

Sioux Falls Housing and Redevelopment Commission

CONTINUUM OF CARE ADMINISTRATIVE PLAN

Adopted February 7, 2024

TABLE OF CONTENTS

CHAPTER 1: THE CONTINUUM OF CARE PROGRAM

Introduction

Part 1: Sioux Falls Housing and Redevelopment Commission

Part 2: The CoC Program

Part 3: The CoC Program Administrative Plan and Policy Manual

CHAPTER 2: FAIR HOUSING AND EQUAL OPPORTUNITY

Introduction

Part 1: Nondiscrimination

Part 2: Policies Related to Persons with Disabilities

Part 3: Improving Access to Services for Persons with Limited English Proficiency (LEP)

CHAPTER 3: ELIGIBILITY

Introduction

Part 1: Definitions of Family and Household Members

Part 2: Basic Eligibility Criteria

Part 3: Denial of Assistance

Part 4: Homeless Verification and Recordkeeping

CHAPTER 4: APPLICATIONS AND WAITING LIST

Introduction

Part 1: The Screening Process

Part 2: Assessment Process

Part 3: Referral and Housing Placement

CHAPTER 5: BRIEFINGS AND RENT SUBSIDY ISSUANCE

Introduction

Part 1: Briefings and Family/Household Obligations

Part 2: Subsidy Standards and Rental Assistance Payment Issuance

CHAPTER 6: INCOME AND SUBSIDY DETERMINATIONS

Introduction

Part 1: Annual Income

Part 2: Adjusted Income

Part 3: Calculating Household Share and SFHRC RAP

CHAPTER 7: VERIFICATION

Introduction

Part 1: General Verification Requirements

Part 2: Verifying Household Information

Part 3: Verifying Income and Assets

Part 4: Verifying Mandatory Deductions

CHAPTER 8: HOUSING QUALITY STANDARDS AND RENT REASONABLENESS

Introduction

Part 1: Physical Standards

Part 2: The Inspection Process

Part 3: Rent Reasonableness

CHAPTER 9: GENERAL LEASING POLICIES

Introduction

Part 1: General Leasing

CHAPTER 10: REEXAMINATIONS

Introduction

Part 1: Annual Reexaminations

Part 2: Interim Reexaminations

Part 3: Recalculating Household Share and Subsidy Amount

CHAPTER 11: TERMINATION OF ASSISTANCE AND TENANCY

Introduction

Part 1: Grounds for Termination of Assistance

Part 2: Approach to Termination of Assistance

Part 3: Termination of Tenancy by the Owner

CHAPTER 12: PROGRAM ADMINISTRATION

Introduction

Part 1: Setting Program Standards and Schedules

Part 2: Informal Reviews and Hearings

Part 3: Matching Requirements

Part 4: Record Keeping

Part 5: Reporting and Record Keeping for Children with Environmental Intervention Blood Lead Level

Part 6: Determination of Insufficient Funding

Part 7: Violence Against Women Act (VAWA): Notification, Documentation, Confidentiality

Part 8: Continuum of Care, Responsibilities and General Operations

APPENDIX A – Determination of Chronic Homelessness

APPENDIX B – Determining Rent Reasonableness

APPENDIX C – Request for Tenancy Approval

APPENDIX D – Supportive Services and Service Verification

APPENDIX E – Match Documentation

CHAPTER 1: THE CONTINUUM OF CARE PROGRAM

Introduction

The Sioux Falls Housing & Redevelopment Commission (SFHRC) administers US Housing and Urban Development's (HUD) rental assistance programs, including the Continuum of Care (CoC) Permanent Supportive Housing programs (PHS), within the city limits of Sioux Falls, SD. SFHRC is a public body corporate politic established under South Dakota Codified law and is a component unit of the city of Sioux Falls.

This Chapter contains information about SFHRC, and the purpose, intent and use of the CoC Administrative Plan ("Plan") in administering CoC Program funds in support of ending homelessness in Sioux Falls, SD.

SFHRC administers three CoC PHS grants for special populations: two grants are targeted to persons who are chronically homeless and severely mentally ill; the third grant is targeted to chronically homeless, single individuals who suffer from substance abuse.

Part 1: Sioux Falls Housing & Redevelopment Commission

1.1.A Overview of SFHRC

SFHRC was formed in 1969 to administer housing programs for the City of Sioux Falls, SD. SFHRC is a separate legal entity and contracts with HUD to implement and administer federally funded rental assistance programs.

The mission of SFHRC is to improve the quality of life for the Sioux Falls community, especially its lower income residents, by administering housing assistance payments programs, promoting the development of affordable, decent and safe housing opportunities, and encouraging economic self-sufficiency in a non-discriminatory manner.

Working in partnership with other governmental entities, non-profit agencies and the private sector SFHRC combines rental assistance with economic opportunity to encourage self-sufficiency, skill enhancement and independence.

SFHRC administers rent assistance funds for homeless and low-income households through various publicly-funded programs, and also creates affordable housing opportunities in the community for low income households.

Organization and Structure of SFHRC

The official governing body of SFHRC is the Board of Commissioners ("Board"). The Board's authority includes legislative, policy, fiscal matters, and designation of a Board-appointed Executive Director.

The Executive Director reports to the Board and manages SFHRC's daily operations to include fiscal management, policies, and agency staff supervision in support of the SFHRC's mission.

The Special Programs Coordinator, who is responsible for the day-to day administration of the Continuum of Care (CoC) Permanent Supportive Housing (PSH) program, reports to the Executive Director. The Special Program Coordinator's duties include:

- Determining participant eligibility after referral from partner agencies;
- Entering and maintaining data in the Homeless Management Information System (HMIS);
- Briefing applicants on how the PHS works, participant responsibilities, locating a unit that qualifies for the

program, etc;

- Assisting applicants negotiate leases, securing signatures on necessary forms,
- Conducting annual recertifications for continued participation in the program; and
- Assisting with completion of reports and grant applications.

1.1.B Commitment to Ethics and Service

SFHRC is committed to providing excellent service to program participants, households, and property owners in the community. SFHRC's standards include:

- Administer applicable federal and state laws and regulations to achieve high ratings in compliance measurement indicators while maintaining efficiency in program operation to ensure fair and consistent treatment of clients served.
- Provide decent, safe and sanitary housing – in compliance with program housing quality standards – for low income households while ensuring that rents are fair, reasonable, and affordable.
- Encourage self-sufficiency of program participants and assist in the expansion of family opportunities which address educational, socio-economic, and other human service needs.
- Promote fair housing and the opportunity for very low-income households of all ethnic backgrounds to experience freedom of housing choice.
- Promote a housing program which maintains quality service and integrity while providing an incentive to private property owners to rent to very low-income households.
- Promote a market-driven housing program that will help qualified low-income households be successful in obtaining affordable housing and increase the supply of housing choices for such households.
- Create positive public awareness and expand the level of family, owner, and community support in accomplishing SFHRC's mission.
- Attain and maintain a high level of standards and professionalism in day-to-day management of all program components.
- Administer an efficient, high-performing agency through continuous improvement of SFHRC's support systems.

Part 2: The CoC Program

1.2.A Overview of the McKinney-Vento Homeless Assistance Act

The intent of this section is to provide the public and SFHRC staff with information related to the overall operation of the McKinney-Vento Homeless Assistance Act ("Act") funded programs. The federally funded homeless program administered by SFHRC under the Act is:

- Continuum of Care Program Permanent Supportive Housing

The Act of 1987 is a United States federal law that provides federal money for homeless programs. It was the first significant federal legislative response to homelessness and was passed and signed into law by President Ronald Reagan on July 22, 1987. The Act has been reauthorized several times over the years.

On May 20, 2009, President Barrack Obama signed into law a bill to reauthorize the Act. The bill was included as part of the Helping Households Save Their Homes Act. The McKinney-Vento reauthorization under the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act:

- Creates homeless definitions that broaden the population of persons who can be served by federally-funded homeless assistance programs;
- Replaces the Emergency Shelter Grant with a new Emergency Solutions Grant that provides more flexible

- funding to include prevention of homelessness;
- Legislates implementation of Homeless Management Information System (HMIS) Data Standards; and
- Codifies the Continuum of Care (CoC) model and provides federal funding for a new CoC Program that provides housing opportunities to homeless households.

1.2.B Continuum of Care (CoC) Program

SFHRC will administer the Act grant funds through collaborative community planning, and administration of federally funded programs with community-based provider agencies.

The purpose of the CoC Program is to:

- Promote community-wide commitment to preventing and ending homelessness through a coordinated and comprehensive community planning process;
- Rapidly re-house homeless people;
- Promote access to and effective utilization of mainstream programs;
- Optimize self-sufficiency among people experiencing homelessness; and
- Implement a HMIS that provider agencies use to track unduplicated client data records for analysis on homeless demographics, planning of housing and service needs, and preparing reports on project and system outcomes.

1.2.C Availability of Supportive Services – Continuum of Care Program

As part of the requirements of the Continuum of Care Program, the SFHRC will partner with area agencies to make available the necessary, qualifying supportive services as per 24 CFR § 578.53. In regards to supportive services for permanent supportive service housing projects (i.e. Safe Home), such projects must provide supportive services for the residents to enable them to live as independently as is practicable throughout the duration of their residence in the project.

As part of the Housing First Model, supportive services are made available to CoC program participants by partnering agencies and an annual review of those qualified supportive services accessed by program participants will be made by the SFHRC in coordination with the partnering agencies. Verification of supportive services must be provided on an annual basis to the SFHRC by partnering agencies no later than 30 days after the expiration of a particular CoC grant term.

Part 3: The CoC Program Administrative Plan and Policy Manual

1.3.A. Overview and Purpose of the Plan

The Administrative Plan (“Plan”) is set forth to define the operational responsibilities of SFHRC for administering CoC Program funds in context of federal laws and regulations.

Components of the CoC Program not addressed in this Plan are governed by such federal regulations, HUD technical guidance, HUD notices, and other applicable law. The policies in this Plan have been designed to ensure compliance with the CoC Program regulations, HUD-approved applications for program funding and grant agreements between HUD and SFHRC.

SFHRC is responsible for complying with all changes in HUD regulations pertaining to the CoC Program. If such changes conflict with this Plan, HUD regulations will have precedence.

1.3.A Contents of the Plan

- Fair Housing and Equal Opportunity
- Determining Rent Reasonableness
- Procedural Guidelines and Performance Standards for Conducting Required Housing Quality Standards (“HQS”) Inspections.
- Informal Hearing Procedure for Program Participants receiving rent assistance
- Policy for Establishing and Revising Rent Payment Standards
- Homeless Person Represented on Board or Other Policymaking Entity of Recipient or Sub recipient.

