in “good standing” prior to receiving a Certificate of Eligibility for the Homeownership Program. For the purposes of the Homeownership Program, “good standing” is defined as meeting all of the conditions prior to and during the homeownership shopping period, as outlined below.

A landlord reference(s) indicating that, during the prior year, the family has an uninterrupted record of paying monthly rent in full and on time, and satisfactorily meets all other lease obligations, as documented on the *Homeownership Landlord Reference* form. All verifications will be completed via third-party written or oral communication with the applicant’s landlord.

- Within the past year, the family has met all the HUD and RRHA family obligations under the HCV program.
- Within the past year and throughout the homeownership shopping period, the family may not owe RRHA or any other housing authority any outstanding debt nor enter into a repayment agreement. A participant may become eligible to apply for the Homeownership Program on the first anniversary date of full payment of any debt, subject to meeting the other conditions of good standing.

- An applicant must be a “first-time homeowner.”

To qualify as a “first-time homeowner,” the assisted family may not include any person with a “present ownership interest” in a residence during the three years before the commencement of homeownership assistance for the family. Cooperative membership shares acquired prior to the commencement of homeownership assistance are exempt from this rule. A single parent or displaced homemaker who, while married, owned a home with his or her spouse, or resided in a home owned by his or her spouse, is considered a “first-time homeowner.”

Other conditions also apply to “first-time homeowner” definition:

- No family member may have a present ownership interest in a second residence while receiving homeownership assistance.
  - If RRHA determines that a disabled family requires homeownership assistance as a reasonable accommodation, the first-time homeowner requirement does not apply.
  - RRHA will not commence homeownership assistance for a family if any family member has previously received assistance under the homeownership option, and has defaulted on a mortgage securing debt incurred to purchase the home.
- An applicant must demonstrate a minimum down payment of at least three percent (3%) or more. One percent (1%) of the purchase price of the property must come from the family’s personal resources.
  - An applicant must meet the minimum income standards defined below:
    - For a family whose head or co-head of household, spouse or sole member is an individual that experiences permanent disability, the standard is equal to the monthly Federal Supplemental Social Security Income (SSI) benefit for an individual (1-person) living alone multiplied by twelve.
    - For non-disabled or elderly families, the minimum income standard is \$18,000. This standard as a RRHA option is greater than the HUD minimum income requirement.

For purposes of program eligibility, welfare assistance may only be counted as income in cases where the applicant meets the definition of an elderly or disabled family.

If a family has a minimum income equal to or greater than the Federal minimum wage multiplied by 2,000 hours but less than RRHA’s minimum income requirement of \$18,000, the family will meet the minimum income requirement if the family can demonstrate it has located a RRHA approvable unit and has secured RRHA approvable financing for that unit and meets all other program requirements.

An applicant shall be considered to have satisfied the lender requirement if the family can demonstrate that it has been pre-qualified or pre-approved for financing with an acceptable loan product. The pre-qualified or pre-approved financing amount must be sufficient to purchase housing that meets HUD Housing Quality Standards (HQS).

- An applicant must attend and satisfactorily complete pre-homeownership counseling, and any other counseling prescribed by RRHA.

## **B2. Employment Obligations**

Except for a disabled family or an elderly family, assistance under the Homeownership Program is limited to families who demonstrate a stable work history. The employment

requirement is used to determine eligibility and is a continued requirement throughout the period of homeownership assistance.

Regular seasonal employees and self-employed workers, who have a demonstrated work history averaging thirty (30) hours per week on an annualized basis and an annualized income at or above the minimum income, will be considered continuously employed for purposes of HCV Homeownership program eligibility and subsequent employment requirements.

- The applicant head of household, spouse, or adult that will be on the mortgage document is required to document full-time (no less than 30 hours per week), continuous employment for a period of no less than 12 months prior to application.
- The head of household, spouse or co-head must document earned income of no less than the current minimum wage times 1560 hours (ex: \$7.25 x 1650 = \$11,962.50) during the preceding 12 months.
- The applicant head of household, spouse or adult on the mortgage document must remain continuously employed (no less than 30 hours per week) while participating in the program.

For eligibility purposes, continuous employment is defined as: **“No gap in employment lasting more than four weeks total during the past year.”** Continuous employment for seasonal employees and self-employed workers is defined as two consecutive years of regular seasonal employment where RRHA annualizes’ family income when determining family rent.

- Part-time employment by two or more parties, totaling 30 or more hours per week, does not constitute the full-time employment necessary for qualification.

RRHA has the discretion to interpret small gaps in employment. Permissible gaps can only occur if loss of employment resulted from measures beyond the employee’s control (layoff, medical emergency); and did not result in an employment gap of more than four consecutive weeks.

Documentation of the initial employment requirement for the HCV Homeownership program will be completed using the *Employment Verification* form. All verifications will be completed via EIV, third-party written or oral communication with the applicant’s employer. Annual documentation of the full-time employment requirement will be completed using the *Section 8 Verification of Employment* form at annual reexamination.

Lenders may have separate requirements and further require participants to demonstrate a history of full-time, continuous employment of no less than 24 months at 40 hours per week.

The employment requirement is not applicable to elderly families or those whose head of household, spouse, or co-head are verified disabled in accordance with the occupancy definition of disabled.

### **15-VII.C. SELECTION OF FAMILIES [24 CFR 982.626]**

Unless otherwise provided (under the homeownership option), RRHA will limit homeownership assistance to participant families or purposes defined by the RRHA, and may prescribe additional requirements for commencement of homeownership assistance for a family.

If RRHA limits the number of families that may participate in the homeownership option, RRHA must establish a system by which to select families to participate.

RRHA has not designated a specific amount of Vouchers to the HCV HO Program, however, RRHA will adjust the program to the number of vouchers available in the market, qualified families, need, and administrative resources.

Families who are near graduation in the Family Self-Sufficiency program or have graduated from the FSS program will be given preference over other families.

Within preference and non-preference categories, families will be selected according to the date and time of their application for participating in the homeownership option approved by RRHA.

All families must meet eligibility requirements as defined in Section 15-VII.B of this plan.

### **C1. APPLICATION PROCESS**

Applicants may contact an HCV Specialist or FSS Coordinator to receive information about the HCV Homeownership Program and a *Homeownership Application*.

- Application Form- An applicant must complete and submit the *Homeownership Application* to the Director of Community Support Services for review. The application includes information on income, assets, obligations, and family composition.
- Application Attachments

Documentation of attendance at all RRHA required pre-purchase counseling as well as the VHDA Pre-Purchase Homebuyer Seminar. Total Action for Progress and Money Management International are partner agencies and will be available to provide one-to-one counseling services specifically targeted for home buyers. A certificate of attendance for the VHDA Homebuyer Seminar must be attached to the pre-qualification application.

- A current statement verifying \$1,000 in savings designated toward the one percent (1%) of personal funds down payment requirement.
- A *Section 8 Verification of Employment* form.

- A signed *Homeownership Landlord Reference form*.
- If applicable, a verification of disability, if not on file.
- The applicant must document household composition for all individuals who will reside in the household.
- Application Review- Upon receipt of a HCV *Homeownership Application*, the Director of Community Support Services determines whether an applicant meets the eligibility criteria for the program. The application review will include:
  - Evaluation of family composition and HCV rental status.
  - Review of income, savings, and disability documentation.
  - Verification that the applicant is in compliance with all lease provisions using the RRHA *Landlord Reference form*.
  - Evaluation of employment history.

All documentation is subject to independent verification by RRHA program staff. The Director of Community Support Services and HCV Manager will review the file for discrepancies or omissions. If, at any time throughout the process, either sees a discrepancy in reported income, assets, or family share, he/she shall report it to the HCV Specialist. The HCV Specialist shall perform an interim reexamination, resolve whether further action is necessary, and report the outcome to the HCV Manager.

If, in the course of a loan application, a loan originator, or other third party, document income not previously reported to RRHA, RRHA will conduct an interim reexamination of income. Should the reexamination result in a debt or proposed repayment agreement, RRHA shall retain sole discretion to withdraw the *Certificate of Eligibility* subject to the outcome of any grievance procedure related to the income discrepancy. The participant family must remain on the HCV program for an additional year, in good standing, before RRHA may re-issue a *Certificate of Eligibility*.

- Incomplete Applications- Incomplete applications will not be reviewed and will be returned to applicants for completion. A checklist of application deficiencies will be attached to the incomplete application. Participants must correct all deficiencies noted on the checklist and resubmit the checklist, complete application, and attachments, for additional consideration. Applications that are returned for incompleteness will be re-stamped and dated when they are returned complete.

## **C2. Determining “Mortgage Ready” Applicants**

Applications for homeownership are date-stamped. Complete applications – those with all necessary attachments in place – are placed on a waiting list in order of date and time received.

A *Certificate of Eligibility* is awarded on a first-come, first-served, basis after a participant is determined eligible and “mortgage ready.”

The *Certificate* contains an estimate of the amount of HAP available to the family. This estimate is useful to the applicant and lender when determining the housing and debt ratios.

### **C3. CERTIFICATE OF ELIGIBILITY**

With the expansion of the program to working families, RRHA shall use a priority mechanism to ensure a fair and equitable selection of new applicants. Upon securing a sufficient number of applicants to ensure full utilization of the program, RRHA shall resort to its traditional use of priority and then date and time of application.

- The priority is established with Board of Directors’ approval and is limited to the initial admissions process. A sufficient window of opportunity shall exist to ensure equal representation of eligible applicants within the priority pool.
- Priority will be given in the following order:
  - Families that have graduated from the FSS program and meet the HCV HO eligibility requirements
  - Families that have verified that they meet the eligibility requirements and are acceptable for lender/loan requirements by a qualified lender with qualified loan products
  - All other eligible families
  - Other families that are participating to achieve eligibility

If the HCV Manager determines that a family meets minimum eligibility criteria, he/she may issue a *Certificate of Eligibility* to enable the applicant to shop for a home purchase. The HCV Manager will deliver the *Certificate of Eligibility* and a copy of the *Homeownership Application* to the participant. These documents will assist the applicant in determining the maximum sales price and loan amount in the pre-qualification process in conjunction with their lender.

Whenever an opening occurs in the program, RRHA will select the next available applicant for an intake interview. The applicant will be interviewed to ensure that all the information contained in their *Homeownership Application* is current and that the applicant is eligible for homeownership.

The issuance of a *Certificate of Eligibility* does not guarantee that a participant will have the ability to secure a homeownership loan. Other considerations such as the housing market, an applicant’s credit history, total indebtedness, and current income will be factors that will determine a participant’s ability to secure a home mortgage. All participants will qualify independently through a mortgage lender of their choice.

- Changes in Family Size or Composition- All changes in family composition must be reported prior to the change to the HCV Specialist and the HCV Manager. The *Certificate of Eligibility* will reflect the applicable subsidy standard RRHA assigns to the family based upon the family's size and composition. The final *Housing Assistance Payment Certificate* will be issued based upon the subsidy standard applicable on the date of closing.
- Changes in the Payment Standards- The payment standard applicable on the date of closing establishes the baseline payment standard for the unit. If the payment standard changes after an offer to purchase has been made, but prior to closing, the payment standard applicable on the date of closing applies. RRHA will reissue a revised *Certificate of Eligibility* effective on the effective date of the new Payment Standard.

Occasionally, a buyer and seller may execute an Earnest Money Agreement prior to a decrease in payment standard, with the closing taking place after the effective date of a decreased payment standard. For families whose head of household, spouse or co-tenant experiences permanent disability, RRHA may request HUD approval to use the payment standard in effect on the date the Earnest Money Agreement was fully executed if the new, decreased, payment standard would jeopardize the sales agreement. This may only occur as a reasonable accommodation to a disabled household.

#### **15-VII.D. ELIGIBLE UNITS [24 CFR 982.628]**

Eligible homes must be located within the respective geographic boundaries that govern RRHA's HCV rental program.

A family approved for homeownership assistance may purchase the following type of homes:

- A new or existing home;
- A single-family home;
- A condominium;
- A home in a planned use development, a cooperative, a loft or live/work unit;
- A manufactured home, if situated on a privately owned lot or on a leased pad in a mobile home park.