1.3.B Mandatory and Discretionary Policy

HUD makes a distinction between:

Mandatory Policies include those driven by regulations, legislation, HUD issued handbooks, notices, and legal opinions.

Discretionary or Optional Policies include non-binding guidance, notices that have expired and recommendations from individual HUD staff.

1.3.C Updating and Revising the Plan

SFHRC will revise this Plan as needed to comply with changes in HUD regulations.

The approved Plan will be available to the public on SFHRC's website at www.siouxfallshousing.org. A hardcopy will be available for public review at SFHRC located at 630 South Minnesota Ave, Sioux Falls, SD, during normal business hours.

1.3.D Applicability of This Plan

This Plan is applicable to SFHRC’s administration of the CoC PSH program: determining eligibility for admission to and continued participation in the PSH program. SFHRC partners with two local agencies for this program: Southeastern Directions for Life, for persons who are seriously mentally ill, and Minnehaha County Human Services for persons with substance addiction.

As there are openings in the voucher-based Shelter Plus Care programs, the appropriate partner agency will receive a referral from South Dakota’s Coordinated Entry System (CES). As there are openings in the Safe Home program, Safe Home staff will identify eligible individuals/families for referral. For both programs, it is the responsibility of the partner agency to locate the individual and assist the individual with completing the application and gathering the necessary documentation and forwarding it to SFHRC to determine eligibility for receiving rental assistance.

NOTE: This Plan does not address partner agencies’ policies and procedures in this process.

CHAPTER 2: FAIR HOUSING AND EQUAL OPPORTUNITY

Introduction

This Chapter explains the laws and HUD regulations to affirmatively further civil rights and fair housing in all federally assisted housing programs. The letter and spirit of these laws are implemented through consistent policy and processes. The responsibility to further nondiscrimination pertains to all areas of the SFHRC's and PSH program administration.

This chapter describes HUD regulations and SFHRC policies related to these topics in three parts:

- **Part 1: Nondiscrimination.** This part presents the body of laws and regulation governing the responsibilities of SFHRC regarding nondiscrimination.
- **Part 2: Policies Related to Persons with Disabilities.** This part discusses the rules and policies of the CoC Program related to reasonable accommodation for persons with disabilities. These rules and policies are based on the Fair Housing Act (42.U.S.C.) and Section 504 of the Rehabilitation Act of 1973, and incorporated guidance from the Joint Statement of SFHRC of Housing and Urban Development and SFHRC of Justice (“DOJ”), issued May 17, 2004.
- **Part 3: Prohibition of Discrimination against Limited English Proficiency Persons.** This part details the obligations of SFHRC to ensure meaningful access to the CoC Program and its activities by persons with Limited English Proficiency (LEP). This part incorporates the Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons published January 22, 2007.

Part 1: Non-Discrimination

2.1.A Overview

Federal laws require Public Housing Agencies (PHA), such as SFHRC, to treat all applicants and participants equally, providing the same quality of service, regardless of family characteristics and background. Federal law prohibits discrimination in housing based on race, color, religion, sex, national origin, age, familial status, or disability. In addition, SFHRC will not discriminate based on sexual orientation or gender identity. SFHRC will comply fully with all federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

- Title VI of the Civil Rights Act of 1964
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
- Executive Order 11063
- Section 504 of the Rehabilitation Act of 1973
- The Age Discrimination Act of 1975
- Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments)
- Violence Against Women Reauthorization Act of 2005 (VAWA)
- 24 CFR 5.106
- When more than one civil rights law applies to a situation, the laws will be read and applied together.
- Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted.

Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18.

SFHRC will not use any of these factors to:

- Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate in the Continuum of Care programs;
- Provide housing that is different from that provided to others;
- Subject anyone to segregation or disparate treatment;
- Restrict anyone's access to any benefit enjoyed by others in connection with the housing program;
- Treat a person differently in determining eligibility or other requirements for admission;
- Steer an applicant or participant toward or away from a particular area based any of these factors;
- Deny anyone access to the same level of services;
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the

housing program;

- Discriminate in the provision of residential real estate transactions;
- Discriminate against someone because they are related to or associated with a member of a protected class;
- Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class.

Providing Information to Households and Owners

SFHRC must take steps to ensure that households and owners are fully aware of all applicable civil rights laws. As part of the rent assistance briefing process, SFHRC will provide information to applicant households about civil rights requirements and the opportunity to rent in a broad range of neighborhoods. The Rent Assistance Payments (RAP) contract informs owners of the requirement not to discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability in connection with the contract.

Discrimination Complaints

If an applicant or participant believes that any family member has been discriminated against by SFHRC or an owner, the family should advise SFHRC's Executive Director. HUD requires SFHRC to make every reasonable attempt to determine whether the applicant's or participant's assertions have merit and take any warranted corrective action. In addition, SFHRC is required to provide the applicant or participant with information about how to file a discrimination complaint.

- Applicants or participants who believe that they have been subject to unlawful discrimination may notify SFHRC either orally or in writing.
- SFHRC will attempt to remedy discrimination complaints made against SFHRC.
- SFHRC will provide a copy of a discrimination complaint form to the complainant and provide them with information on how to complete and submit the form to HUD's Office of Fair Housing and Equal Opportunity (FHEO). If requested, SFHRC will provide assistance in completing and submitting the form or provide referrals to other agencies that can provide assistance.

PART 2: POLICIES RELATED TO PERSONS WITH DISABILITIES

2.2.A Overview

One type of disability discrimination prohibited by the Fair Housing Act is the refusal to make reasonable accommodation in rules, policies, practices, or services when such accommodation may be necessary to afford a person with a disability the equal opportunity to use and enjoy a program or dwelling under the program.

SFHRC must ensure that persons with disabilities have full access to the programs and services administered by SFHRC. This responsibility begins with the first inquiry of an interested family through the Coordinated Entry System (CES) and continues through every programmatic area of the CoC Program.

SFHRC will ask all applicants and participants if they require any type of accommodations, in writing, on the intake application, reexamination documents, and notices of adverse action by SFHRC, by including the following language on all applicable correspondence:

2.2.B Definition of Reasonable Accommodation

A person with a disability may require reasonable accommodation in order to have equal access to the CoC Program. The types of reasonable accommodations SFHRC can provide include changes, exceptions, or adjustments to a rule, policy, practice, or service. SFHRC has no authority to waive, make an exception to or modify a federal statute or HUD regulation.

Federal regulations stipulate that requests for accommodations will be considered reasonable if they do not create an "undue financial and administrative burden" for SFHRC or result in a "fundamental alteration" in the nature of the program or service offered. A fundamental alteration is a modification that alters the essential nature of a provider's operations.

Types of Reasonable Accommodations

When needed, SFHRC must modify normal procedures to accommodate the needs of a person with disabilities. Examples include:

- Permitting applications and reexaminations to be completed by mail;
- Providing time extensions for locating a unit when necessary because of lack of availability of accessible units or special challenges of the family in seeking a unit;
- Permitting an authorized designee or advocate to participate in the application or certification process and any other meetings with SFHRC staff; and
- Displaying posters and other housing information in locations throughout SFHRCs office in such a manner as to be easily readable from a wheelchair.

2.2.C Request for an Accommodation

SFHRC's Policy Of Nondiscrimination On The Basis of Disability Or Handicap is provided in the formal application to the program, in SFHRC's briefing of the applicant and during the annual recertification of the program participant. If an applicant or participant indicates that an exception, change, or adjustment to a rule, needed because of a disability, HUD requires that SFHRC treat the information as a request for a reasonable accommodation, even if no formal request is made.

The family must explain what type of accommodation is needed to provide the person with the disability full access to the CoC Program services.

If the need for the accommodation is not readily apparent or known to SFHRC, the family must explain the relationship between the requested accommodation and the disability. There must be an identifiable relationship, or nexus, between the requested accommodation and the individual's disability. Also, the requested accommodation must be medically necessary, not merely beneficial to the qualified individual with disabilities.

SFHRC will encourage the family to make its request in writing using a reasonable accommodation request form to ensure SFHRC has clear understanding of the requested accommodation. However, SFHRC will consider the accommodation any time the family indicates that an accommodation is needed whether or not a formal written request is submitted.

2.2.D Verification of Disability

The regulatory civil rights definition of a qualified individual with disabilities is outlined in 24 CFR Parts 8.3 and 100.201. The definition of qualified individual with disabilities for the purpose of obtaining a reasonable accommodation is substantially different than HUD's program definition of disabled and the Social Security Administration's definition of disabled.

Before providing an accommodation, SFHRC must determine that the person meets the definition of a qualified individual with disabilities as defined in Section 504 of the Rehabilitation Act of 1973, and that the accommodation will enhance the family's access to the CoC Program services.

If a person's disability is obvious or otherwise known to SFHRC and if the need for the requested

accommodation is also readily apparent or known, no further verification will be required.

If a family indicates that an accommodation is required for a disability that is not obvious or otherwise known to SFHRC, SFHRC must verify, that the person meets the definition of a qualified individual with a disabilities and that the limitations imposed by the disability require the requested accommodation.

When verifying a disability, SFHRC will follow the verification policies set forth in its Section 504 Plan. All information related to a person's disability will be treated in accordance with SFHRC's Confidentiality Policy.

Intake and Eligibility for Assistance

The homeless status and program eligibility are determined by SFHRC. For the voucher-based Shelter Plus Care programs, SFHRC will only process applications that have been referred from South Dakota's Coordinator Entry System (CES) to SFHRC's partner agencies. The individual is provided a housing placement referral based on the assessment score (determination of housing need), and available rental assistance. Safe Home program referrals will come from the Safe Home staff.

The Partner Agency receives the homeless household referral and will locate the household and schedule a meeting with him/her to assist the household complete the formal application and assist in gathering documentation necessary to determine eligibility for participation in the program.

Application

As a part of the formal application process, SFHRC will verify the applicant's homeless status, disability, income, assets, deductions and allowances.

Applications are only accepted as referrals by authorized partner agencies. These agencies have received the full CoC application and instructions. Agencies will be provided any subsequent updates.

Applicants will be afforded an opportunity for an Informal Review regarding denial of eligibility.

SFHRC will consider the information presented and, if acceptable, determine the applicant eligible. If there is not enough information to make a determination, SFHRC will ask the applicant for additional information. SFHRC retains the right to be the final judge of what constitutes adequate and credible documentation.