If the family does not own fee title to the real property on which the home is located, the family must have the right to occupy the site for a period of at least forty (40) years and the home must have a permanent foundation.

A unit can be under construction at the time a family enters into the contract of sale. A unit is considered to be "under construction" if the footers have been poured. RRHA will not

commence Housing Assistance Payments until the unit has satisfactorily passed an HQS and Independent inspections and meet all other program requirements.

For RRHA-owned units all of the following conditions must be satisfied:

- RRHA informs the family, both orally and in writing, that the family has the right to purchase any eligible unit and a RRHA-owned unit is freely selected by the family without RRHA pressure or steering;
- The unit is an eligible housing unit;
- RRHA obtains the services of an independent agency to inspect the unit for compliance with HQS, review the independent inspection report, review the contract of sale, determine the reasonableness of the sales price and any RRHA provided financing. All of these actions must be completed in accordance with program requirements. RRHA will obtain the services of a neighboring PHA or other independent HCV administering agency to perform these services, so long as the independent agency is operating a HCV Program.

For units not yet under construction- Families may enter into contracts of sale for units not yet under construction at the time the family enters into the contract for sale. However, the PHA shall not commence homeownership assistance for the family for that unit, unless and until:

- Either:
  - (1) The responsible entity completed the environmental review procedures required by 24 CFR part 58, and HUD approved the environmental certification and request for release of funds prior to commencement of construction; or
  - (2) HUD performed an environmental review under 24 CFR part 50 and notified the PHA in writing of environmental approval of the site prior to commencement of construction;
- Construction of the unit has been completed; and
- The unit has passed the required Housing Quality Standards (HQS) inspection and independent inspection.

#### **15-VII.E. ADDITIONAL RRHA REQUIREMENTS FOR SEARCH AND PURCHASE [24 CFR 982.629]**

At the time the *Certificate of Eligibility* is issued, the family is placed in “home shopping status.” The family has 180 days to locate and make an offer on a home, and secure a prequalification letter from their lender. The Program Administrator may recommend three additional 30 day extensions not to exceed a total of 270 home shopping days. Additional 30-day extensions are available on a case-by-case basis, subject to approval by the VP of Housing or their designee.

During a participant's search for a home, their HCV rental assistance shall continue. The participant family remains subject to all applicable rules and regulations.

- Applicants must submit housing choice progress reports every 30 days during this process to document progress toward homeownership.

Six progress reports will be included with the *Certificate*. If a participant family is unable to locate and purchase a home within the timeframe approved by RRHA, the family may continue to receive rental assistance through their Housing Choice Voucher.

- The family may not re-apply for the Homeownership Program until they have completed an additional full year of participation in the rental program following the expiration date of the *Certificate of Eligibility*.

RRHA may require additional homeownership counseling prior to issuance of a second *Certificate of Eligibility*. The participant must meet all other eligibility criteria of the program at the time of resubmission.

- A unit is considered "located" if a 90% letter from the lender has been issued to the participant and the buyer and seller have executed an 'earnest money' purchase agreement that includes the RRHA *Addendum to the Residential Purchase Agreement*.

#### **15-VII.F. HOMEOWNERSHIP COUNSELING [24 CFR 982.630]**

RRHA will provide homeownership counseling prior to application, after a *Certificate of Eligibility* is issued, and post-purchase counseling. An HCV applicant must attend and satisfactorily complete RRHA pre-purchase counseling requirements along with the VHDA Homebuyer's Seminar. The counseling program covers the topics listed below. Applicants who RRHA determines are not yet "mortgage ready" may be required to obtain additional information on any of the following issues:

1. Is homeownership right for you?
2. Special needs of disabled home buyers/fair housing issues;
3. Budgeting and money management;
4. Credit counseling;
5. How to negotiate the purchase price of a home;
6. How to obtain homeownership financing and loan pre-approvals, including a description of types of financing that may be available, and the pros and cons of different types of financing;
7. How to find a home, including information about homeownership opportunities, schools, and transportation services in the area;

8. Information about the Real Estate Procedures Act, State and Federal truth-in-lending laws, and how to identify and avoid loans with oppressive terms and conditions;
9. Home maintenance;
10. Taxes, proration of taxes if assisted by the program;
11. Inspection criteria, HQS requirements, special requirements in the contract for sale;
12. Voucher, eligibility, and continuous eligibility requirements;
13. Post purchase counseling.

RRHA may adapt the subjects covered in pre-assistance counseling (as listed) to local circumstances and the needs of individual families.

The RRHA may also offer additional counseling after commencement of homeownership assistance (ongoing counseling). If the RRHA offers a program of ongoing counseling for participants in the homeownership option, the RRHA shall have discretion to determine whether the family is required to participate in the ongoing counseling.

If RRHA does not use a HUD-approved housing counseling agency to provide the counseling, the RRHA should ensure that its counseling program is consistent with the counseling provided under HUD's Housing Counseling program.

## **15-VII.G. HOME INSPECTIONS, CONTRACT OF SALE, AND RRHA DISAPPROVAL OF SELLER [24 CFR 982.631]**

### **G1. Home Inspection**

Two home inspections are required prior to purchase:

#### **(1) Independent home inspection**

HUD regulations require a home inspection by an approved independent, professional home inspector. The family is required to select and pay for a home inspector to identify any physical defects and determine the condition of the major building systems and components. The buyer and RRHA must receive a written report of this examination describing the observable major defects, required repairs and/or accessibility modification requirements.

The inspector shall also be acceptable to the local lending institutions. In all cases the inspection must cover major building systems and components, including foundation and structure, housing interior and exterior, and the roofing, plumbing, electrical and heating systems. The unit must pass a termite or wood destroying organism report and any other requirements as determined by the State.

RRHA may not require the family to use an independent inspector selected by RRHA. The independent inspector may not be a RRHA employee or contractor, or

other person under control of RRHA. However, RRHA has established standards for qualification of inspectors selected by families under the homeownership program.

(2) HQS inspection.

A Housing Quality Standards (HQS) inspection is required whenever the home is 100% ready for occupancy. The condition of the home must satisfy HQS standards before a sale may occur. RRHA will conduct a Housing Quality Standards (HQS) inspection first, and if satisfactory, then require the independent inspection.

No further HQS inspections are required. However, RRHA reserves the right to conduct interim HQS inspections before continuing to provide yearly homeownership assistance. RRHA may exercise this option if it has reason to believe the home would no longer meet HQS standards, or has reason to believe that unauthorized individuals are living in the household.

A PHA inspection is required if the PHA has granted as a reasonable accommodation an additional bedroom size for medical equipment or for a live-in aide. The inspection is to verify that the additional bedroom is being used for its intended purpose. If the extra bedroom is not being used for the intended purpose, the PHA must reduce the subsidy standard and corresponding payment standard at the family's next annual recertification.

Non-compliance with HQS standards may jeopardize a family's housing assistance payment. If the home does not pass the initial HQS inspection, then the HCV Manager will discuss with the purchasing family whether it would be more feasible to locate another home to purchase, or to have the needed repairs completed prior to the sale.

RRHA and the family will discuss the results of the inspection and determine if any pre-purchase repairs are necessary. ICBO inspections performed by an independent inspector, performed at periodic points in the homebuilding process, may be utilized. The cost of the ICBO inspection is included in the cost of the home. RRHA may disapprove the unit for purchase based on the results of the independent inspection.

## **G2. Contract of Sale**

Eligible homes must be located within the boundaries of the HCV Program. The seller cannot be an individual, company, or corporation who has been debarred, suspended, or is subject to a limited denial of participation by HUD or RRHA. RRHA may deny approval of a seller for any reason provided for disapproval of an owner under the voucher rental program regulations.

Before commencement of homeownership assistance, the homeownership applicant must enter into a contract of sale, or earnest money agreement, with the home seller.

RRHA will provide the buyer with an *Addendum to the Residential Purchase Agreement*. Both the buyer and seller must execute the earnest money agreement and *Addendum*.

The *Addendum to the Residential Purchase Agreement* shall contain the following provisions:

- Specify price and other terms of sale by the seller to the purchaser.
- Provide that the purchaser will arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected by the purchaser.
- Provide that the purchaser is not obligated to purchase the unit unless the inspection is satisfactory to the purchaser and RRHA.
- Provide that the purchaser is not obligated to pay for any necessary repairs.
- Specify that an HQS inspector be granted access to the property to perform an HQS inspection prior to closing. Homeownership assistance is contingent on satisfactory inspections by both inspectors and subject to approval by RRHA.
- Specify that the seller has not been debarred, suspended, or subject to a limited denial of participation in a HUD program under 24 CFR.
- Specify that before Buyer is obligated under any contract to purchase Property, Seller shall permit Buyer a 10-day period (unless the parties mutually agree, in writing, upon a different period of time) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards. Buyer may waive the opportunity to conduct the risk assessment or inspection by so indicating in writing.

The *Addendum to the Residential Purchase Agreement* shall contain the following provisions if the unit is not yet constructed:

- The purchaser is not obligated to purchase the unit unless an environmental review has been performed and the site has received environmental approval prior to commencement of construction in accordance with 24 CFR 982.628.
- The construction will not commence until the environmental review has been completed and the seller has received written notice from the PHA that environmental approval has been obtained. Conduct of the environmental review may not necessarily result in environmental approval, and environmental approval may be conditioned on the contracting parties' agreement to modifications to the unit design or to mitigation actions.
- Commencement of construction in violation of either of the above two provisions voids the purchase contract and renders homeownership assistance under 24 CFR part 982 unavailable for purchase of the unit.

### **G3. Disapproval of a Seller**

In its administrative discretion, the RRHA may deny approval of a seller for the same reasons a RRHA may disapprove an owner under the regular HCV program [see 24 CFR 982.306(c)].

### **15-VII.H. FINANCING [24 CFR 982.632]**

It is the responsibility of the family to secure financing for the home purchase. The issuance of the *Certificate of Eligibility* does not guarantee that a family has the ability to secure financing for a home purchase. RRHA and/or partner agencies will provide guidance to potential home buyers to ensure they avail themselves of various down payment assistance programs, optimum loan packages, mortgage interest rates, and ways to avoid predatory lending practices.

RRHA demonstrates its capacity to administer the HCV Homeownership program by requiring the financing to purchase a home either be provided, insured, or guaranteed by the state or Federal government; comply with secondary mortgage market underwriting requirements; or comply with generally accepted private sector underwriting standards.

#### **H1. Down Payment Requirement**

The purchasing family is required to invest at least three percent (3%) of the purchase price of the home. This investment can take the form of a down payment, closing costs, or a combination of the two. Of this sum, at least one percent (1%) of the purchase price must come from the family's resources.

If the family is an FSS graduate, the FSS escrow may be used to meet down payment and closing costs contribution requirements established by RRHA.

The buyer may acquire financing through any RRHA approved lender. If the home is purchased using FHA mortgage insurance, it is subject to FHA mortgage insurance requirements.

Qualified participants may use the value of rental assistance as a form of "income" to help them qualify for a mortgage. Their assistance may be applied directly against their mortgage payment, therefore enabling a borrower to qualify for a home purchase.

There is no prohibition against using local/state grants or other subsidized financing in conjunction with the HCV Homeownership Program. The program can be combined with a variety of mortgage loan products and other HUD programs to assist a potential home buyer in achieving the most favorable interest rate and terms of purchase.

#### **H2. Lending Partners**

RRHA may not influence a family's choice of lending options by limiting the use of homeownership assistance to particular units, neighborhoods, developers, lenders or require a family to use a set financing approach. However, HUD encourages local public housing authorities to develop partnerships with lenders to better serve the needs of families. RRHA

will counsel the family to avoid predatory lenders or lending practices. RRHA will honor any financing package that arises from any lender approved by RRHA.

### **H3. Underwriting Options**

The following underwriting options are suggested under this program. The lender will decide upon the option based upon income and borrower qualifications determined on a case-by-case basis by the lender, and dependent upon the specific loan products utilized.

#### Option One: Deduct HAP from Principal, Interest, Taxes & Insurance (PITI)

The borrower's HAP is applied directly to the PITI, and the housing debt to income ratio is calculated on the "net housing obligation" of the borrower.

#### Option Two: Add HAP to Borrower's Income

Calculate total income as a combination of the tax-exempt HAP (grossed up by 25%) and the borrower's income from employment using underwriting ratios specific to the loan product being used.

#### Option Three: Two Mortgage Approach

Borrower qualifies for the first mortgage (PITI) using only earned income. The HAP is used to pay the full P&I for a second mortgage.

### **H4. Loan Restrictions**

Mortgages with balloon payments, interest only, or variable interest rates are not allowed under RRHA's program. The buyer may not enter into a seller financing or lease-purchase agreement under this program.

RRHA reserves the right to review lender qualifications and the loan terms before authorizing homeownership assistance. RRHA may disapprove proposed financing of the debt if RRHA determines that the debt is unaffordable. In making this determination, RRHA will take into account family expenses such as child care, un-reimbursed medical expenses, homeownership expenses, and other family expenses, in addition to the participant's income.

Independent of the lender's requirements, RRHA has established criteria that the family cannot have a family share in excess of 45% of the monthly adjusted income at the time of the initial closing.

RRHA must approve any proposed refinancing of the property.

Refinancing the property, without prior written approval from RRHA, may result in termination of the HCV Homeownership assistance.

In making its determination, RRHA will take into account the reason(s) for the request to refinance, as well as the current assets and liabilities of the family, and how the refinancing

will impact the total tenant payment. Homeownership assistance may continue if refinancing is approved, but will be limited to the remaining term based on the initial mortgage loan.

**15-VII.I. CONTINUED ASSISTANCE REQUIREMENTS; FAMILY OBLIGATIONS  
[24 CFR 982.633]**

After a home is located, but before homeownership assistance can begin, the family and RRHA must execute a HUD prescribed “Statement of Homeowner Obligations.” In the statement the family agrees to comply with all obligations under the homeownership option. The initial “Statement of Homeowner Obligations, HUD-52649” will be reviewed and executed at the HCV homeownership orientation.

The family must also execute the *RRHA Statement of Family Obligations* which details the additional RRHA HCV Homeownership Program obligations.

**II. Continuous Reporting Requirements**

RRHA will reexamine the family’s income and composition on an annual basis.

After purchase of the home, the family must continue to adhere to the “HUD Statement of Homeowner Obligations” and the *RRHA Statement of Family Obligations* in order to continue to receive the monthly housing assistance payment. The *RRHA Statement of Family Obligations* will be reviewed by the family and signed at each annual reexamination.

A new *Certificate of Housing Assistance Payment* must be issued prior to any change in the housing assistance payment. Non-elderly and non-disabled families are required to annually document continued compliance with the full-time work requirement of the program by annual completion of the *Homeownership Work Certification*.

A family must disclose all changes in income within ten (10) business days of the change and at the annual reexamination. Failure to disclose or accurately report changes will jeopardize a family’s continued participation in this program. A family may not add an adult household member without prior RRHA approval. RRHA will deny admission to any individual who would otherwise not qualify for admission to the program due to criminal history, drug related history, or registry on a sex-offender list.

Participant must agree to attend post-purchase counseling sessions in conjunction with acceptance into this program to continue to receive assistance. RRHA may require families who become delinquent on their mortgage payments to participate in additional homeownership and/or credit counseling classes.

RRHA may deny or terminate assistance for violation of participant obligations as described in the “HUD Statement of Homeowner Obligations”, the *RRHA Statement of Family Obligations*, or other program obligations.

## **12. Continuous Employment Obligations**

- The applicant head of household or spouse must remain continuously employed (no less than 30 hours per week) while participating in the program.
- Part-time employment by both parties, totaling over 30 hours per week, does not constitute full-time employment by either party.

For continued eligibility purposes, continuous employment is defined two ways. Continuous employment by the head, spouse or co-head defined as full time employment (average of 30 hours per week) with no gap in employment lasting more than four weeks total (30 hours x 48 weeks = 1,440 hours). Or, earned income received by the head, spouse or co-head during the past year greater than the state minimum wage times 1560 hours (\$7.50 x 1560 = \$11,700).

The employment requirement is not applicable to elderly families or those whose head or co-head of household, spouse or sole member experience permanent disability.

## **13. Mitigating Circumstances**

If a working family is subsequently determined by RRHA to now qualify as a “disabled family,” as defined by HUD, the full-time employment requirement is no longer applicable to that family.

RRHA will consider mitigating circumstances where certain lapses in employment prohibit the family from meeting its continuous employment obligation. These include receipt of Unemployment Insurance Benefits due to layoff; absences defined under the Family Medical Leave Act; receipt of Workman’s Compensation benefits.

RRHA will allow week-for-week substitutions whenever of any of these benefits are received.

The participant must return to full-time employment within 30 days after exhaustion of unemployment benefits. Failure to return to full-time employment (30 hours per week) within 30 days will generate a 60-day *Notice to Correct*. Failure to correct will result in a correctable 30-day *Notice of Termination*.

A participant who is employed but is on leave from work due to maternity leave, FMLA or is receiving Workman’s Compensation, is exempt from the full-time employment requirement during the period of approved leave from work. A participant must return to full-time employment within 30 days after exhaustion of applicable benefits. Willful failure to return to full-time employment (30 hours per week), after 30 days, will generate a 60-day *Notice to Correct*. Failure to correct will result in a correctable 30-day *Notice of Termination*.

Consideration of other mitigating circumstances is at the discretion of the Director of Community Support Services, HCV Manager or designee. A three-person committee will convene to review any additional mitigating circumstances that prevent a participant’s return to full-time employment within the time frames allotted. Determinations of the review

committee are made on a case-by-case basis. Their decisions are subject to final approval by RRHA's VP of Housing.

#### **I4. Guests and Changes in Family Composition**

All changes in family composition must be reported to the HCV Specialist. All new family members must be approved as eligible residents before moving into the residence.

Family guests are permitted for a period not to exceed 30 days in any calendar year. RRHA may consider persons who exceed the 30 day occupancy limit, or who use the residence as a personal mailing address, unauthorized family members. The family may be in violation of their family obligations and RRHA may take appropriate action up to and including termination of assistance.

#### **I5. Other Continued Family Obligations**

In addition to completing the HUD Statement of Homeowner Obligations participants must sign RRHA's Statement of Family Obligations Addendum prior to the issuance of the homeownership voucher, agreeing to comply with all family obligations under the Homeownership Program, including but not limited to:

- The family must comply with the terms of any mortgage securing debt incurred to purchase the home or any refinancing of such debt.
- At any time the family is receiving homeownership assistance, the family may not sell or transfer any interest in the home to any entity or person other than a member of the assisted family residing in the home.
- A home equity loan or any refinancing may not be acquired without the prior written consent of RRHA.
- The family must provide required information regarding income and family composition in order to correctly calculate the total tenant payment (TTP) and homeownership assistance, consistent with the HCV requirements and any other information requested by RRHA concerning financing, the transfer of any interest in the home, or the family's homeownership expenses.
- While receiving homeownership assistance, the family must notify RRHA if the family defaults on a mortgage securing any debt incurred to purchase the home.
- While receiving homeownership assistance, the family must notify RRHA before the family moves out of the home.
- The family must, at annual reexamination, document that the family is current on mortgage, insurance, escrow accounts, repair reserve account, and utility payments.
- The family is prohibited from moving more than one time in a one (1) year period. The family may be required to participate in pre- and post-purchase homeownership counseling prior to re-housing.
- While receiving homeownership assistance, no family member may have any

ownership interest in any other residential property.

- Sign a release allowing RRHA, counselors, realtors, and participating lenders to exchange information on the borrower.
- Agree to maintain the condition of the home to comply with minimum HUD Housing Quality Standards (HQS).
- Acknowledge that the termination of assistance shall be in accordance with program requirements and the Administrative Plan.
- Acknowledge that the family is obligated for the whole mortgage payment in the event of termination of assistance.
- Disclose any and all changes of family composition and family income to RRHA within 10 business days.
- Agree that the family must immediately notify RRHA of any late payment, delinquency notices, or default notices and must agree to participate in default counseling with a designated agency to become current.
- Agree to attend any identified financial, homeowner or post purchase counseling during time of assistance.
- Agree to the continued employment requirement as stated in RRHA's Administrative Plan.
- RRHA requires the family to maintain a minimum reserve for maintenance and major repairs. The minimum reserve shall be equal to the monthly reserve amounts times the number of months assisted as a homeowner less any RRHA approved withdraws.
- Agrees that should they itemize deductions for IRS taxing purposes, they shall deduct in accordance with the IRS opinion that provides for a prorate deduction of the interest on a homeownership mortgage and homeownership taxes.

#### **15-VII.J. MAXIMUM TERM OF HOMEOWNER ASSISTANCE [24 CFR 982.634]**

For non-elderly and non-disabled households, homeownership assistance is available for a maximum 15-year term for mortgages with a 20-year or longer term and a maximum 10-year term in all other cases. The term is calculated from the date of issuance of the first housing assistance payment on the initial mortgage loan.

Families that qualify as a disabled family at the commencement of homeownership assistance, or at any time during the provision of homeownership assistance, are not subject to the 15-year term limitation. Homeownership assistance is available for a disabled family as long as the family remains eligible for the program.

If, during the course of homeownership assistance, the family ceases to qualify as a disabled or elderly family, the family will continue to be eligible for the homeownership assistance, subject to eligibility requirements of the Housing Choice Voucher program. The term of assistance will change to a maximum of 15-years for mortgages with a 20 year or longer term and a maximum ten year term in all other cases. This term will be calculated from the date of

issuance of the first housing assistance payment on the initial mortgage loan. If the family ceases to qualify as a disabled or elderly family and the 15 or 10 year term has expired then the family will receive 6 months of monthly HAP payments and then the homeownership assistance will terminate.

In the case of an elderly family, the maximum term is for as long as they are eligible, provided the family qualifies as an elderly family at the start of homeownership assistance and continues to qualify as an elderly family.

Upon the death of a family member who holds, in whole or in part, title to the home, homeownership assistance may continue, pending settlement of the decedent's estate. The home must be solely occupied by remaining family members in accordance with 24 CFR 982.551(h).

For a nonelderly/nondisabled family, the total homeownership assistance received by a family, whether on different homes or through different public housing agencies, cannot exceed the eligible term of assistance based on the of the initial mortgage loan.

#### **15-VII.K. HOMEOWNERSHIP ASSISTANCE PAYMENTS AND HOMEOWNERSHIP EXPENSES [24 CFR 982.635]**

##### **K1. Housing Assistance Payments (HAP)**

While the family is residing in a homeownership unit, the HAP is equal to the lower of: (1) the payment standard minus the total tenant payment, or (2) the monthly homeownership expenses minus the total tenant payment.

The family is responsible for all monthly homeownership expenses not reimbursed by the housing assistance payment. Homeownership expenses include:

- principal and interest on the initial mortgage debt and any refinancing of such debt;
- any mortgage insurance premium incurred to finance the purchase of the home;
- real estate taxes and public assessments on the home;
- home insurance;
- cooperative or condominium operating charges or maintenance fees assessed by the condominium or cooperative homeowner association;
- the land lease for land where the home is located;
- RRHA allowance for maintenance expenses;
- RRHA allowance for costs of major repairs and replacements;
- RRHA utility allowance for the home; and
- principal and interest on debt incurred to finance major repairs, replacements or improvements on the home.

For an individual with disabilities, such debt may include those costs incurred by the family to make the home accessible.