Program Violations/Criminal Activity as Grounds for Program Termination

This Plan requires that the program participant, any member of the household, a guest, or another person under the program participant's control, shall not engage in:

- Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other program participants or SFHRC employees;
- Any drug-related criminal activity on or off their premises;
- Any criminal activity in violation of the preceding statements shall be cause for termination of participation.
- Any violation(s) of the Family Obligations listed in this plan or in documents signed by the family and/ or its members.

One-time occurrence of some minor criminal activities may not pose a threat but, if engaged in with frequency or duration, can have a very serious impact on individual program participants.

In deciding to terminate participation for criminal activity or violation of Family Obligations, SFHRC will consider, in consultation with the CoC Partner Agency, all circumstances of the case, including the seriousness of the offense, the extent of participation by family members, and the effects that the termination of

assistance would have on family members not involved in the proscribed activity.

If the program participant is a Qualified Individual with Disabilities and requests a reasonable accommodation that would allow him/her to comply with the Family Obligations, SFHRC will require the program participant to document the request in accordance with the standard reasonable accommodation procedures. In order to prevent the termination of assistance, the program participant would need to prove, to SFHRC's satisfaction, that the behavior causing the Family Obligation violations was substantially related to the program participant's disability, and that, because of some change in treatment, services or other verified facts, the behavior will not recur. SFHRC must determine if the mitigating circumstances and requested reasonable accommodation outweigh the unfavorable information or action.

If, after receiving such an approval for a reasonable accommodation, a program participant violates another Family Obligation, SFHRC in consultation with the CoC Partner Agency may terminate assistance, unless (1) the new Family Obligation violation is related to a disability and (2) the previous reasonable accommodation was not intended to accommodate this aspect of the disability, another reasonable accommodation may be appropriate.

In reviewing the reasonable accommodation request, SFHRC will consider the following, at a minimum:

- Does the program participant meet the definition of a qualified individual with disabilities?
- Did the program participant's disability substantially contribute to the Family Obligation violation?
- What is the likelihood that the requested reasonable accommodation would result in Family Obligation compliance?
- What is the seriousness of the Family Obligation violation? Does the requested reasonable accommodation, in fact, overcome the Family Obligation violation?

Additional Policies

SFHRC will provide notice of the availability and nature of housing assistance for low-income households under program requirements and will assure that the notice reaches eligible individuals with disabilities.

SFHRC will encourage participation by owners, including encouragement of participation by owners having accessible units.

When issuing a CoC Program RAP to a family, which includes a qualified individual with disabilities, will SFHRC provide a list of accessible units known to SFHRC upon request and, if necessary, otherwise assist the family in locating an available accessible dwelling unit, to the extent feasible.

SFHRC will take into account the special problems associated with locating an accessible unit when considering requests by eligible individuals with disabilities for extensions of rent assistance subsidy past 90 days, pending funds available to support the subsidy.

2.2.F Program Accessibility for Persons with Hearing or Vision Impairments

HUD regulations require that persons with disabilities related to hearing and vision have reasonable access to the CoC PSH program.

At the initial point of contact with each applicant, SFHRC shall inform all applicants of alternative forms of communication that can be used other than plain language paperwork.

Hearing impaired person may contact SFHRC by dialing 711, the SD Relay number for hearing impaired.

To meet the needs of persons with vision impairments, large-print and audio versions of key program documents will be made available upon request.

Additional examples of alternative forms of communication are sign language interpretation; having material explained orally by staff; or having a third-party representative (a friend, relative or advocate, named by the applicant) to receive, interpret and explain housing materials and be present at all meetings.

2.2.G Physical Accessibility

SFHRC must comply with a variety of regulations pertaining to physical accessibility, including the following:

- Section 504 of the Rehabilitation Act of 1973;
- The Americans with Disabilities Act of 1990;
- The Architectural Barriers Act of 1968; and
- The Fair Housing Act of 1988.

2.2.H Denial or Termination of Assistance

SFHRC's decision to deny or terminate the assistance of a family that includes a person with disabilities is subject to consideration of reasonable accommodation.

When applicants with disabilities are denied assistance, the notice of denial must inform them of the SFHRC's Informal Review process and their right to request a hearing. In addition, the notice must inform applicants with disabilities of their right to request reasonable accommodations to participate in the Informal Hearing process.

When a participant family's assistance is terminated, the notice of termination must inform them of the SFHRC's Informal Hearing process and their right to request a hearing and reasonable accommodation.

When reviewing reasonable accommodation requests, SFHRC in consultation with the CoC Partner Agency must consider whether any mitigating circumstances can be verified to explain and overcome the problem that led to SFHRC's decision to deny or terminate assistance. If a reasonable accommodation will allow the family to meet the requirements, SFHRC must make the accommodation.

Part 3: Improving Access to Services for Persons with Limited English Proficiency (LEP)

2.3.A Overview

Language for Limited English Proficiency Persons (LEP) can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the CoC PSH programs. In certain circumstances, failure to ensure that LEP persons can effectively participate in or benefit from federally assisted programs and activities may violate the prohibition under Title VI against discrimination on the basis of national origin. This part incorporates the Final Guidance to Federal Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons, published January 22, 2007, in the Federal Register.

SFHRC will take affirmative steps to communicate with people who need services or information in a language other than English. These persons will be referred to as Persons with Limited English Proficiency (LEP).

A LEP person is defined as persons who do not speak English as their primary language and who has a limited

ability to read, write, speak or understand English. For the purposes of this Administrative Plan, LEP persons are SFHRC applicants and participants, and parents and family members of applicants and participants.

SFHRC will abide by its Limited English Proficiency Plan for the CoC PSH programs.

CHAPTER 3: ELIGIBILITY

Introduction

SFHRC is responsible for ensuring that every individual and family admitted to the CoC PSH programs meets all program eligibility requirements. This includes any individual approved to join the family after the family has been admitted to the program. The family must provide any information needed by SFHRC to confirm eligibility and determine the level of the family's assistance.

To be eligible for the programs:

- The applicant family must:
 - Qualify as a family as defined in the grant application and grant agreement with HUD.
 - Have income at or below 50% Area Median Income;
 - Provide verification of US citizenship or eligible immigrant status of each household member.
 - Provide verification of each family member's social security number;
 - Consent to SFHRC's collection and use of family information as provided for in SFHRC provided consent forms.
- SFHRC must determine that the current or past behavior of family members do not include activities that are prohibited by HUD.

Part 1: Definitions of Family and Household Members

3.1.A Family and Household

Individual and Family

To be eligible for assistance, an applicant can qualify as an individual or family. An individual is a single person, who meets eligibility criteria as stated in the application for CoC funds, i.e., specific disabilities. Family as defined by HUD for the Continuum of Care includes, but is not limited to, regardless of marital status, actual or perceived sexual orientation, or gender identity, any group of persons presenting for assistance together with or without children and irrespective of age, relationship where at least one adult meets the eligibility criteria as stated in the CoC application, i.e., specific disabilities.

Completion of the formal application or re-examination paperwork, including the signatures of all adult parties and reporting all income sources available to the household, will be considered certification that each individual's income and resources will be available to meet the needs of the family. Each family must identify the individuals to be included in the family at the time of application and must update this information if the family's composition changes.

Household

Household is a broader term that includes additional people who, with SFHRC permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.

3.1.B Household Breakup and Remaining Member of Tenant Household

Qualifying head of household always retains the rental subsidy.

Remaining Member of a Tenant Household

The “eligible participant” in the CoC Program assisted head of household retains the eligibility of the benefit at the time of household break-up. If the “eligible participant” in the CoC Program is deceased before the expiration of the lease, the CoC Program rent assistance for the housing unit may continue for a maximum of 30-days from the end of the month in which the unit was vacated (deceased) by the eligible participant and the remaining household members may remain in the unit during this period. The remaining household members are required to enter into appropriate housing lease agreements with the landlord/property owner.

Live-in aides retain no right to the unit or rental assistance if the PSH participants vacates the property or is deceased as they live in the unit only to provide support for the participant.

3.1.C Head of Household

Head of household means the adult member, if the household is made up of adult and children, of the family who is considered the head for purposes of determining income eligibility and rent. The head of household is responsible for ensuring that the family fulfills all its responsibilities under the program, alone or in conjunction with a co-head or spouse.

The head of household, spouse or co-head must meet the eligibility criteria stated in the grant application.

The head of household is the adult member, if the household is made up of adult and children, of the household who is designated by the family as head, is wholly or partly responsible for paying the rent, and has the legal capacity to enter into a lease under South Dakota law. Emancipated minors who qualify under South Dakota law will be recognized as head of household.

The head of household is responsible for ensuring that the family fulfills all its responsibilities under the program, alone or in conjunction with a co-head or spouse.

3.1.D Spouse, Co-head, and Other Adult

A family may have a spouse or co-head, but not both.

Spouse

Spouse means the marriage, or civil union, partner of the head of household.

- The term “spouse” does not apply to friends, roommates, or significant others who are not marriage partners.
- A minor who is emancipated under state law may be designated as a spouse.

Co-head

A co-head is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all its responsibilities under the program, but who is not a spouse. A family can have only one co-head. Minors who are emancipated under state law may be designated as a co-head.

Other Adult

Other adult means a family member, other than the head, spouse, or co-head, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults.

3.1.E Dependent

A dependent is a family member who is under 18 years of age or a person of any age who is a person with a disability or a full-time student, except that the following persons can never be dependents: the head of household, spouse, co-head, foster children/adults and live-in aides. Identifying each dependent in the family is important because each dependent qualifies the family for a deduction from annual income.

Joint Custody of Dependents

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family 50 percent or more of the time. "50 percent or more of the time" is defined as 183 days or more per year, which do not have to run consecutively."

When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, SFHRC will make the determination based on available documents such as court orders, school enrollment, or an IRS return showing which family has claimed the child for income tax purposes or other documentation acceptable to SFHRC.

3.1.F Guests

A guest is a person temporarily staying in the unit with the consent of a member of the household who has express or implied authority to so consent. A guest can remain in the assisted unit no longer than 30 consecutive days during any 12-month period.

Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside of the assisted household more than 50 percent of the time, are not subject to the time limitations of guests as described above.

A family may request an exception to this policy for valid reasons (e.g., care of a relative recovering from a medical procedure is expected to last 40 consecutive days). An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.

Former program participants who have been terminated from any rental assistance program administered by SFHRC are not permitted as overnight guests.