## **K2. PAYMENT STANDARD/SUBSIDY STANDARD**

For initial homeownership assistance, the payment standard for the family is the lower of: (1) the payment standard for the family unit size, or (2) the payment standard for the size of the home purchased (number of bedrooms in the house). At the annual recertification or an interim recertification, RRHA will apply a payment standard that is the greater of: (1) the dollar amount of the payment standard used at the commencement of homeownership assistance, or (2) the RRHA payment standard for family unit size, used at its most recent annual anniversary. [24 CFR 982.635]

The RRHA subsidy standards determine the bedroom-size that RRHA assigns to the family based upon its size and composition. The initial subsidy standard applied to a homeownership family is the same standard used for the rental program. The standards applicable on the RRHA website at closing are the subsidy and payment standards applicable for the initial homeownership period. The *Certificate of Housing Assistance Payment* will be issued based on the current subsidy and payment standards in effect on the date of closing.

### **15-VII.L. PORTABILITY [24 CFR 982.636, 982.637, 982.353(b) and (c), 982.552, 982.553]**

Subject to the restrictions on portability included in HUD regulations and RRHA policies, a family may exercise portability if the receiving PHA is administering a voucher homeownership program and accepting new homeownership families. The receiving PHA may absorb the family into its voucher program, or bill RRHA.

The family must attend the briefing and counseling sessions required by the receiving PHA. The receiving PHA will determine whether the financing for, and the physical condition of the unit, are acceptable. The receiving PHA must promptly notify RRHA if the family has purchased an eligible unit under the program, or if the family is unable to purchase a home within the maximum time established by RRHA.

RRHA will also accept families from another HCV Homeownership Program subject to RRHA admission requirements for the Homeownership Program. It will administer the voucher if approved for homeownership.

### **15-VII.M. MOVING WITH CONTINUED ASSISTANCE [24 CFR 982.637]**

A family receiving homeownership assistance may move to a new unit with continued assistance. A family member must not own any title or other interest in the prior home and may not move more than once per year. RRHA will review all requests to move with continued tenant-based assistance and may deny permission to move based on lack of sufficient funding to provide continued assistance or based upon the violations listed in Section 15-VII. N. of this document.

## **15-VII.N. DENIAL OR TERMINATION OF ASSISTANCE [24 CFR 982.638]**

**Termination of Homeownership Assistance-** A family's homeownership assistance may be terminated if a family fails to comply with its obligations under the HCV Homeownership Program or if the family defaults on the mortgage.

**Failure to Comply with Homeowner Obligations-**The family must comply with the terms of any mortgage incurred to purchase and/or refinance the home. The family must provide RRHA with written notice of any sale or transfer of any interest in the home; any plan to move out of the home prior to the move; notification of the family's household composition and income and homeownership expenses on an annual basis; and any notice of mortgage default received by the family. Except as otherwise specified in this plan, the family may not convey or transfer the home to any entity or person.

Homeownership assistance may be denied or terminated in accordance with any of the provisions listed at 24CFR 982.638 and/or RRHA requirements.

**Occupancy of Home-** Homeownership assistance will only be provided while the family resides in the home. If the family moves out of the home, RRHA will not continue homeownership assistance commencing with the month after the family moves out. Neither the family nor the lender is obligated to reimburse RRHA for homeownership assistance paid for the month the family moves out.

**Changes in Income Eligibility-** RRHA may adjust a family's homeownership assistance based upon changes in family income. The effective change shall occur 30 days after the month in which a reexamination of income occurred.

Participation in the HCV Homeownership Program shall continue until such time as the assistance payment amounts to zero for a period of 180 consecutive days. At that time the family will no longer be eligible and the HAP will be terminated. However, should the family go to zero HAP, for 180 consecutive days, the RRHA reserves the right to extend the period past 180 days, should there be documented extenuating circumstances for an extension. Such documented extenuating circumstances include but are not limited to:

- Death in the family,
- Loss of employment or income due to no fault of the family,
- Documentation of a medical or financial hardship beyond the control of the family for a member of the assisted household.

After receipt of verification, RRHA will reinstate the family into the program subject to available funding and other program requirements.

**Refusal to Meet Continuous Work Requirement-** RRHA may terminate a working family's homeownership assistance based on a willful refusal to adhere to, or properly document, the full-time employment requirement.

**Family Requests a Return to Rental Assistance-**If a family requests to return to rental assistance, RRHA may provide the family with a rental voucher, provided there is no mortgage loan default and the family has met all obligations under the HCV Program. The family must sell the home before RRHA provides rental assistance.

**Mortgage Default-** If a family defaults on a mortgage, RRHA may permit the family to move with continued assistance. The family must demonstrate that it has conveyed title of the home to the lender, or its designee, and moved from the home within the period established and approved by the lender and RRHA [CFR 24 982.638(d)]. Any decision to approve or deny rental assistance is based on HCV rental program policies and procedures addressed in the RRHA Administrative Plan.

A family is ineligible for future homeownership assistance.

#### **15- VII. O. INFORMAL HEARINGS [24 CFR 982.555]**

An informal hearing will be provided for participants who are being terminated from the Program because of the family's action or failure to act as provided in 24 CFR 982.552. The rules and procedures set forth in the Administrative Plan, entitled "Informal Hearings," will apply.

#### **15- VII. P. Recapture [24 CFR 982.625]**

RRHA will not recapture the Homeownership Voucher payments unless there was an act of fraud or misrepresentation of a material fact in order to obtain a benefit. The HCV Homeownership recapture provision does not apply to any other program funds that may be used in the transaction.

## **PART VII: HOMEOWNERSHIP [24 CFR 982.625 through 982.643]**

### **15-VII.A. OVERVIEW [24 CFR 982.625]**

The homeownership option is used to assist a family residing in a home purchased and owned by one or more members of the family. A family assisted under this option must be an existing participant in the HCV program. The RRHA must have the capacity to operate a successful HCV homeownership program as defined by the regulations.

There are two forms of homeownership assistance a RRHA may offer under this option: monthly homeownership assistance payments, or a single down payment assistance grant. RRHA s may choose to offer either or both forms of homeownership assistance, or choose not to offer either. If a RRHA offers both forms of assistance, a family must choose which form of assistance to receive.

The RRHA must offer either form of homeownership assistance if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities. It is the sole responsibility of the RRHA to determine whether it is reasonable to implement a homeownership program as a reasonable accommodation. The RRHA must determine what is reasonable based on the specific circumstances and individual needs of the person with a disability. The RRHA may determine that it is not reasonable to offer homeownership assistance as a reasonable accommodation in cases where the RRHA has otherwise opted not to implement a homeownership program.

The RRHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

### **15-VII.B. FAMILY ELIGIBILITY [24 CFR 982.627]**

The family must meet all of the requirements listed below before the commencement of homeownership assistance. The RRHA may also establish additional initial requirements as long as they are described in the RRHA administrative plan.

- The family must have been admitted to the Housing Choice Voucher program.
- The family must qualify as a first-time homeowner, or may be a cooperative member.
- The family must meet the Federal minimum income requirement. The family must have a gross annual income equal to the Federal minimum wage multiplied by 2000, based on the income of adult family members who will own the home. The RRHA may establish a higher income standard for families. However, a family that meets the federal minimum income requirement (but not the RRHA 's requirement) will be considered to meet the minimum income requirement if it can demonstrate that it has been pre-qualified or pre-approved for financing that is sufficient to purchase an eligible unit.
- For disabled families, the minimum income requirement is equal to the current SSI monthly payment for an individual living alone, multiplied by 12.
- For elderly or disabled families, welfare assistance payments for adult family members who will own the home will be included in determining whether the family meets the

minimum income requirement. It will not be included for other families.

- The family must satisfy the employment requirements by demonstrating that one or more adult members of the family who will own the home at commencement of homeownership assistance is currently employed on a full-time basis (the term 'full-time employment' means not less than an average of 30 hours per week); and has been continuously so employed during the year before commencement of homeownership assistance for the family.
- The employment requirement does not apply to elderly and disabled families. In addition, if a family, other than an elderly or disabled family includes a person with disabilities, the RRHA must grant an exemption from the employment requirement if the RRHA determines that it is needed as a reasonable accommodation.
- The family has not defaulted on a mortgage securing debt to purchase a home under the homeownership option
- Except for cooperative members who have acquired cooperative membership shares prior to commencement of homeownership assistance, no family member has a present ownership interest in a residence at the commencement of homeownership assistance for the purchase of any home.
- Except for cooperative members who have acquired cooperative membership shares prior to the commencement of homeownership assistance, the family has entered a contract of sale in accordance with 24 CFR 982.631(c).

#### **15-VII.C. SELECTION OF FAMILIES [24 CFR 982.626]**

Unless otherwise provided (under the homeownership option), the RRHA may limit homeownership assistance to families or purposes defined by the RRHA, and may prescribe additional requirements for commencement of homeownership assistance for a family. Any such limits or additional requirements must be described in the RRHA administrative plan.

If the RRHA limits the number of families that may participate in the homeownership option, the RRHA must establish a system by which to select families to participate.

#### **15-VII.D. ELIGIBLE UNITS [24 CFR 982.628]**

In order for a unit to be eligible, the RRHA must determine that the unit satisfies all of the following requirements: The unit must meet HUD's "eligible housing" requirements. The unit may not be any of the following:

- A public housing or Indian housing unit;
- A unit receiving Section 8 project-based assistance;
- A nursing home, board and care home, or facility providing continual psychiatric, medical or nursing services;
- A college or other school dormitory;
- On the grounds of penal, reformatory, medical, mental, or similar public or private institutions.

- The unit must be under construction or already exist at the time the family enters into the contract of sale.
  - The unit must be a one-unit property or a single dwelling unit in a cooperative or condominium.
  - The unit must have been inspected by the RRHA and by an independent inspector designated by the family.
  - The unit must meet Housing Quality Standards (see Chapter 8).
  - For a unit where the family will not own fee title to the real property (such as a manufactured home), the home must have a permanent foundation and the family must have the right to occupy the site for at least 40 years.
  - For RRHA -owned units all of the following conditions must be satisfied:
    - The RRHA informs the family, both orally and in writing, that the family has the right to purchase any eligible unit and a RRHA -owned unit is freely selected by the family without RRHA pressure or steering;
    - The unit is not ineligible housing;
    - The RRHA obtains the services of an independent agency to inspect the unit for compliance with HQS, review the independent inspection report, review the contract of sale, determine the reasonableness of the sales price and any RRHA provided financing. All of these actions must be completed in accordance with program requirements.
- The RRHA must not approve the unit if the RRHA has been informed that the seller is debarred, suspended, or subject to a limited denial of participation.

#### **15-VII.E. ADDITIONAL RRHA REQUIREMENTS FOR SEARCH AND PURCHASE [24 CFR 982.629]**

It is the family's responsibility to find a home that meets the criteria for voucher homeownership assistance. The RRHA may establish the maximum time that will be allowed for a family to locate and purchase a home, and may require the family to report on their progress in finding and purchasing a home. If the family is unable to purchase a home within the maximum time established by the RRHA, the RRHA may issue the family a voucher to lease a unit or place the family's name on the waiting list for a voucher.

#### **15-VII.F. HOMEOWNERSHIP COUNSELING [24 CFR 982.630]**

Before commencement of homeownership assistance for a family, the family must attend and satisfactorily complete the pre-assistance homeownership and housing counseling program required by the RRHA. HUD suggests the following topics for the RRHA - required pre- assistance counseling:

- Home maintenance (including care of the grounds);
- Budgeting and money management;

- Credit counseling;
- How to negotiate the purchase price of a home;
- How to obtain homeownership financing and loan pre-approvals, including a description of types of financing that may be available, and the pros and cons of different types of financing;
- How to find a home, including information about homeownership opportunities, schools, and transportation in the RRHA jurisdiction;
- Advantages of purchasing a home in an area that does not have a high concentration of low-income families and how to locate homes in such areas;
- Information on fair housing, including fair housing lending and local fair housing enforcement agencies; and
- Information about the Real Estate Settlement Procedures Act (12 U.S.C. 2601 et seq.) (RESPA), state and Federal truth-in-lending laws, and how to identify and avoid loans with oppressive terms and conditions.

The RRHA may adapt the subjects covered in pre-assistance counseling (as listed) to local circumstances and the needs of individual families.

The RRHA may also offer additional counseling after commencement of homeownership assistance (ongoing counseling). If the RRHA offers a program of ongoing counseling for participants in the homeownership option, the RRHA shall have discretion to determine whether the family is required to participate in the ongoing counseling.

If the RRHA does not use a HUD-approved housing counseling agency to provide the counseling, the RRHA should ensure that its counseling program is consistent with the counseling provided under HUD's Housing Counseling program.

#### **15-VII.G. HOME INSPECTIONS, CONTRACT OF SALE, AND RRHA DISAPPROVAL OF SELLER [24 CFR 982.631]**

##### **Home Inspections**

The RRHA may not commence monthly homeownership assistance payments or provide down payment assistance grants for a family until the RRHA has inspected the unit and has determined that the unit passes HQS.

An independent professional inspector selected by and paid for by the family must also inspect the unit. The independent inspection must cover major building systems and components, including foundation and structure, housing interior and exterior, and the roofing, plumbing, electrical, and heating systems. The independent inspector must be qualified to report on property conditions, including major building systems and components.

The RRHA may not require the family to use an independent inspector selected by the RRHA. The independent inspector may not be a RRHA employee or contractor, or other person under control of the RRHA. However, the RRHA may establish standards for qualification of inspectors selected by families under the homeownership option.

The RRHA may disapprove a unit for assistance based on information in the

independent inspector's report, even if the unit was found to comply with HQS.

### **Contract of Sale**

Before commencement of monthly homeownership assistance payments or receipt of a down payment assistance grant, a member or members of the family must enter into a contract of sale with the seller of the unit to be acquired by the family. The family must give the RRHA a copy of the contract of sale. The contract of sale must:

- Specify the price and other terms of sale by the seller to the purchaser;
- Provide that the purchaser will arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected by the purchaser;
- Provide that the purchaser is not obligated to purchase the unit unless the inspection is satisfactory to the purchaser;
- Provide that the purchaser is not obligated to pay for any necessary repairs; and
- Contain a certification from the seller that the seller has not been debarred, suspended, or subject to a limited denial of participation under CFR part 24.

### **Disapproval of a Seller**

In its administrative discretion, the RRHA may deny approval of a seller for the same reasons a

RRHA may disapprove an owner under the regular HCV program [see 24 CFR 982.306(c)].

### **15-VII.H. FINANCING [24 CFR 982.632]**

The RRHA may establish requirements for financing purchase of a home under the homeownership option. This may include requirements concerning qualification of lenders, terms of financing, restrictions concerning debt secured by the home, lender qualifications, loan terms, and affordability of the debt. The RRHA must establish policies describing these requirements in the administrative plan.

A RRHA may not require that families acquire financing from one or more specified lenders, thereby restricting the family's ability to secure favorable financing terms.

### **15-VII.I. CONTINUED ASSISTANCE REQUIREMENTS; FAMILY OBLIGATIONS [24 CFR 982.633]**

Homeownership assistance may only be paid while the family is residing in the home. If the family moves out of the home, the RRHA may not continue homeownership assistance after the month when the family moves out. The family or lender is not required to refund to the RRHA the homeownership assistance for the month when the family moves out.

Before commencement of homeownership assistance, the family must execute a statement in which the family agrees to comply with all family obligations under the homeownership option.

The family must comply with the following obligations:

- The family must comply with the terms of the mortgage securing debt incurred to purchase the home, or any refinancing of such debt.
- The family may not convey or transfer ownership of the home, except for purposes of financing, refinancing, or pending settlement of the estate of a deceased family member. Use and occupancy of the home are subject to 24 CFR 982.551 (h) and (i).
- The family must supply information to the RRHA or HUD as specified in 24 CFR 982.551(b). The family must further supply any information required by the RRHA or HUD concerning mortgage financing or refinancing, sale or transfer of any interest in the home, or homeownership expenses.
- The family must notify the RRHA before moving out of the home.
- The family must notify the RRHA if the family defaults on the mortgage used to purchase the home.
- No family member may have any ownership interest in any other residential property.
- The family must comply with the obligations of a participant family described in 24 CFR 982.551, except for the following provisions which do not apply to assistance under the homeownership option: 24 CFR 982.551(c), (d), (e), (f), (g) and (j).

**15-VII.J. MAXIMUM TERM OF HOMEOWNER ASSISTANCE [24 CFR 982.634]**

Except in the case of a family that qualifies as an elderly or disabled family, other family members (described below) shall not receive homeownership assistance for more than:

- Fifteen years, if the initial mortgage incurred to finance purchase of the home has a term of 20 years or longer; or
- Ten years, in all other cases.

The maximum term described above applies to any member of the family who:

- Has an ownership interest in the unit during the time that homeownership payments are made; or
- Is the spouse of any member of the household who has an ownership interest in the unit during the time homeownership payments are made.

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

If, during the course of homeownership assistance, the family ceases to qualify as a disabled or

elderly family, the maximum term becomes applicable from the date homeownership assistance commenced. However, such a family must be provided at least 6 months of homeownership assistance after the maximum term becomes applicable (provided the family is otherwise eligible to receive homeownership assistance).

If the family has received such assistance for different homes, or from different RRHA s, the total of such assistance terms is subject to the maximum term described in this part.

#### **15-VII.K. HOMEOWNERSHIP ASSISTANCE PAYMENTS AND HOMEOWNERSHIP EXPENSES [24 CFR 982.635]**

The monthly homeownership assistance payment is the lower of: the voucher payment standard minus the total tenant payment, or the monthly homeownership expenses minus the total tenant payment.

In determining the amount of the homeownership assistance payment, the RRHA will use the same payment standard schedule, payment standard amounts, and subsidy standards as those described in elsewhere in this plan for the Housing Choice Voucher program. The payment standard for a family is the greater of (i) The payment standard as determined at the commencement of homeownership assistance for occupancy of the home, or (ii) The payment standard at the most recent reexamination of family income and composition since the commencement of homeownership for occupancy of the home.

The RRHA may pay the homeownership assistance payments directly to the family, or at the RRHA 's discretion, to a lender on behalf of the family. If the assistance payment exceeds the amount due to the lender, the RRHA must pay the excess directly to the family.

Homeownership assistance for a family terminates automatically 180 calendar days after the last homeownership assistance payment on behalf of the family. However, a RRHA may grant relief from this requirement in those cases where automatic termination would result in extreme hardship for the family.

The RRHA must adopt policies for determining the amount of homeownership expenses to be allowed by the RRHA in accordance with HUD requirements.

Homeownership expenses (not including cooperatives) only include amounts allowed by the RRHA to cover:

- Principal and interest on initial mortgage debt, any refinancing of such debt, and any mortgage insurance premium incurred to finance purchase of the home;
- Real estate taxes and public assessments on the home;
- Home insurance;
- The RRHA allowance for maintenance expenses;
- The RRHA allowance for costs of major repairs and replacements;
- The RRHA utility allowance for the home;
- Principal and interest on mortgage debt incurred to finance costs for major repairs, replacements or improvements for the home. If a member of the family is a person with disabilities, such debt may include debt incurred by the family to finance costs needed

to make the home accessible for such person, if the RRHA determines that allowance of such costs as homeownership expenses is needed as a reasonable accommodation so that the homeownership option is readily accessible to and usable by such person;

- Land lease payments where a family does not own fee title to the real property on which the home is located; [see 24 CFR 982.628(b)].
- For a condominium unit, condominium operating charges or maintenance fees assessed by the condominium homeowner association.

Homeownership expenses for a cooperative member may only include amounts allowed by the RRHA to cover:

- The cooperative charge under the cooperative occupancy agreement including payment for real estate taxes and public assessments on the home;
- Principal and interest on initial debt incurred to finance purchase of cooperative membership shares and any refinancing of such debt;
- Home insurance;
- The RRHA allowance for maintenance expenses;
- The RRHA allowance for costs of major repairs and replacements;
- The RRHA utility allowance for the home; and
- Principal and interest on debt incurred to finance major repairs, replacements or improvements for the home. If a member of the family is a person with disabilities, such debt may include debt incurred by the family to finance costs needed to make the home accessible for such person, if the RRHA determines that allowance of such costs as homeownership expenses is needed as a reasonable accommodation so that the homeownership option is readily accessible to and usable by such person.
- Cooperative operating charges or maintenance fees assessed by the cooperative homeowner association.

**15-VII.L. PORTABILITY [24 CFR 982.636, 982.637, 982.353(b) and (c), 982.552, 982.553]**

Subject to the restrictions on portability included in HUD regulations and RRHA policies, a family may exercise portability if the receiving PHA is administering a voucher homeownership program and accepting new homeownership families. The receiving PHA may absorb the family into its voucher program, or bill the initial PHA.

The family must attend the briefing and counseling sessions required by the receiving PHA. The receiving PHA will determine whether the financing for, and the physical condition of the unit, are acceptable. The receiving PHA must promptly notify the RRHA if the family has purchased an eligible unit under the program, or if the family is unable to purchase a home within the maximum time established by the RRHA.

**15-VII.M. MOVING WITH CONTINUED ASSISTANCE [24 CFR 982.637]**

A family receiving homeownership assistance may move with continued tenant-based

assistance. The family may move with voucher rental assistance or with voucher homeownership assistance. Continued tenant-based assistance for a new unit cannot begin so long as any family member holds title to the prior home.

The RRHA may deny permission to move to a new unit with continued voucher assistance:

- If the RRHA has insufficient funding to provide continued assistance.
- In accordance with 24 CFR 982.638, regarding denial or termination of assistance.
- In accordance with the RRHA 's policy regarding number of moves within a 12-month period.

The RRHA must deny the family permission to move to a new unit with continued voucher rental assistance if:

- The family defaulted on an FHA-insured mortgage;  
and
- The family fails to demonstrate that the family has conveyed, or will convey, title to the home, as required by HUD, to HUD or HUD's designee; and the family has moved, or will move, from the home within the period established or approved by HUD.

#### **15-VII.N. DENIAL OR TERMINATION OF ASSISTANCE [24 CFR 982.638]**

At any time, the RRHA may deny or terminate homeownership assistance in accordance with HCV program requirements in 24 CFR 982.552 (Grounds for denial or termination of assistance) or 24 CFR 982.553 (Crime by family members).

The RRHA may also deny or terminate assistance for violation of participant obligations described in 24 CFR Parts 982.551 or 982.633 and in accordance with its own policy.

The RRHA must terminate voucher homeownership assistance for any member of family receiving homeownership assistance that is dispossessed from the home pursuant to a judgment or order of foreclosure on any mortgage (whether FHA insured or non-FHA) securing debt incurred to purchase the home, or any refinancing of such debt.

## Chapter 4

### APPLICATIONS, WAITING LIST AND TENANT SELECTION

#### INTRODUCTION

When a family wishes to receive Section 8 HCV assistance, the family must submit an application that provides the RRHA with the information needed to determine the family's eligibility. HUD requires the RRHA to place all families that apply for assistance on a waiting list. When HCV assistance becomes available, the RRHA must select families from the waiting list in accordance with HUD requirements and RRHA policies as stated in the administrative plan and the annual plan.

The RRHA is required to adopt clear policies and procedures for accepting applications, placing families on the waiting list, selecting families from the waiting list and must follow these policies and procedures consistently. The actual order in which families are selected from the waiting list can be affected if a family has certain characteristics designated by HUD or the RRHA to justify their selection. Examples of this are the selection of families for income targeting and the selection of families that qualify for targeted funding.

HUD regulations require that all families have an equal opportunity to apply for and receive housing assistance, and that the RRHA affirmatively further fair housing goals in the administration of the program [24 CFR 982.53, HCV GB p. 4-1]. Adherence to the selection policies described in this chapter ensures that the RRHA will be in compliance with all relevant fair housing requirements, as described in Chapter 2.

This chapter describes HUD and RRHA policies for taking applications, managing the waiting list and selecting families for HCV assistance. The policies outlined in this chapter are organized into three sections, as follows:

Part I: The Application Process. This part provides an overview of the application process, and discusses how applicants can obtain and submit applications. It also specifies how the RRHA will handle the applications it receives.