Guests who represent the unit address as their residence address for receipt of benefits or other purposes will be considered unauthorized occupants. In addition, guests who remain in the unit beyond the allowable time limit will be considered unauthorized occupants, and their presence may constitute violation of Family Obligations.

Foster adults are usually persons with disabilities, unrelated to the tenant family, who are unable to live alone. The term foster child is not specifically defined by the regulations.

Foster children and foster adults that are living with an applicant or assisted family are considered household members but not family members. The income of foster children/adults is not counted in family annual income, and foster children/adults do not qualify for a dependent deduction.

A foster child is a child that is in the legal guardianship or custody of a state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under some kind of short-term or long-term foster care arrangement with the custodial agency.

A foster child or foster adult may be allowed to reside in the unit if their presence would not result in a violation

of HQS space standards.

Third-party verification from the state or local government agency responsible for the placement of the individual with the family is required prior to SFHRC approval of any foster child or adult being added to the household.

3.1.G Absent Family Members

Individuals may be absent from the family, either temporarily or permanently, for a variety of reasons including educational activities, placement in foster care, employment, illness, incarceration, and court order.

Definitions of Temporarily and Permanently Absent:

Generally, an individual who is or is expected to be absent from the assisted unit for 90 consecutive days or less is considered temporarily absent and continues to be considered a family member.

Generally, an individual who is or is expected to be absent from the assisted unit for more than 90 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

In the case of single person households, absences exceeding three (3) consecutive months will be considered permanent absences.

Absent Students

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to SFHRC indicating that the student has established a separate household or the family declares that the student has established a separate household.

Such information will include, but not be limited to:

- Photo identification or driver's license with an address that differs from the household; or
- Enrollment paperwork reflecting a different address

Absences Due to Placement in Foster Care

Children temporarily absent from the home as a result of placement in foster care are considered members of the family.

If a child has been placed in foster care, SFHRC will verify, with the appropriate agency, whether and when the child is expected to be returned to the family. If the agency verifies that the child(ren) are in a temporary placement they will be considered part of the household and counted in determining the bedroom size the household qualifies for.

Absent Head, Spouse, or Co-head

An employed head, spouse, or co-head absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

Absent Sole Member

A sole member of a household is absent for ninety (90) consecutive days will be considered permanently

absent.

Family Members Permanently Confined for Medical Reasons

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted.

SFHRC will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

Return of Permanently Absent Family Members

The family must request SFHRC approval for the return of any adult family members that SFHRC has determined to be permanently absent. The individual is subject to the eligibility and screening requirements discussed elsewhere in this Chapter.

3.1.H Live-In Aide

Live-in aide means a person who resides with one persons with disabilities who: (1) is determined to be essential to the care and well-being of the persons, (2) is not obligated for the support of the persons, and (3) would not be living in the unit except to provide the necessary supportive services.

SFHRC must approve a live-in aide if needed as a reasonable accommodation to make the program accessible to and usable by the family member with disabilities.

A live-in aide is a member of the household, not the family, and the income of the aide is not considered in income calculations. Relatives may be approved as live-in aides if they meet all the criteria defining a live-in aide. However, a relative who serves as a live-in aide is not considered a family member and would not be considered a remaining member of a tenant family.

A family's request for a live-in aide must be made in writing. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker, that the live-in aide is essential for the care and well-being of the disabled family member. For continued approval, the family must submit a new, written request-subject to SFHRC verification at each annual reexamination.

In addition, the family and live-in aide will be required to submit a certification stating that the live-in aide is (1) not obligated for the support of the person(s) needing the care, and (2) would not be living in the unit except to provide the necessary supportive services and s/he understands that they have no right to the apartment or rental assistance, or the apartment, when the family vacates the unit.

The live-in aide must meet all eligibility criteria applied to applicants and participants of the program, with the exception of income, as described in Part 2 of this Chapter.

SFHRC may withdraw approval of a live-in aide if:

- The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program; or
- The person commits drug-related criminal activity or violent criminal activity.

Within 10 business days of receiving a request for a live-in aide, including all required documentation related

to the request, SFHRC will notify the family of its decision in writing.

If a live-in aide has been determined to be medically necessary, but a specific individual has not been identified by the assisted family to act as the live-in aide, SFHRC shall issue the family the appropriate size Rental Assistance to accommodate the addition of a potential live-in aide. SFHRC shall provide the family with a period of up to sixty (60) calendar days from the date the family takes possession of an appropriate-sized unit to identify a potential live-in aide. The family will have the opportunity to request an extension of this sixty-day period should there be mitigating circumstances.

SFHRC will allow 1 bedroom to accommodate a live-in aide even if s/he has child(ren). However, the family composition of a live-in aide's family may not adversely affect HQS.

A live-in aide's status may not be changed as s/he is living in the unit to provide services to assist the participant in meeting its lease obligations.

Part 2: Basic Eligibility Criteria

3.2.A Homeless Status

Homeless Definitions: Homeless, Chronically Homeless

An individual or family who:

Chronically Homeless

- A "homeless individual with a disability," as defined in section 401(9) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360(9)), who:
 - Lives in a place not meant for human habitation, a safe haven, or in an emergency shelter; and
 - Has been homeless and living as described in paragraph (1) (i) of this definition continuously for at least 12 months or on at least 4 separate occasions in the last 3 years, as long as the combined occasions equal at least 12 months and each break in homelessness separating the occasions included at least 7 consecutive nights of not living as described in paragraph (1)(i). Stays in institutional care facilities for fewer than 90 days will not constitute as a break in homelessness, but rather such stays are included in the 12-month total, as long as the individual was living or residing in a place not meant for human habitation, a safe haven, or an emergency shelter immediately before entering the institutional care facility;
- An individual who has been residing in an institutional care facility, including a jail, substance abuse or mental health treatment facility, hospital, or other similar facility, for fewer than 90 days and met all of the criteria in paragraph (1) of this definition, before entering that facility; or
- A family with an adult head of household (or if there is no adult in the family, a minor head of household) who meets all of the criteria in paragraph (1) or (2) of this definition, including a family whose composition has fluctuated while the head of household has been homeless.

NOTE: The SFHRC's CoC Program requires the use of its "Chronic Homelessness Determination Checklist" as attached as Appendix A to this Administrative Plan. Partnering agencies and Service Providers may contact the SFHRC at (605) 332-0704 with questions regarding this documentation.

Homeless

- An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

- An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
- An individual or family living in a supervised publicly or privately-operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
- An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;
- An individual or family who will imminently lose their primary nighttime residence provided that:
 - The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
 - No subsequent residence has been identified; and
 - The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks needed to obtain other permanent housing;
- Unaccompanied youth under 25 years of age, or households with children and youth, who do not otherwise qualify as homeless under this definition, but who:
 - Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)), or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);
 - Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;
 - Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and
 - Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or
- Any individual or family who:
 - Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
 - Has no other residence; and
 - Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing.

3.2.B Income Eligibility and Targeting

Income Limits

HUD is required by law to set income limits that determine the eligibility of applicants for HUD's assisted housing programs, including the CoC programs. The income limits are published annually and are based on HUD estimates of median family income in a particular area or county, with adjustments for family size.

In order to qualify for SFHRC's PSH, a household's gross annual income cannot exceed 50 percent of Minnehaha County's Area Median Income, by family size.

Using Income Limits for Eligibility

Income limits are used for eligibility only at admission. Eligibility is established by comparing a family's gross annual income with HUD's published income limits. To be income-eligible, a family must be a very low-income family.

3.2.C Citizenship or Eligible Immigration Status

PSH is available to individuals who are U.S. citizens, U.S. nationals (herein referred to as citizens and nationals), and noncitizens that SFHRC of Homeland Security has determined have eligible immigration status under HUD regulations.

Declaration of Section 214 Status

HUD requires a family applying for PSH to declare whether each household member is a citizen, a national, or a noncitizen with eligible immigration status, by signing HUD's "Declaration of Section 214 Status" form. No declaration is required for live-in aides, foster children, or foster adults.

In addition, for each household member, the family must provide one of the following:

- U.S. birth certificate issued by a county or state agency (hospital issued birth certificates do not meet this requirement);
- Valid, unexpired U.S. passport;
- Certificate of naturalization;
- Certificate of citizenship; or
- Enrollment card, with enrollment number included, issued by a recognized US Native American Tribe (Abstract of Census).

If a family member's name is different than their name on their identity document, the family will need to provide additional proof of the person's legal name. Acceptable documents for proof of legal name change are:

- A certified marriage certificate (issued by a state vital records agency);
- A certified adoption document; or
- A certified court order authorizing a name change (such as a divorce decree).

Each household member claiming eligible immigration status must sign a Systematic Alien Verification for Entitlement (SAVE) verification consent form and provide one of the following Homeland Security documents:

- Form I-551, Alien Registration Receipt Card (for permanent resident aliens).
- Form I-94, Arrival-Departure Record annotated with one of the following:
 - "Admitted as a Refugee Pursuant to Section 207";
 - "Section 208" or "Asylum";
 - "Section 243(h)" or "Deportation stayed by Attorney General"; or
 - "Paroled Pursuant to Section 212(d)(5) of the INA."
- Form I-94, Arrival-Departure Record (with no annotation) accompanied by one of the following:
 - A final court decision granting asylum (but only if no appeal is taken);
 - A letter from an DHS asylum officer granting asylum (if application was filed on or after October 1, 1990) or from an DHS district director granting asylum (application filed was before October 1, 1990)
 - A court decision granting withholding of deportation; or
 - A letter from an asylum officer granting withholding of deportation (if application was filed on or

after October 1, 1990).

- Form I-688, Temporary Resident Card annotated “Section 245A” or “Section 210.”
- Form I-668B, Employment Authorization Card annotated “Provision of Law 274a.12 or “Provision of Law 274a.12.”
- A receipt issued by the DHS indicating that an application for issuance of a replacement document in one of the above-listed categories has been made and that the applicants that the applicant’s entitlement to the document has been verified.
- Form I-151, Alien Registration Receipt Card.

Prior to being admitted to the Voucher or Mod Rehab programs all noncitizens with eligible immigration status must sign a declaration of their status, a verification consent form and provide original INS documentation. In the case of family minors, the parent or guardian must sign on the minor’s behalf. SFHRC will make a copy of the individual INS documentation and place the copy in the family’s file. SFHRC will also verify their status through the INS SAVE system. If the INS SAVE system cannot confirm eligibility, SFHRC will mail information to INS so a manual check can be made of INS records.