Part II: Managing the Waiting List. This part presents the policies that govern how the RRHA's waiting list is structured, when it is opened and closed, and how the public is notified of the opportunity to apply for assistance. It also discusses the process the RRHA will use to keep the waiting list current.

Part III: Selection for HCV Assistance. This part describes the policies that guide the RRHA in selecting families for HCV assistance as such assistance becomes available. It also specifies how in-person interviews will be used to ensure that the RRHA has the information needed to make a final eligibility determination.

## **PART I: THE APPLICATION PROCESS**

### **4-I.A. OVERVIEW**

This part describes the RRHA's policies for making applications available, accepting applications, making preliminary determinations of eligibility, and the placement of applicants on the waiting list. This part also describes the RRHA's obligation to ensure the accessibility of the application process to elderly persons, people with disabilities, and people with limited English proficiency (LEP).

### **4-I.B. APPLYING FOR ASSISTANCE [HCV GB, pp. 4-11 – 4-16 Notice PIH 2009-36]**

Any family that wishes to receive HCV assistance must apply for admission to the program. HUD permits the RRHA to determine the format and content of HCV applications, as well how such applications will be made available to interested families and how applications will be accepted by RRHA. However, the RRHA must include Form HUD-92006, Supplement to Application for Federally Assisted Housing, as part of the RRHA's application.

#### RRHA Policy

Depending upon the length of time that applicants may need to wait to receive assistance, the RRHA may use a one- or two-step application process.

A one-step process will be used when it is expected that a family will be selected from the waiting list within 60 days of the date of application. At application, the family must provide all of the information necessary to establish family eligibility and level of assistance.

A two-step process will be used when it is expected that a family will not be selected from the waiting list for at least 60 days from the date of application. Under the two-step application process, the RRHA initially will require families to provide only the information needed to make an initial assessment of the family's eligibility, and to determine the family's placement on the waiting list. The family will be required to provide all of the information necessary to establish family eligibility and level of assistance when the family is selected from the waiting list.

RRHA has implemented a Web-Based Application System for its Housing Choice Voucher Program. With limited exceptions, all Preliminary Applications must be submitted electronically. The on-line Application can be accessed on RRHA's website [www.rkehousing.org](http://www.rkehousing.org) from any Internet capable device (personal computer, cell phone, tablet, etc.). For applicants without Internet access, RRHA will provide computer access at a number of Public Housing sites (listed below) where applications may be entered. Disabled, handicapped or other disadvantaged persons without Internet access or requiring special accommodations may contact the RRHA offices at 540-983-9281.

Lansdowne Park – 2624 Salem Turnpike NW  
 Indian Rock Village – 2034 Indian Village Lane, S.E.  
 Jamestown Place – 1533 Pike Lane, S.E.  
 Villages at Lincoln – 1801 Dunbar Street, N.W.

### PRELIMINARY APPLICATION UPDATES

After being placed in the Lottery Pool, applicants are responsible for reporting changes in family circumstances (addresses, income, family composition, etc.) electronically via the Applicant Information Update feature on the RRHA Website. This information will be used to re-evaluate the assignment of provisional Admission Preference Points. Failure to provide accurate information may result in failure to be added to the Wait List or to qualify for Voucher issuance.

### 4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS

#### **Elderly and Disabled Populations [24 CFR 8 and HCV GB, pp. 4-11 – 4-13]**

The RRHA must take a variety of steps to ensure that the application process is accessible to those people who might have difficulty complying with the normal, standard RRHA application process. This could include people with disabilities, certain elderly individuals, as well as persons with limited English proficiency (LEP). The RRHA must provide reasonable accommodation to the needs of individuals with disabilities. The application-taking facility and the application process must be fully accessible, or the RRHA must provide an alternate approach that provides full access to the application process. Chapter 2 provides a full discussion of the RRHA's policies related to providing reasonable accommodations for people with disabilities.

#### **Limited English Proficiency**

RRHA is required to take reasonable steps to ensure equal access to their programs and activities by persons with limited English proficiency [24 CFR 1]. Chapter 2 provides a full discussion on the RRHA's policies related to ensuring access to people with limited English proficiency (LEP).

### 4-I.D. PLACEMENT ON THE WAITING LIST

The RRHA must review each complete application received and make a preliminary assessment of the family's eligibility. The RRHA must accept applications from families for whom the list is open unless there is good cause for not accepting the application (such as denial of assistance) for the grounds stated in the regulations [24 CFR 982.206(b) (2)]. Where the family is determined to be ineligible, the RRHA must notify the family in writing [24 CFR 982.201(f)]. Where the family is not determined to be ineligible, the family will be placed on a waiting list of applicants.

No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list [24 CFR 982.202(c)].

#### **Ineligible for Placement on the Waiting List**

##### RRHA Policy

If the RRHA can determine from the information provided that a family is ineligible, the family will not be placed on the waiting list. Where a family is determined to be ineligible, the RRHA will send written notification of the ineligibility determination within 10 business days of the ineligibility determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal review and explain the process for doing so (see Chapter 16).

### **Eligible for Placement on the Waiting List**

The RRHA will send written notification of the preliminary eligibility determination within 10 business days after all applications have been entered onto the waitlist.

Placement on the waiting list does not indicate that the family is, in fact, eligible for assistance. A final determination of eligibility will be made when the family is selected from the waiting list.

Applicants will be placed on the waiting list using a lottery system. Once each application has been randomly assigned a number, the applications will be placed on the waiting list in order of the assigned numbers and according to RRHA preference(s).

## **PART II: MANAGING THE WAITING LIST**

### **4-II.A. OVERVIEW**

The RRHA must have policies regarding various aspects of organizing and managing the waiting list of applicant families. This includes opening the list to new applicants, closing the list to new applicants, notifying the public of waiting list openings and closings, updating waiting list information, purging the list of families that are no longer interested in or eligible for assistance, as well as conducting outreach to ensure a sufficient number of applicants.

In addition, HUD imposes requirements on how a PHA may structure its waiting list and how families must be treated if they apply for assistance from a PHA that administers more than one assisted housing program.

### **4-II.B. ORGANIZATION OF THE WAITING LIST [24 CFR 982.204 and 205]**

The RRHA's HCV waiting list must be organized in such a manner to allow the RRHA to accurately identify and select families for assistance in the proper order, according to the admissions policies described in this plan.

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

- Applicant name;
- Family unit size;
- Date and time of application;
- Qualification for any local preference;
- Racial or ethnic designation of the head of household.

#### RRHA Policy

The RRHA will maintain a single waiting list for the HCV program.

HUD directs that a family that applies for assistance from the HCV program must be offered the opportunity to be placed on the waiting list for any public housing, project-based voucher or moderate rehabilitation program the RRHA operates if 1) the other programs' waiting lists are open, and 2) the family is qualified for the other programs.

A family's decision to apply for, receive, or refuse other housing assistance must not affect the family's placement on the HCV waiting list, or any preferences for which the family may qualify.

RRHA Policy

The RRHA will not merge the HCV waiting list with the waiting list for any other program the RRHA operates.

**4-II.C. OPENING AND CLOSING THE WAITING LIST [24 CFR 982.206]**

**Closing the Waiting List**

RRHA Policy

The RRHA will close the waiting list when the estimated waiting period for housing assistance for applicants on the list reaches 12 months for the most current applicants. Where the RRHA has particular preferences or funding criteria that require a specific category of family, the RRHA may elect to continue to accept applications from these applicants while closing the waiting list to others.

The RRHA will accept applications for the HUD-Veteran's Affairs Supportive Housing (HUD-VASH) and the family unification program (FUP) based on the Veteran's Administration's or Department of Social Services referrals when the waiting list is closed to other applicants.

The RRHA will accept applications for the Fairshare Program based on referrals from the Blue Ridge Independent Living Center. Twenty-five Housing Choice Vouchers were allocated to the Blue Ridge Independent Living Center in this Annual Contributions Contract award.

The RRHA will accept applications/referrals for persons with intellectual or developmental disabilities who are in the target population of Virginia's Olmstead Settlement Agreement with the U.S. Department of Justice (DOJ) based on referrals from the Virginia Department of Behavioral Health and Developmental Services (DBHDS). DBHDS will be responsible for maintaining the waiting list for this target population. DBHDS will be responsible for verifying that individuals meet the preference before providing the referral to RRHA. Ten (10) Housing Choice Vouchers were set aside to provide housing assistance for this population.

**Reopening the Waiting List**

If the waiting list has been closed, it cannot be reopened until the RRHA publishes a notice in local newspapers of general circulation, minority media, and other suitable media outlets. The notice must comply with HUD fair housing requirements and must specify who may apply, and where and when applications will be received.

RRHA Policy

The RRHA will announce the reopening of the waiting list at least 10 business days prior to the date applications will first be accepted. If the list is only being reopened for certain categories of families, this information will be contained in the notice.

The RRHA will give public notice by publishing the relevant information in suitable media outlets and other organizations including, but not limited to:

*Roanoke Times, Roanoke Tribune, Public Service Announcements on local radio stations, Department of Social Services, Total Action Against Poverty, Salvation Army, Rescue Mission, RAM House, Trust, Public Service Announcements on the government access cable channel, Blue Ridge Center for Independent Living and Blue Ridge Behavioral Health Care*

#### **4-II.D. FAMILY OUTREACH [HCV GB, pp. 4-2 to 4-4]**

The RRHA must conduct outreach as necessary to ensure that the RRHA has a sufficient number of applicants on the waiting list to use the HCV resources it has been allotted.

Because HUD requires the RRHA to serve a specified percentage of extremely low income families (see Chapter 4, Part III), the RRHA may need to conduct special outreach to ensure that an adequate number of such families apply for assistance [HCV GB, p. 4-20 to 4-21].

RRHA outreach efforts must comply with fair housing requirements. This includes:

- Analyzing the housing market area and the populations currently being served to identify underserved populations
- Ensuring that outreach efforts are targeted to media outlets that reach eligible populations that are underrepresented in the program
- Avoiding outreach efforts that prefer or exclude people who are members of a protected class

RRHA outreach efforts must be designed to inform qualified families about the availability of assistance under the program. These efforts may include, as needed, any of the following activities:

- Submitting press releases to local newspapers, including minority newspapers
- Developing informational materials and flyers to distribute to other agencies
- Providing application forms to other public and private agencies that serve the low income population
- Developing partnerships with other organizations that serve similar populations, including agencies that provide services for persons with disabilities

#### **RRHA Policy**

The RRHA will monitor the characteristics of the population being served and the characteristics of the population as a whole in the RRHA's jurisdiction. Targeted outreach efforts will be undertaken if a comparison suggests that certain populations are being underserved.

#### **METHOD FOR PLACEMENT ON THE WAITING LIST**

RRHA will use a lottery system to select and place families on the waiting list. Applications will be accepted for a designated period of time as specified in the announcement notice. After applications are no longer being accepted, a random computerized process will determine the position of each applicant. The number of

applicants selected for the list will be based on the number of families required to achieve a waiting list adequate to cover the next one to two years.

#### **4-II.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES**

##### RRHA Policy

While the family is on the waiting list, the family must immediately inform the RRHA of changes in contact information, including current residence, mailing address, and phone number. The changes must be submitted in writing. The RRHA encourages the applicants to use RRHA's web based waitlist program and provide all updates on line.

#### **4-II.F. UPDATING THE WAITING LIST [24 CFR 982.204]**

HUD requires the RRHA to establish policies to use when removing applicant names from the waiting list.

##### **Purging the Waiting List**

The decision to withdraw an applicant family that includes a person with disabilities from the waiting list is subject to reasonable accommodation. If the applicant did not respond to a RRHA request for information or updates, and the RRHA determines that the family did not respond because of the family member's disability, the RRHA must reinstate the applicant family to their former position on the waiting list [24 CFR 982.204(c)(2)].

##### RRHA Policy

The waiting list will be updated annually to ensure that all applicants and applicant information is current and timely.

To update the waiting list, the RRHA will send an update request via first class mail to each family on the waiting list to determine whether the family continues to be interested in, and to qualify for, the program. This update request will be sent to the last address that the RRHA has on record for the family. The update request will provide a deadline by which the family must respond and will state that failure to respond will result in the applicant's name being removed from the waiting list. The family's response must be in writing and may be delivered in person, by mail, or by fax. Responses should be postmarked or received by the RRHA no later than 30 calendar days from the date of the RRHA letter.

If the family fails to respond within 30 calendar days, the family will be removed from the waiting list without further notice.

If the notice is returned by the post office with no forwarding address, the applicant will be removed from the waiting list without further notice.

If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated. The family will have 30 calendar days to respond from the date the letter was re-sent.

If a family is removed from the waiting list for failure to respond, Housing Choice Voucher Director may reinstate the family if s/he determines the lack of response was due to RRHA error, or to circumstances beyond the family's control.

## **Removal from the Waiting List**

### RRHA Policy

If at any time an applicant family is on the waiting list, the RRHA determines that the family is not eligible for assistance (see Chapter 3); the family will be removed from the waiting list.

If a family is removed from the waiting list because the RRHA has determined the family is not eligible for assistance, a notice will be sent to the family's address of record. The notice will state the reasons the family was removed from the waiting list and will inform the family how to request an informal review regarding the RRHA's decision (see Chapter 16) [24 CFR 982.201(f)].

## **PART III: SELECTION FOR HCV ASSISTANCE**

### **4-III.A. OVERVIEW**

As vouchers become available, families on the waiting list must be selected for assistance in accordance with the policies described in this part.

The order in which families receive assistance from the waiting list depends on the selection method chosen by the RRHA and is impacted in part by any selection preferences for which the family qualifies. The availability of targeted funding also may affect the order in which families are selected from the waiting list.

The RRHA must maintain a clear record of all information required to verify that the family is selected from the waiting list according to the RRHA's selection policies [24 CFR 982.204(b) and 982.207(e)].

#### **Program Admission**

RRHA may admit an applicant to the program either:

- 1) As a HUD Special Admission, or
- 2) As a lottery admission, or
- 3) As a participant porting in from another housing authority.

### **4-III.B. SELECTION AND HCV FUNDING SOURCES**

#### **Special Admissions [24 CFR 982.203]**

A Special Admission is admission of an applicant that is not in the RRHA Section 8 lottery pool, or without considering the applicant's position in the lottery pool. HUD may award funding for specifically-named families living in specified types of units (e.g., a family that is displaced by demolition of public housing; a non-purchasing family residing in a

HOPE 1 or 2 projects). In these cases, the RRHA may admit families that are not in RRHA lottery pool, or without considering the family's lottery pool position. These families are considered non-waiting list admissions. The RRHA must maintain records showing that such families were admitted with special program funding.

### **Targeted Funding [24 CFR 982.204(e)]**

HUD may award a PHA funding for a specified category of families on the waiting list. The PHA must use this funding only to assist the families within the specified category. In order to assist families within a targeted funding category, the RRHA may skip families that do not qualify within the targeted funding category. Within this category of families, the order in which such families are assisted is determined according to the policies provided in Section 4-III.C.

#### RRHA Policy

The RRHA administers the following types of targeted funding:

*Fairshare, HUD-VASH, Family Unification Program and Mainstream Housing Choice Voucher*

### **Regular HCV Funding**

Regular HCV funding may be used to assist any eligible family on the waiting list. Families are selected from the waiting list according to the policies provided in Section 4-III.C.

### **4-III.C. SELECTION METHOD**

The RRHA must describe the method for selecting applicant families from the waiting list, including the system of admission preferences that the RRHA will use [24 CFR 982.202(d)].

#### **Local Preferences [24 CFR 982.207; HCV p. 4-16]**

Any local preferences established must be consistent with the RRHA plan and the consolidated plan, and must be based on local housing needs and priorities that can be documented by generally accepted data sources.

#### RRHA Policy

- Applicants who are entitled to a preference include:
- Families involuntarily displaced due to owner action, natural disaster, or government action
- Elderly/ Disabled Family
- Intellectual Disabilities (ID)/Developmental Disability (DD) preference, Olmstead DOJ Settlement Program SET-A SIDE 10 VOUCHERS Persons with intellectual or developmental disabilities who are in the target population of Virginia's Olmstead Settlement Agreement with DOJ; 10 HCV Vouchers are set-aside to serve individuals meeting this preference.

RRHA will provide a set aside of 10 vouchers specifically for those who meet the ID/DD preference for the period July 1, 2015 – June 30, 2016. Future set-asides will be determined if funding permits and the original 10 vouchers are utilized/leased.

### **Income Targeting Requirement [24 CFR 982.201(b) (2)]**

HUD requires that extremely low-income (ELI) families make up at least 75 percent of the families admitted to the HCV program during the RRHA's fiscal year. ELI families are those with annual incomes at or below the federal poverty level or 30 percent of the area median income ~~Whichever~~whichever number is higher. To ensure this requirement is met, the RRHA may skip non-ELI families on the waiting list in order to select an ELI family.

Low income families admitted to the program that are "continuously assisted" under the 1937 Housing Act [24 CFR 982.4(b)], as well as low-income or moderate-income families admitted to the program that are displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing, are not counted for income targeting purposes [24 CFR 982.201(b)(2)(v)].

#### RRHA Policy

The RRHA will monitor progress in meeting the ELI requirement throughout the fiscal year. Extremely low-income families will be selected ahead of other eligible families on an as-needed basis to ensure the income targeting requirement is met.

### **Order of Selection**

**The RRHA system of preferences may select families either according to the date and time of application, or by a random selection process (lottery) [(24 CFR 982.207(c)]. When selecting families from the waiting list RRHA is required to use targeted funding to assist only those families who meet the specified criteria, and RRHA is not permitted to skip down the waiting list to a family that it can afford to subsidize when there are not sufficient funds to subsidize the family at the top of the waiting list [24 CFR 982.204(d) and (e)].**

#### RRHA Policy

*Families will be selected from the waiting list based on the targeted funding or selection preference(s) for which they qualify, and in accordance with the RRHA's hierarchy of preference(s), if applicable. Applicants are selected from the waitlist based on the highest ranking of preference points. If an applicant qualifies for more than one preference, their combined preference points will rank the applicant higher than an applicant with only one preference. Within each preference category, applicants will be selected based on their randomly assigned lottery number including any preference, if applicable.*

*Once applicants with preferences are served, applicants that do not qualify for a preference will be selected on a first-come, first-served basis according to the date and time their complete application is received. (Revised definition 5/20/08)*

Families that qualify for a specified category of program funding (targeted funding) may be selected from the waiting list ahead of higher placed families that do not qualify for the targeted funding. Selected applicants are randomly assigned a lottery number. Applicants will be placed on the waiting list in order of their assigned lottery number and according to RRHA preference. The RRHA will not skip down the waiting list to a family that it can afford to subsidize when there are funds to subsidize the family at the

top of the waiting list. Documentation will be maintained by the RRHA as to whether families on the list qualify for and are interested in targeted funding. If a higher placed family on the waiting list is not qualified or not interested in targeted funding, there will be a notation maintained so that the RRHA does not have to ask higher placed families each time targeted selections are made.

An applicant family referred by the Blue Ridge Independent Living Center to fill a vacant slot of their Fairshare Program allocation (25 vouchers) will be accepted on a one on one basis for purposes of determining eligibility for program admission. Families selected to fill these vacant slots are not selected from the HCV waitlist.

#### RRHA Housing Choice Voucher Olmstead DOJ Settlement Program

In order to address the needs of persons who are in the target population of Virginia's Olmstead Settlement Agreement with the Department of Justice, RRHA will set aside 10 vouchers from its existing pool to serve those individuals who meet the Olmstead Settlement Agreement criteria. Selection policies have been revised to reflect addition of the preference for this specialized population. Additional set-asides for this population in the future will be determined based on need and available funding.

The set-aside will be carved out of the current allocation of funds for the voucher program, and the set-aside will be monitored and administered by RRHA. Due to the requirements of Virginia's Settlement Agreement with ODJ, portability of these vouchers will require coordination with the Virginia DBHDS.

RRHA will receive referrals for individuals who meet the preference from ~~Eric Leabough of the~~ Virginia Department of Behavioral Health and Developmental Services (DBHDS), in cooperation with ~~our~~ the local community based organization Blue Ridge Behavioral Healthcare (BRBH). DBHDS will be responsible for maintaining the waiting list for this target population. DBHDS will be responsible for verifying that individuals meet the preference before providing the referral to RRHA.

Referrals will be sent to the RRHA HCV Manager. Once received, the HCV manager will contact the individual to set up an appointment to determine HCV Program eligibility per HUD guidelines.

Once eligibility is determined, the individual will be issued a voucher for a minimum of 120 days. The participant will be responsible for locating appropriate housing of his/her choice. It will be up to the individual to locate appropriate housing of their choice.

In addition, RRHA may set aside up to 20% of its regular vouchers for programs designed to serve special needs populations and other project based vouchers. Generally these vouchers will be used in conjunction with service providers and will be designed to target housing services with other community based services. Recommendation for specific set-aside voucher programs will be made by the Executive Director and approved by the Board of Commissioners. The Board of Commissioners approval will include the definitions of who is eligible to participate in the program, organization(s) that will work with RRHA to manage the vouchers and assist the participants and the specific number of vouchers that will be made available. At least annually,

RRHA and the service provider organization will evaluate the effectiveness of the set-aside voucher program to determine if the program is having the desired impact and if it should be continued. If it is determined that the program will not be continued, current voucher holders will be folded into the regular RRHA HCV program.

#### **4-III.D. NOTIFICATION OF SELECTION**

##### RRHA Policy

The RRHA will notify the family by first class mail when it is selected from the waiting list. The notice will inform the family of the following:

- Date, time, and location of the scheduled application interview, including any procedures for rescheduling the interview

- Who is required to attend the interview

- All documents that must be provided at the interview, including information about what constitutes acceptable documentation

- Other documents and information that should be brought to the interview

If a notification letter is returned to the RRHA with no forwarding address, the family will be removed from the waiting list. A notice of denial (see Chapter 3) will be sent to the family's address of record, as well as to any known alternate address.

#### **4-III.E. THE APPLICATION INTERVIEW**

HUD recommends that the PHA obtain the information and documentation needed to make an eligibility determination through a face-to-face interview with a PHA representative. Being invited to attend an interview does not constitute admission to the program [HCV GB, pg. 4-16].

Assistance cannot be provided to the family until all SSN documentation requirements are met. However, if the RRHA determines that an applicant family is otherwise eligible to participate in the program, the family may retain its place on the waiting list for a period of time determined by the RRHA [Notice PIH 2012-10].

Reasonable accommodation must be made for persons with disabilities who are unable to attend an interview due to their disability.

##### RRHA Policy

The head of household or spouse/cohead will be strongly encouraged to attend the interview together. However, either the head of household or the spouse/cohead may attend the interview on behalf of the family. Verification of information pertaining to adult members of the household not present at the interview will not begin until signed release forms are returned to the RRHA. The head of household or spouse/cohead must provide acceptable documentation of legal identity. (Chapter 7 provides a discussion of proper documentation of legal identity). If the family representative does

not provide the required documentation at the time of the interview, he or she will be required to provide it within 10 business days.

Pending disclosure and documentation of social security numbers, the RRHA will allow the family to retain its place on the waiting list for 30 days. If all household members have not disclosed their SSN's at the next time the RRHA is issuing voucher, the RRHA will issue a voucher to the next eligible applicant family on the waiting list.

The family must provide the information necessary to establish the family's eligibility and determine the appropriate level of assistance, as well as completing required forms, providing required signatures, and submitting required documentation. If any materials are missing, the RRHA will provide the family with a written list of items that must be submitted.

Any required documents or information that the family is unable to provide at the interview must be provided within 10 business days of the interview (Chapter 7 provides details about longer submission deadlines for particular items, including documentation of Social Security numbers and eligible noncitizen status). If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial (See Chapter 3).