Family members who do not claim to be U.S. citizens, nationals, noncitizens with eligible immigration status or whose status cannot be confirmed must be listed on a statement of non-eligible members which must be signed by the head of the family.

3.2.D Social Security Numbers

The applicant must submit the complete and accurate social security number (SSN) for each household member and the documentation necessary to verify the SSN. Acceptable forms of verification include:

- An original Social Security card issued by the Social Security Administration;
- An original document from a governmental agency listing the person’s name and Social Security Number; or
- A letter from the Social Security Administration, on its letterhead, listing the person’s name and Social Security number.

Note: These requirements do not apply to noncitizens who do not contend eligible immigration status.

In addition, each participant who has not previously disclosed a SSN, has previously disclosed a SSN that HUD or the SSA determined was invalid, or has been issued a new SSN must submit their complete and accurate SSN and the documentation required to verify the SSN at the time of the next interim or annual reexamination or recertification. Participants age 62 or older as of January 31, 2010, whose determination of eligibility was begun before January 31, 2010, are exempt from this requirement and remain exempt even if they move to a new assisted unit.

Verification of Eligibility As Stated in Grant Application

The grant agreement between HUD and SFHRC states that only people meeting the criteria listed in the grant application can be assisted with grant funds. In two grant applications, SFHRC’s target population is homeless persons who are seriously mentally ill. The third grant is targeted to homeless persons suffering from substance addiction. SFHRC must secure verification, from a medical provider, that applicants’ medical condition as stated in the appropriate grant application.

Part 3: Denial of Assistance

3.3.A Overview

A family that does not meet the eligibility criteria discussed in Parts I and II, must be denied assistance.

In addition, HUD requires or permits SFHRC and CoC Provider Agency's to deny assistance based on certain types of current or past behaviors of family members.

Forms of Denial

Denial of assistance includes any of the following:

- Denying or withdrawing rent assistance
- Terminating rental assistance
- Not approving a request for tenancy or refusing to enter into a RAP contract.

Prohibited Reasons for Denial of Program Assistance

HUD rules prohibit denial of program assistance to the program based on any of the following criteria:

- Age, disability, race, color, religion, sex, or national origin (See Chapter 2 for additional information about fair housing and equal opportunity requirements.)
- Where a family lives prior to admission to the program
- Where the family will live with assistance under the program. Although eligibility is not affected by where the family will live, the CoC does not currently allow portability of assistance outside of the Sioux Falls city limits.
- Whether members of the family are unwed parents, recipients of public assistance, or children born out of wedlock
- Whether the family includes children
- Whether a family declines to participate in case management provided by the partner agency;
- Whether or not a qualified applicant is or has been a victim of domestic violence, dating violence, or stalking if the applicant is otherwise qualified for assistance

3.3.B Screening

Screening for Suitability as a Tenant

SFHRC has no liability or responsibility to the owner for the family's behavior or suitability for tenancy.

The owner is responsible for screening and selection of the family to occupy the owner's unit. SFHRC will inform the owner that screening and selection for tenancy is the responsibility of the owner. An owner may consider a family's history with respect to factors such as: payment of rent and utilities, caring for a unit and premises, respecting the rights of other residents to the peaceful enjoyment of their housing, criminal activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy.

SFHRC will not disclose, to the owner, any confidential information provided in response to a SFHRC request for documentation of domestic violence, dating violence, or stalking except at the written request or with the written consent of the individual providing the documentation.

3.3.C Notice of Eligibility or Denial

If the family is eligible for assistance, SFHRC will notify the family, and the partner agency, when it extends the

invitation to attend the briefing appointment.

If SFHRC determines that a family is not eligible for the program for any reason, the family will be notified promptly. The notice must describe: (1) the reasons for which assistance has been denied, (2) the family's right to an Informal Review, and (3) the process for obtaining the Informal Review. SFHRC will also notify the partner agency of the denial of eligibility.

The family will be notified of a decision to deny assistance in writing within 10 business days of the determination.

3.3.D Prohibition against Denial of Assistance to Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault

The Violence Against Women Reauthorization Act of 2013, and the HUD regulation prohibit SFHRC from denying an applicant admission to the PSH program "on the basis that the applicant is or has been a victim of domestic violence, dating violence, sexual assault or stalking, if the applicant otherwise qualifies for assistance or admission."

Notice of Occupancy Rights under the Violence Against Women Act

SFHRC will provide each applicant a "Notice of Occupancy Rights under the Violence Against Women Act" details VAWA's core protections and a participant's rights to an Emergency Transfer. An Emergency Transfer Plan ensures that participants have the right to relocate to a different unit if there is an actual and imminent threat of physical danger in order to remain safe and stable in their housing.

Required Documentation for Record-Keeping

- Emergency Transfer Plan requests and outcome of such requests.
- Release of Information whenever sharing program participant information.

SFHRC is required to maintain documentation on all Emergency Transfers requests for a period of 3 years, or for the period of time specified in program regulation.

Emergency Transfer Logistics and Time Frame

Program participants can qualify for an emergency transfer, at any time, if they reasonably believe there is threat of imminent harm from further violence, regardless of where or when the incident occurred, if they remain in their dwelling unit. Additionally, sexual assault survivors can qualify for an emergency transfer if an incident of sexual assault occurred on the premises during the 90-calendar-day period preceding the date of the request for transfer.

A program participant may request multiple emergency transfers and said participant may not be subjected to additional program requirements as a result of making multiple transfer requests.

If a participant requests an emergency transfer, SFHRC will request that the participant submit documentation that certifies the incidence of a violent crime directed towards the program participant or "affiliated individuals". The certification must establish the victim (eligible for protection), the incident (that meets the applicable definition under the Final Rule), and the perpetrator of the crime.

SFHRC may allow a program participant to self-certify their need for an emergency transfer (nullifying the need for a "Certification form"), if obtaining documentation results as a barrier to protecting the immediate safety of the survivor/program participant.

Certification for an Emergency Transfer

A PSH participant may submit any of the following to serve as documentation for the occurrence of domestic violence, dating violence, sexual violence, and stalking.

- A certification form signed by an employee, agent, or volunteer of a victim service provider, attorney, or mental health professional from whom the tenant has sought assistance relating to DV, SA, dating violence, or stalking. The form must certify, under penalty of perjury, that the professional believes in the occurrence of the incident of DV, SA, dating violence and stalking and that the incident meets the applicable definition of domestic violence, dating violence, sexual violence, and stalking
- A certification form signed by the program participant or applicant
- A record of a Federal, State, tribal, territorial or local law enforcement agency, court, or administrative agency.

The participant must provide this documentation within 14 business days of it being requested by SFHRC. The SFHRC is entitled to request third party documentation if the certification documents submitted by participant contain conflicting information (for example, multiple petitioning household members claiming each other as perpetrator). The participant will have 30 days, from the date requested, to submit third party documentation to SFHRC.

In the event the participant is the perpetrator of a crime, SFHRC may make the determination to bifurcate the lease which is not a statutory mandate. This would occur only if the victim meets the criteria for continued participation in the PSH program.

SFHRC will not be responsible for any relocation costs.

Confidentiality

Any information submitted to SFHRC that an individual is a victim of domestic violence, dating violence, sexual assault, or stalking, shall be maintained in strict confidence. SFHRC will not enter confidential information into any shared database (HMIS) or disclose such information to any other entity or individual, except to the extent that the disclosure is:

- Requested or consented to in writing by the participant in a time-limited release
- Required for use in an eviction proceeding or hearing regarding termination of assistance from the covered program; or
- Otherwise required by applicable law.

Supplementary information

For the original HUD Provided Templates, please refer to the links below.

HUD- 5380	Notice of Occupancy Rights Under the Violence Against Women Act	(12/2016)
HUD- 5381	Model Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking	(12/2016)

HUD- 5382	Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, and Alternate Documentation	(12/2016)
HUD- 5383	Emergency Transfer Request for Certain Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking	(12/2016)

PART 4: HOMELESS VERIFICATION AND RECORDKEEPING

HOMELESS VERIFICATION AND RECORDKEEPING

Homeless Eligibility Verification,

People exiting a residential treatment home or residential treatment facility retain their homeless status when:

- a) The individual was residing in shelter or places not meant for human habitation immediately before entering residential treatment; and
- b) The homeless situation prior to entering residential treatment home/facility can be documented (see recordkeeping); and
- c) The individual is placed in a residential treatment home/facility “designated short-term bed”, similar to a shelter bed stay; and
- d) The bed stay is limited to a maximum of 90-nights. Note: Stays that last 91-days is not short-term and the individual is not homeless even if they were homeless prior to entering residential treatment.

Recordkeeping

The recordkeeping documentation of the evidence relied upon to establish and verify homelessness in the following priority order:

- a) Third-party documentation; or
- b) Intake worker observations; or
- c) Certification from the person seeking assistance.

Records contained in HMIS are acceptable evidence of homelessness as third-party documentation. In addition, other third-party documentation includes a letter from the shelter or outreach worker demonstrating dates and location where homelessness was observed prior to entry into short-term residential treatment home/facility.

APPLICATIONS, WAITING LIST AND REFERRALS

- **Part 1: Referrals.** South Dakota’s Housing for the Homeless Coalition’s Coordinated Entry System (CES) refers homeless households to the SFHRC. As program openings become available, the SFHRC will notify the appropriate Partner Agency of the referral, the Partnering Agency can determine if it is an appropriate/acceptable referral.
- **Part 2: The Assessment Process.** This part provides an overview of the assessment process which determines the needs of people seeking homeless assistance to effectively match each household with the most appropriate resources available to address that household’s needs.
- **Part 3: Referral and Housing Placement Process.** This part describes the process in which referrals are made to pen beds and/or programs with current capacity to serve as well as to projects that maintain a wait list.

Intake/Referral/Housing Placement and Disposition

SFHRC's PSH partner agency will have 60 days to locate and meet with the household and have access to the screening, assessment and related documentation uploaded into HMIS, to include the Verification of Homelessness and Personal Identification.

- The Partner Agency (PA) enrolls the new program participant into the program or the PA determines the household is not eligible for the program as a result of an inappropriate referral.
- The PA will contact the CES manager, who made the initial referral, and follow-up with an email documenting the reasons for not accepting the household referral; e.g. sending a person who does not meet the eligibility criteria listed in grant application: seriously mentally ill or suffering from substance abuse.
- The household is referred back to CES.