An advocate, interpreter, or other assistant may assist the family with the application and the interview process.

Interviews will be conducted in English. For limited English proficient (LEP) applicants, the RRHA will provide translation services in accordance with the RRHA's LEP plan.

If the family is unable to attend a scheduled interview, the family must contact the RRHA in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend a scheduled interview, the RRHA will send another notification letter with a new interview time. Applicants who fail to attend two scheduled interviews without RRHA approval will be denied assistance based on the family's failure to supply information needed to determine eligibility. A notice of denial will be issued in accordance with policies contained in Chapter 3.

#### **4-III.F. COMPLETING THE APPLICATION PROCESS**

The RRHA must verify all information provided by the family (see Chapter 7). Based on verified information, the RRHA must make a final determination of eligibility (see Chapter 3) and must confirm that the family qualified for any special admission, targeted admission, or selection preference that affected the order in which the family was selected from the waiting list.

##### RRHA Policy

If the RRHA determines that the family is ineligible, the RRHA will send written notification of the ineligibility determination within 10 business days of the determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal review (Chapter 16).

If a family fails to qualify for any criteria that affected the order in which it was selected from the waiting list (e.g. targeted funding, extremely low-income), the family will be

returned to its original position on the waiting list. The RRHA will notify the family in writing that it has been returned to the waiting list, and will specify the reasons for it.

If the RRHA determines that the family is eligible to receive assistance, the RRHA will invite the family to attend a briefing in accordance with the policies in Chapter 5.

Policy No. 810

Date: December 20, 1996

Revised: 07/01/11, 08/01/2015

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## **EMPLOYEE SEPARATION**

### I. PURPOSE

To ensure timely and accurate processing of employees who are being removed from RRHA's payroll, consistent with positive employee relations practices.

### II. SCOPE

This policy applies to all full-time, part-time, and temporary employees for all positions of RRHA.

### III. POLICY

It is the policy of RRHA to ensure that employee terminations, including voluntary and involuntary terminations, are handled in a professional manner with minimal disruption to ongoing operations.

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

#### DEFINITIONS

The categories of separation and their definitions are:

#### A. Resignation. A voluntary separation, including:

1. Resignation (employees are required to give written notice for the timeframe designated according to the classification of position in which the employee held at the time of resignation).
2. An absence of three or more consecutive working days without notice to the Authority. (See Policy No. 413, Attendance Control).
3. Failure to return from leave of absence as arranged with the Authority.
4. Failure to return from reduction-in-force upon recall. (See Policy No. 811, Reduction- in-Force and Recall.)

#### B. Release. A separation in which the employee is not qualified or adapted for the type of work assigned and no other assignment is available. Release usually results from no fault of the employee. Employees who are unable to perform satisfactorily during the initial period of employment will be considered as released.

#### C. Deceased. The death of an employee in active employment or reduction-in-force.

#### D. Retirement. A voluntary separation which usually includes qualification for benefits under RRHA's Retirement Plan.

#### E. Reduction in Force. (Also see Policy No. 811, Reduction-in-Force and Recall.)

1. Temporary Reduction. Work is no longer available but recall is expected within

12 months.

2. Permanent Reduction. Work is no longer available. Recall is not expected (job eliminated, contract expired, department closed, etc.).

- F. Discharge. A separation in which the employee is removed from the payroll for violation of employee standards of conduct or safety regulations, unsatisfactory job performance, or any other reason deemed by the Authority to warrant discharge. The decision to dismiss an employee is the sole responsibility of the Authority, subject only to the Employee Grievance Procedure.

Discharged employees may or may not be given notice depending on the circumstances surrounding the termination. With the exception of those situations noted below, employees who are involuntarily separated from RRHA are not eligible for payout of their PTO balance.

Exceptions include:

- Reductions-in-Force
- Serious Health Condition (as defined by FMLA)
- Exhaustion of FMLA
- Workers' Compensation
- Death
- Exceptions approved by the Executive Director

Employees who meet the exception criteria will be paid out their full PTO balance at time of separation.

Written notice of a dismissal action will include appropriate notice of all grievance times and rights for eligible employees.

## PROCESS

- A. Resignation. Employees voluntary resigning must provide a notice in writing to their supervisor according to position classification :

4 Weeks Required Notice; Exempt and Management positions

2 Weeks Required Notice: Non-Exempt positions

Employees who separate voluntarily from employment with RRHA will be paid for the balance of unused PTO, to a maximum of 75 hours.

To qualify for payment of unused PTO, the employee voluntarily departing RRHA must work at least the required notice period, without interruption, directly prior to separation. No Leave, either approved or unapproved, may be taken during the time the employee works his/her notice.

In the event it is in the Authority's best interest for an employee not to work the required notice after it is given, the Executive Director may approve payment for the notice period in addition to applicable leave balances.

Supervisors are responsible for forwarding to HR the resignation notice for filing in the employee's permanent record.

- B.. Notice to Employee. There are no requirements for advance notice to employees upon separation.
- C.. Pay in Lieu of Notice. Where a future date is established for separation, immediate

removal from duties may occasionally be desirable to minimize the adverse effect on other employees or to allow the separated employee to seek new employment. In such cases, up to two weeks pay may be provided in lieu of notice. The prior approval of the Executive Director and acknowledgment by the Human Resources Director must be secured by the supervisor.

- D. Management Approvals. When an employee is released, separated due to a reduction-in-force, or discharged, written approvals will be required from two levels of management above the employee, in addition to the acknowledgment of the Executive Director.
- E. Change in Status. Human Resources is responsible for preparing the Change of Status form and designating the appropriate separation code. This form is forwarded to the Finance Department.
- F. Return of Authority-Owned Items. Prior to the last day of work, the supervisor must obtain all Authority-owned equipment, keys, uniforms, etc. from the separated employee. The employee handbook and/or supervisor's policy and procedure manual should also be returned at this time.
- G. Exit Interview. Separated employees, will be referred to the Human Resources Department for an exit interview before their last day of work. (See Policy No. 820, Exit Interviews.)
- H. Employment References for Separated Employees. Refer to Policy No. 040, Personnel Records and Privacy.

#### V. BENEFIT ELIGIBILITY

Generally, when an employee is separated, benefit credits are lost (beyond those paid for at the time of termination), with these exceptions:

- A. Reduction-in-Force. Refer to Policy Nos. 811 and 830.
- B. Vested Rights Under the Retirement Plan. General provisions of benefit credit are specified in the summary plan description available from the Human Resources Department.
- C. Health and Life Insurance Benefits. Health Insurance continuation of coverage is available under the Consolidated Omnibus Budget Reconciliation Act (COBRA) to those employees enrolled in RRHA health benefits at the time of separation. Employees enrolled in the Group Life insurance benefit at the time of separation are eligible to continue coverage through the Individual Life Conversions in accord the Group Life Insurance Policy. See Policy No 350 and the Group Life Insurance Policy available through Human Resources.
- D. Personal Time Off. Refer to Policy No. 311, Personal Time Off.

Policy No. 810  
 Date: December 20, 1996  
 Revised: 5/23/11 – Effective 07/01/11  
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## **EMPLOYEE SEPARATION**

### I. PURPOSE

To ensure timely and accurate processing of employees who are being removed from the Authority payroll, consistent with positive employee relations practices.

### II. SCOPE

This policy applies to employees at all Authority offices and facilities.

### III. DEFINITIONS

The categories of separation and their definitions are:

- A. Resignation. A voluntary separation, including:
  1. Resignation (employees are requested to give two weeks written notice).
  2. An absence of three or more consecutive working days without notice to the Authority. (See Policy No. 413, Attendance Control).
  3. Failure to return from leave of absence as arranged with the Authority.
  4. Failure to return from reduction-in-force upon recall. (See Policy No. 811, Reduction- in-Force and Recall.)
- B. Release. A separation in which the employee is not qualified or adapted for the type of work assigned and no other assignment is available. Release usually results from no fault of the employee. Employees who are unable to perform satisfactorily during the initial period of employment will be considered as released.
- C. Deceased. The death of an employee in active employment or reduction-in-force.
- D. Retirement. A voluntary separation which usually includes qualification for benefits under the Authority's Retirement Plan and 401(K) plan.
- E. Reduction in Force. (Also see Policy No. 811, Reduction-in-Force and Recall.)
  1. Temporary Reduction. Work is no longer available but recall is expected within 12 months.
  2. Permanent Reduction. Work is no longer available. Recall is not expected (job eliminated, contract expired, department closed, etc.).
- F. Discharge. A separation in which the employee is removed from the payroll for violation of employee standards of conduct or safety regulations, unsatisfactory job performance, or any other reason deemed by the Authority to warrant discharge. The decision to dismiss an employee is the sole responsibility of the Authority, subject only to the Employee Grievance Procedure.

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Discharged employees may or may not be given notice depending on the circumstances surrounding the termination. With the exception of those situations noted below, employees who are involuntarily separated from RRHA are not eligible for payout of their PTO balance.

Exceptions include:

- Reductions-in-Force
- Serious Health Condition (as defined by FMLA)
- Exhaustion of FMLA
- Workers' Compensation
- Death
- Exceptions approved by the Executive Director

Employees who meet the exception criteria will be paid out their full PTO balance at time of separation.

Written notice of a dismissal action will include appropriate notice of all grievance times and rights for eligible employees.

#### IV. PROCEDURE

- A. Notice to Employee. There are no requirements for advance notice to employees upon separation.
- B. Pay in Lieu of Notice. Where a future date is established for separation, immediate removal from duties may occasionally be desirable to minimize the adverse effect on other employees or to allow the separated employee to seek new employment. In such cases, up to two weeks pay may be provided in lieu of notice. The prior approval of the Executive Director and acknowledgment by the Human Resources Director must be secured by the supervisor.
- C. Management Approvals. When an employee is released, separated due to a reduction-in-force, or discharged, written approvals will be required from two levels of management above the employee, in addition to the acknowledgment of the Executive Director.
- D. Change in Status. Human Resources is responsible for preparing the Change of Status form and designating the appropriate separation code. This form is forwarded to the Finance Department.
- E. Resignation. An employee who resigns, with or without notice, will be asked immediately by the supervisor to complete a voluntary resignation form. The completed notice will be forwarded to the Human Resources for filing in the employee's permanent record.

Employees are requested to give a 2 week advanced written notice for resignations. At the time of separation, employees who separate voluntarily from employment with RRHA will be paid for the balance of unused PTO, to a maximum of 75 hours.

To qualify for payment of unused PTO, the employee voluntarily departing RRHA must work at least a full two week notice, without interruption, directly prior to separation. No Leave, either approved or unapproved, may be taken during the time the employee works his/her notice.

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In the event it is in the Authority's best interest for an employee not to work the 2 weeks after notice is given, the Executive Director may pay out the balance of the notice in addition to their regular earned time and any unused Personal Time Off.

- F. Return of Authority-Owned Items. Prior to the last day of work, the supervisor must obtain all Authority-owned equipment, keys, uniforms, etc. from the separated employee. The employee handbook and/or supervisor's policy and procedure manual should also be returned at this time.
- G. Exit Interview. Separated employees, whether voluntary or involuntary, will be referred to the Human Resources Director for an exit interview before their last day of work. (See Policy No. 820, Exit Interviews.)
- H. Employment References for Separated Employees. Refer to Policy No. 040, Personnel Records and Privacy.

#### V. BENEFIT ELIGIBILITY

Generally, when an employee is separated, benefit credits are lost (beyond those paid for at the time of termination), with these exceptions:

- A. Reduction-in-Force. Refer to Policy Nos. 811 and 830.
- B. Vested Rights Under the Retirement Plan and 401(K) Plan. General provisions of benefit credit are specified in the summary plan description available from the Finance Department.
- C. Health and Life Insurance Benefits. Extended coverage and conversion privileges of the health and life insurance benefit plan is provided in accordance with conditions outlined in the booklet, "Health Benefit Plans," available in the Finance Department.
- D. Personal Time Off. Refer to Policy No. 311, Personal Time Off.