CHAPTER 5: BRIEFINGS AND RENT SUBSIDY ISSUANCE

Introduction

This Chapter explains the Legacy Shelter Plus Care briefing and Rent Assistance process administered by SFHRC. When a household is determined to be eligible for the Legacy Shelter Plus Care (SPC) program, SFHRC must ensure that the household fully understands the way the program operates and the household's obligations under the program. This is accomplished through both an oral briefing and provision of a briefing packet containing written documentation of information the household needs to know. Once the household is fully informed of the program's requirements, SFHRC will issue a written statement of the household's approval for Rent Assistance. The written notice includes the unit size the household qualifies for assistance based on the CoC's subsidy standards, as well as the dates of issuance and expiration of the promise of rental assistance. The written documentation is the document that permits the household to begin its search for a unit and limits the amount of time the household has to successfully locate an acceptable unit.

Part 1: Briefings and Family/Household Obligations

5.1.A. Overview

HUD regulations requires SFHRC to conduct mandatory briefings for applicant households. The briefing provides a broad description of owner and household responsibilities, explains SFHRC procedures, and includes instructions on how to lease a unit. This part describes how oral briefings will be conducted, specifies what written information will be provided to households, and lists the household's obligations under the program.

5.1.B. Briefing

SFHRC must give the household an oral briefing and provide the household with a briefing packet containing written information about the program. Households may be briefed individually or in groups. At the briefing, SFHRC must ensure effective communication in accordance with Section 504 requirements (Section 504 of the Rehabilitation Act of 1973), and ensure that the briefing site is accessible to individuals with disabilities. For a more thorough discussion of accessibility requirements, refer to Chapter 2.

Generally, the head of household is required to attend the briefing. If the head of household is unable to attend, SFHRC may approve another adult household member, or adult representative, to attend the briefing.

Households that attend group briefings and still need individual assistance will be referred to an appropriate

staff person.

Briefings will be conducted in English. For Limited English Proficiency (LEP) applicants, SFHRC will provide translation services in accordance with SFHRC's LEP plan (See Chapter 2).

Notification and Attendance

Households, and the appropriate PA, will be notified of their eligibility for assistance at the time they are invited to attend a briefing. The notice will identify who is required to attend the briefing, as well as the date and time of the scheduled briefing.

Applicants who fail to attend a scheduled briefing will automatically be scheduled for another briefing. SFHRC will notify the household of the date and time of the second scheduled briefing. Applicants who fail to attend two scheduled briefings, without SFHRC approval, may be denied assistance.

Oral Briefing

Each briefing must provide information on the following subjects:

- How the Legacy Shelter Plus Care (SPC) program works;
- Household and owner responsibilities;
- Where the household can lease a unit. Note: CoC policy decision that CoC Program rent assistance is not portable outside the city limits of Sioux Falls; and
- For households living in high-poverty census tracts, an explanation of the advantages of moving to areas outside of high-poverty concentrations.

Briefing Packet

Documents and information provided in the briefing packet must include the following:

- The term of the Rental Assistance, and SFHRC's policies on any extensions or suspensions of the term. If SFHRC allows extensions, the packet must explain how the household can request an extension.
- A description of the method used to calculate the rent assistance payment for a household, how SFHRC determines total tenant payment for a household, and information on the utility allowance schedule.
- An explanation of how SFHRC determines the Rent Reasonableness for an assisted unit.
- Where the household may lease a unit as the CoC does not port outside the city limits of Sioux Falls;
- The form the household must use to request approval of tenancy, and a description of the procedure for requesting approval for a tenancy;
- SFHRC's rent reasonableness standards including.
- Information on how to select a unit.
- The HUD pamphlet on lead-based paint entitled Protect Your Family from Lead in Your Home.
- Information on federal, state and local equal opportunity laws and a copy of the housing discrimination complaint form.
- Notice that if the household includes a person with disabilities, the family may request a list of available accessible units known to SFHRC.
- The household obligations under the program.
- The grounds on which SFHRC may terminate assistance for a participant household because of household action or failure to act.
- SFHRC's informal hearing procedures including when SFHRC is required to offer a participant household the opportunity for an informal hearing, and how to request the hearing.
- Information on how to fill out and file a housing discrimination complaint form

- Information about the protections afforded by the Violence against Women Act of 2005 (VAWA) to victims of domestic violence, dating violence, stalking, or sexual assault and a copy of the applicable certification form (HUD-50066)
- “Is Fraud Worth It?” (form HUD-1141-OIG), which explains the types of actions a household must avoid and the penalties for program abuse

5.1.C Household/Family Obligations Caretakers for a Child

If neither a parent nor a designated guardian remains in a household receiving RAP, SFHRC will take the following actions:

- If a responsible agency has determined that another adult is to be brought into the assisted unit to care for a child for an indefinite period, (such as for long-term hospitalization) the designated caretaker will not be considered a household member until a determination of custody or legal guardianship is made.
- If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will be treated as a visitor for 90 days. After the 90 days has elapsed, the caretaker will be considered a household member unless information is provided that would confirm that the caretaker’s role is temporary. In such cases the SFHRC will extend the caretaker’s status as an eligible visitor.
- At any time that custody or guardianship legally has been awarded to a caretaker, the RAP will be transferred to the caretaker.
- During any period that a caretaker is considered a visitor, the income of the caretaker is not counted in annual income and the caretaker does not qualify the household for any deductions from income.

Obligations of the household/family are described in the Family Tenancy Agreement written documentation of rental assistance. These obligations include responsibilities the household is required to fulfill, as well as prohibited actions. SFHRC will inform households of these obligations during the oral briefing, and the same information must be included in the briefing packet. When the household’s unit is approved and the (Rental Assistance Payment) RAP contract is executed, the household must meet those obligations in order to continue participating in the program. Violation of any obligation may result in termination of assistance, as described in Chapter 11.

Time Frames for Reporting Changes Required By Tenancy Agreement

Unless otherwise noted below, when Family Obligations require the household to respond to a request or notify SFHRC of a change, notifying SFHRC of the request or change within 10 business days is considered prompt notice.

When a family is required to provide notice to SFHRC, the notice must be in writing. E-mails are acceptable forms of notice.

Tenancy Agreement

Following is a listing of a participant household’s obligations under the CoC Program Rent Assistance requirements:

- The family must supply any information SFHRC or HUD determines to be necessary.
- The family must supply any information requested by SFHRC or HUD for use in a regularly scheduled reexamination or interim reexamination of household income and composition.
- The household must disclose and verify social security numbers and sign and submit consent forms for obtaining information. For requirements and acceptable forms in lieu of Social Security card see section

7.2.b.

- Any information supplied by the family must be true and complete.
- The family is responsible for any Housing Quality Standards (HQS) breach by the family caused by failure to pay tenant-provided utilities or appliances, or damages to the dwelling unit or premises beyond normal wear and tear caused by any member of the household or guest.
- Damages beyond normal wear and tear will be considered to be damages which could be assessed against the security deposit.
- The household must allow SFHRC to inspect the unit at reasonable times and after reasonable notice (See Chapter 8).
- The household must not commit any serious or repeated violation of the lease.

Serious and Repeated Violation of the Lease

SFHRC will determine if a household has committed serious or repeated violations of the lease based on available evidence, including but not limited to, a court-ordered eviction or an owner's notice to evict.

Serious and repeated lease violations will include, but not be limited to: nonpayment of rent, disturbance of neighbors, destruction of property, living or housekeeping habits that cause damage to the unit or premises, and criminal activity. Generally, the criterion to be used will be whether or not the reason for the eviction was the fault of the tenant or guests. Any incidents of, or criminal activity related to, domestic violence, dating violence, or stalking will not be construed as serious or repeated lease violations by the victim.

- The family must notify SFHRC and the owner before moving out of the unit or terminating the lease.
- The household must comply with lease requirements regarding written notice to the owner. The household must provide written notice to SFHRC at the same time the owner is notified.
- The household must promptly give SFHRC a copy of any owner eviction notice.
- The household must use the assisted unit for residence by the household. The unit must be the household's only residence.
- The composition of the assisted household residing in the unit must be approved by SFHRC. The household must promptly notify SFHRC in writing of the birth, adoption, or court-awarded custody of a child. The household must request SFHRC approval to add any other household member as an occupant of the unit.

Adding Additional Household Members

The request to add a household member must be submitted in writing and approved prior to the person moving into the unit (See Chapter 10). SFHRC will determine eligibility of the new member in accordance with the policies in Chapter 3.

- The family must promptly notify SFHRC in writing if any household member no longer lives in the unit.
- If SFHRC has given approval, a foster child or a live-in aide may reside in the unit. SFHRC has the discretion to adopt reasonable policies concerning residency by a foster child or a live-in aide, and to define when SFHRC consent may be given or denied. For policies related to the request and approval/disapproval of foster children, foster adults, and live-in aides.
- The household must not sublease the unit, assign the lease, or transfer the unit.
- Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a household member.
- The household must supply any information requested by SFHRC to verify that the household is living in the unit or information related to household absence from the unit.
- The household must promptly notify SFHRC when the household is absent from the unit.

- Notice is required under this provision only when all household members will be absent from the unit for an extended period. An extended period is defined as any period greater than 30 calendar days. Written notice must be provided to SFHRC at the start of the extended absence.
- The household must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease
- The household must not own or have any interest in the unit, (other than in a cooperative and owners of a manufactured home leasing a manufactured home space).
- Household members must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program.
- Household members must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.
- An assisted household or member of the household must not receive Rental Assistance through the CoC SPC Program while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.
- A household must not receive CoC RAP assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the household, unless SFHRC has determined (and has notified the owner and the household of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a household member who is a person with disabilities. [Form HUD-5264]

Part 2: Subsidy Standards and Rental Assistance Payment Issuance

5.2.A. Overview

SFHRC must establish subsidy standards that determine the number of bedrooms needed for households of different sizes and compositions. This part presents the policies that will be used to determine the household unit size a particular household should receive, and the policies that govern making exceptions to those standards. SFHRC also established policies related to the issuance of the RAP, to the term of RAP, and to any extensions or suspensions of that term.

5.2.B. Determining Household Unit Size

Rental Assistance Contract

For each household, SFHRC determines the appropriate number of bedrooms under its standards and enters the household unit size on the Family Tenancy Agreement that is issued to the household. The household unit size does not dictate the size of unit the household must actually lease, nor does it determine who within a household will share a bedroom/sleeping room. The following requirements apply when SFHRC determines household unit size:

- The RAP standards must provide for the smallest number of bedrooms needed to house a household without overcrowding.
- The RAP standards must be consistent with space requirements under the housing quality standards.
- The RAP standards must be applied consistently for all households of like size and composition.
- A child who is temporarily away from the home because of placement in foster care is considered a member of the household in determining the household unit size.
- A household that consists of a pregnant woman (with no other persons) must be treated as a two-person household.
- Any live-in aide (approved by SFHRC to reside in the unit) will be counted in determining the household unit size;
- Unless a live-in-aide resides with a household, the household unit size for any household consisting of a

single person must be either a zero- or one-bedroom unit, as determined under SFHRC subsidy standards.

SFHRC will assign one bedroom for each two persons within the household, except in the following circumstances:

- Persons of the opposite sex (other than spouses) will be allocated separate bedrooms.
- Live-in aides will be allocated a separate bedroom. Additional bedrooms are not provided for the household members of live-in aides.
- Single person households will be allocated one bedroom.

SFHRC will reference the following chart in determining the appropriate RAP size for a household:

RAP Unit Size	Minimum Persons	Maximum Persons*
1	1	4
2	2	6
3	3	8
4	4	10
5	5	12

**Generally, the maximum occupancy of a unit shall be determined by calculating two persons per bedroom, plus 2 persons for any living area that may also be used as a sleeping area (such as a living room or household room).*

5.2.C. Exceptions to Subsidy Standards

In determining household unit size for a particular household, SFHRC may grant an exception to its established RAP standards if SFHRC determines that the exception is justified by the age, sex, health, handicap, or relationship of household members or other personal circumstances.

Reasons may include, but are not limited to:

- A need for an additional bedroom for medical equipment
- A need for a separate bedroom for reasons related to a household member's disability, medical or health condition

For a single person who is not elderly, disabled, or a remaining household member, an exception cannot override the regulatory limit of a zero or one bedroom.

SFHRC will consider granting an exception for any of the reasons specified in the regulation: the age, sex, health, handicap, or relationship of household members or other personal circumstances.

SFHRC prefers that request any exception to the RAP standards be in writing to avoid confusion and misunderstanding. The request must explain the need or justification for a larger household unit size and must include appropriate documentation. Requests based on health-related reasons must be verified by a knowledgeable professional source (e.g., doctor or health professional), unless the disability and the disability-related request for accommodation is readily apparent or otherwise known. The household's continued need for an additional bedroom due to special medical equipment must be re-verified at annual reexamination.

SFHRC will utilize its Section 504 Policy and Procedures to process requests for larger size units and will make its best efforts to provide the household with a prompt decision in accordance with its Reasonable Accommodation policy outlined in Chapter 2. If a participant household's request is denied, the notice will

inform the household of their right to request an informal hearing.

5.2.D. Rental Assistance Payment (RAP) Issuance

Rental Assistance Contract. When a household is selected from the waiting list (or as a special admission as described in Chapter 4), or when a participant household wants to move to another unit, SFHRC will issue the Tenancy Agreement. This Chapter deals only with RAP issuance for applicants. For RAP issuance associated with moves of program participants, please refer to Chapter 10.

The Household Tenancy Agreement is the household's authorization to search for housing. It specifies the unit size for which the household qualifies and includes both the date of RAP issuance and date of expiration. It contains a brief description of how the program works and explains the household obligations under the program. The subsidy is evidence that SFHRC has determined the household to be eligible for the program, and that SFHRC expects to have money available to subsidize the household if the household finds an approvable unit. However, SFHRC does not have any liability to any party by the issuance of the Household Tenancy Agreement and does not give the household any right to participate in SFHRC's CoC PSH program.

A Household Tenancy Agreement can be issued to an applicant household only after SFHRC has determined that the household is eligible for the program based on information received within the 60 days prior to issuance and after the household has attended an oral briefing.

Household Tenancy Agreement will be issued to eligible applicants immediately following the mandatory briefing.

SFHRC should, but does not guarantee, have sufficient funds to house an applicant before issuing a Household Tenancy Agreement. If funds are insufficient to house the household at the top of the waiting list, SFHRC will wait until it has adequate funds before it calls another household from the waitlist.

If SFHRC determines that there is insufficient funding after a Household Tenancy Agreement has been issued, SFHRC may rescind the Household Tenancy Agreement and place the affected household back on the CES list.

5.2.E. Rental Assistance Payment term, Extensions, and Suspensions RAP Term

The initial term of a Family Tenancy Agreement must be at least 90 calendar days. The initial term must be stated on the Household Tenancy Agreement.

The household must submit a Request for Tenancy Approval and proposed lease within the 90-day period unless SFHRC grants an extension.

Extensions of Household Tenancy Agreement Term

SFHRC has the authority to grant extensions of search time, to specify the length of an extension, and to determine the circumstances under which extensions will be granted. There is no limit on the number of extensions that SFHRC can approve. Discretionary policies related to extension and expiration of search time must be described in SFHRC administrative plan.

SFHRC will approve additional search time if needed as a reasonable accommodation to make the program accessible to and usable by a person with disabilities. The extension period must be reasonable for the purpose.

The household must be notified in writing of SFHRC's decision to approve or deny an extension. SFHRC's

decision to deny a request for an extension of the Household Tenancy Agreement term is not subject to informal review

SFHRC will automatically approve one 30-day extension upon written request from the household.

- SFHRC will approve additional extensions only in the following circumstances:
- It is necessary as a reasonable accommodation for a person with disabilities.
- It is necessary due to reasons beyond the household's control, as determined by SFHRC. Following is a list of extenuating circumstances that SFHRC may consider in making its decision. The presence of these circumstances does not guarantee that an extension will be granted:
 - Serious illness or death in the household
 - Other household emergency
 - Obstacles due to employment (or lack thereof)
 - Whether the household has already submitted requests for tenancy approval that were not approved by SFHRC
 - Whether household size or other special requirements make finding a unit difficult. Generally, SFHRC will not extend the Household Tenancy Agreement beyond a total of 120 days, unless it is necessary as a reasonable accommodation for a person with disabilities.

Any request for an additional extension must include the reason(s) an additional extension is necessary. SFHRC may require the household to provide documentation to support the request.

All requests for extensions to the Household Tenancy Agreement term must be made in writing and submitted to SFHRC prior to the expiration date of the Household Tenancy Agreement (or extended term of the subsidy).

SFHRC will decide whether to approve or deny an extension request within 10 business days of the date the request is received, and will immediately provide the household written notice of its decision.

Expiration of Rent Subsidy Term

If an applicant household's Tenancy Agreement term or extension expires before the household has submitted a Request for Tenancy Approval (RTA), SFHRC will require the household to be re-screened for assistance.

If the household still wishes to receive assistance, SFHRC will require that the household reapply to CES. Such a household does not become ineligible for the program on the grounds that it was unable to locate a unit before the Family Tenancy Agreement expired.

Within 10 business days after the expiration of the Household Tenancy Agreement term or any extension, SFHRC will notify the PA in writing that the FTA term has expired and that the household may need to be rescreened in order to be eligible for CoC assistance.

CHAPTER 6: INCOME AND SUBSIDY DETERMINATIONS

[24 CFR Part 5, Subparts E and F; 24 CFR 982]

Introduction

A household's income determines eligibility for assistance and is also used to calculate the household's payment and SFHRC's RAP. SFHRC will use the policies and methods described in this Chapter to ensure that only eligible households receive assistance and that no household pays more or less than its obligation under the regulations.

Part 1: Annual Income

6.1.A. Overview

The general regulatory definition of annual income shown below is from 24 CFR 5.609. 5.609 Annual Income.

Annual income means all amounts, monetary or not, which go to, or on behalf of, the household head or spouse (even if temporarily absent) or to any other household member; or

- Are anticipated to be received from a source outside the household during the 12-month period following admission or annual reexamination effective date; and
- Are not specifically excluded in paragraph [5.609(c)].
- Annual income also means amounts derived (during the 12-month period) from assets to which any member of the household has access.

In addition to this general definition, HUD regulations establish policies for treating specific types of income and assets:

- Annual Income Inclusions
- Annual Income Exclusions
- Treatment of Household Assets
- Earned Income Disallowance for Persons with Disabilities
- The Effect of Welfare Benefit Reduction

Sections 6.1.B and 6.1.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purposes of determining annual income. HUD regulations present income inclusions and exclusions separately [24 CFR 5.609(b) and 24 CFR 5.609(c)]. In this plan, however, the discussions of income inclusions and exclusions are integrated by topic (e.g., all policies affecting earned income are discussed together in section 6.1.D). Verification requirements for annual income are discussed in Chapter 7.

6.1.B. Household Composition and Income

Income received by all household members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in household composition. The rules on which sources of income are counted vary somewhat by household member. The chart below summarizes how household composition affects income determinations.

Summary of Income Included and Excluded by Person

Summary of Income Included and Excluded by Person	
Live-in aides	Income from all sources is excluded [24 CFR 5.609(c)(5)].
Foster child or foster adult	Income from all sources is excluded [24 CFR 5.609(c)(2)].
Head, spouse, or co-head Other adult household members	All sources of income not specifically excluded by the regulations are included.
Children under 18 years of age	Employment income is excluded [24 CFR 5.609(c)(1)]. All other sources of income, except those specifically excluded by the regulations, are included.
Full-time students 18 years of age or	Employment income above \$480/year is excluded [24 CFR

<p>older (not head, spouse, or co-head)</p>	<p>5.609(c)(11)].</p> <p>All other sources of income, except those specifically excluded by the regulations, are included.</p>
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Temporarily Absent Household Members

The income of household members approved to live in the unit will be counted, even if the household member is temporarily absent from the unit.

Generally, an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a household member.

Generally, an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a household member. Exceptions to this general policy are discussed below.

In the case of single person households, absences exceeding three (3) consecutive months will be considered permanent absences.

Absent Students

When someone, who has been considered a household member, attends school away from home, the person will continue to be considered a household member unless information becomes available to indicating that the student has established a separate household or the household declares that the student has established a separate household.

Such information will include, but not be limited to:

- Photo identification or driver’s license with an address that differs from the household; or
- Enrollment paperwork reflecting a different address

Absences Due to Placement in Foster Care

Children temporarily absent from the home as a result of placement in foster care are considered members of the household

If a child has been placed in foster care, SFHRC will verify, with the appropriate agency, whether and when the child is expected to be returned to the home.

Generally, If the agency verifies that the child(ren) is expected to return to the home in no more than six months, the child(ren) will be considered members of the household. If the agency verifies that it reasonably believes the child(ren) will be placed in foster care for more than six months, the child(ren) will be considered permanently absent from the household.

If the agency indicates that a condition of the child(ren) returning to the household is the provision of proper sleeping space for the child(ren), SFHRC may consider the children as part of the household for the purpose of determining RAP unit size; however, if the child(ren) is not returned within 180 days, SFHRC may reduce the RAP unit size of the household.

Absent Head, Spouse, or Co-head

An employed head, spouse, or co-head absent from the unit more than 180 consecutive days due to

employment will continue to be considered a household member.

Household Members Permanently Confined for Medical Reasons

If a household member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a household member and the income of that person is not counted.

SFHRC will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The household may present evidence that the household member is confined on a permanent basis and request that the person not be considered a household member.

Joint Custody of Dependent

Dependents that are subject to a joint custody arrangement will be considered a member of the household, if they live with the applicant or participant household 50 percent or more of the time.

“50 percent or more of the time” is defined as 183 days or more per year, which do not have to run consecutively.

When more than one applicant or participant household is claiming the same dependents as household members, the household with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which household should claim them, SFHRC will make the determination based on available documents such as court orders, school enrollment, or an IRS return showing which household has claimed the child for income tax purposes.

Return of Permanently Absent Household Members

The household must request SFHRC approval for the return of any adult household members that SFHRC has determined to be permanently absent. The individual is subject to the eligibility and screening requirements discussed elsewhere in this Administrative Plan.

6.1.C. Anticipating Annual Income

SFHRC is required to count all income “anticipated to be received from a source outside the household during the 12-month period following admission or annual reexamination effective date” Policies related to anticipating annual income are provided below.

Basis of Annual Income Projection

SFHRC generally will use current circumstances to determine anticipated income for the coming 12- month period. HUD authorizes SFHRC to use other than current circumstances to anticipate income when:

- An imminent change in circumstances is expected
- It is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income)
- SFHRC believes that past income is the best available indicator of expected future income [24

When available, SFHRC will use year-to-date earned income to project income for the upcoming 12 month period. When the year-to-date income amount is not available, or is not reflective of expected income (i.e. hours have reduced or increased, or pay rate has significantly changed), SFHRC will use alternative methods to calculate expected income and the file will be documented to reflect the method(s) employed.

SFHRC will obtain written and/or oral third-party verification in accordance with the verification requirements

and policy in Chapter 7 in the following cases:

SFHRC will review and analyze current data to anticipate annual income. In all cases, the household file will be documented with a clear record of the reason for the decision, and a clear audit trail will be left as to how SFHRC annualized projected income.

When SFHRC cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), SFHRC will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income.

Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the household may present information and documentation to SFHRC to show why the historic pattern does not represent the household's anticipated income.

Known Changes in Income

If SFHRC verifies an upcoming increase or decrease in income, annual income will be calculated by applying each income amount to the appropriate part of the 12-month period.

Example: An employer reports that a full-time employee who has been receiving \$12/hour will begin to receive \$12.50 /hour in the eighth week after the effective date of the reexamination. In such a case SFHRC would calculate annual income as follows: ($\$12/\text{hour} \times 40 \text{ hours} \times 7 \text{ weeks}$) + ($\$12.50 \times 40 \text{ hours} \times 45 \text{ weeks}$).

The household may present information that demonstrates that implementing a change before its effective date would create a hardship for the household. In such cases SFHRC will calculate annual income using current circumstances and then require an interim reexamination when the change actually occurs. This requirement will be imposed even if SFHRC policy on reexaminations does not require interim reexaminations for other types of changes.

When tenant-provided third-party documents are used to anticipate annual income, they will be dated within the last 60 days of the reexamination interview date.

6.1.D. Earned Income

Types of Earned Income Included in Annual Income

Wages and Related Compensation

The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services is included in annual income

When available, SFHRC will use year-to-date earnings to project anticipated annual income.

For persons who regularly receive bonuses or commissions, SFHRC will verify and then average amounts received for the two years preceding admission or reexamination. If only a one-year history is available, SFHRC will use the prior year amounts. In either case the household may provide, and SFHRC will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions SFHRC will count only the amount estimated by the employer. The file will be documented appropriately.

Some Types of Military Pay

All regular pay, special pay and allowances of a member of the Armed Forces are counted except for the special pay to a household member serving in the Armed Forces who is exposed to hostile fire.

Types of Earned Income Not Counted in Annual Income

Temporary, Nonrecurring, or Sporadic Income

This type of income (including gifts) is not included in annual income. Sporadic income includes temporary payments from the U.S. Census Bureau for employment lasting no longer than 180 days.

Sporadic income is income that is not received periodically and cannot be reliably predicted. For example, the income of an individual who works occasionally as a handyman would be considered sporadic if future work could not be anticipated and no historic, stable pattern of income existed.

Children's Earnings

Employment income earned by children (including foster children) under the age of 18 years is not included in annual income.

Certain Earned Income of Full-Time Students

Earnings in excess of \$480 for each full-time student 18 years old or older (except for the head of household, spouse, or co-head) are not counted. To be considered "full-time," a student must be considered "full-time" by an educational institution with a degree or certificate program.

Income of a Live-in Aide

Income earned by a live-in aide is not included in annual income.

Income Earned under Certain Federal Programs

Income from some federal programs is specifically excluded from consideration as income including:

- Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
- Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b))
- Awards under the federal work-study program (20 U.S.C. 1087 uu)
- Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- Allowances, earnings, and payments to participants in programs funded under the Workforce Investment Act of 1998 (29 U.S.C. 2931)

Resident Service Stipend

Amounts received under a resident service stipend are not included in annual income. A resident service stipend is a modest amount (not to exceed \$200 per individual per month) received by a resident for performing a service for SFHRC or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of SFHRC's governing board. No resident may receive more than one such stipend during the same period of time

State and Local Employment Training Programs

Incremental earnings and benefits to any household member resulting from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a household member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the household member

participates in the training program.

SFHRC defines training program as “a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period to time. It is designed to lead to a higher level of proficiency, and it enhances the individual’s ability to obtain employment. It may have performance standards to measure proficiency. Training may include but is not limited to: (1) classroom training in a specific occupational skill, (2) on-the-job training with wages subsidized by the program, or (3) basic education”.

SFHRC defines incremental earnings and benefits as the difference between: (1) the total amount of welfare assistance and earnings of a household member prior to enrollment in a training program, and (2) the total amount of welfare assistance and earnings of the household member after enrollment in the program.

In calculating the incremental difference, SFHRC will use as the pre-enrollment income the total annualized amount of the household member’s welfare assistance and earnings reported on the household’s most recently completed HUD-50058.

End of participation in a training program must be reported in accordance with SFHRC’s interim reporting requirements.

HUD-Funded Training Programs

Amounts received under training programs funded in whole or in part by HUD are excluded from annual income. Eligible sources of funding for the training include operating subsidy, Section 8 administrative fees, and modernization, Community Development Block Grant (CDBG), HOME program, and other grant funds received from HUD.

To qualify as a training program, the program must meet the definition of training program provided above for state and local employment training programs.

Earned Income Tax Credit

Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)), are excluded from annual income. Although many households receive the EITC annually when they file taxes, an EITC can also be received throughout the year. The prorated share of the annual EITC is included in the employee’s payroll check.

6.1.E. Business Income

Annual income includes “the net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the household”.

Business Expenses

Net income is “gross income less business expense”.

To determine business expenses that may be deducted from gross income, SFHRC will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described below.

Business Expansion

HUD regulations do not permit SFHRC to deduct from gross income expenses for business expansion.

Business expansion is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations. For example, purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business would be considered a business expansion. Similarly, the purchase of a property by a hair care business to open at a second location would be considered a business expansion.

Capital Indebtedness

HUD regulations do not permit SFHRC to deduct from gross income the amortization of capital indebtedness.

Capital indebtedness is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means SFHRC will allow as a business expense interest, but not principal, paid on capital indebtedness.

Negative Business Income

If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other household income.

Withdrawal of Cash or Assets from a Business

HUD regulations require SFHRC to include in annual income the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a household member for cash or assets invested in the business by the household.

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of an assisted household provided an up-front loan of \$2,000 to help a business get started, the SFHRC will not count as income any withdrawals from the business up to the amount of this loan until the loan has been repaid. Investments do not include the value of labor contributed to the business without compensation.

Co-owned Businesses

If a business is co-owned with someone outside the household, the household must document the share of the business it owns. If the household's share of the income is lower than its share of ownership, the household must document the reasons for the difference.

6.1.F. Assets

Overview

There is no asset limitation for participation in the CoC PSH program. However, HUD requires that SFHRC include in annual income the "interest, dividends, and other net income of any kind from real or personal property". This section discusses how the income from various types of assets is determined. For most types of assets, SFHRC must determine the value of the asset in order to compute income from the asset. Therefore, for each asset type, this section discusses:

- How the value of the asset will be determined
- How income from the asset will be calculated

This section begins with a discussion of general policies related to assets and then provides HUD rules and

SFHRC policies related to each type of asset.

General Policies Income from Assets

SFHRC generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. As is true for all sources of income, HUD authorizes SFHRC to use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected (2) it is not feasible to anticipate a level of income over 12 months or (3) SFHRC believes that past income is the best indicator of anticipated income. For example, if a household member owns real property that typically receives rental income but the property is currently vacant, SFHRC can take into consideration past rental income along with the prospects of obtaining a new tenant.

Anytime current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases the household may present information and documentation to SFHRC to show why the asset income determination does not represent the household's anticipated asset income.

Valuing Assets

The calculation of asset income sometimes requires SFHRC to make a distinction between an asset's market value and its cash value.

- The market value of an asset is its worth (e.g., the amount a buyer would pay for real estate or the balance in an investment account).
- The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash.

Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions.

Lump-Sum Receipts

Payments that are received in a single lump sum, such as inheritances, capital gains, lottery winnings, insurance settlements, and proceeds from the sale of property, are generally considered assets, not income. However, such lump-sum receipts are counted as assets only if they are retained by a household in a form recognizable as an asset (e.g., deposited in a savings or checking account) (For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income, see sections 6.1.H and 6.1.I.)

Imputing Income from Assets

When net household assets are \$5,000 or less, SFHRC will include in annual income the actual income anticipated to be derived from the assets. When the household has net household assets in excess of \$5,000, the will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all household assets by the current HUD-established passbook savings rate.

Determining Actual Anticipated Income from Assets

It may or may not be necessary for SFHRC to use the value of an asset to compute the actual anticipated income from the asset. When the value is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a property for which a household receives rental income, the anticipated income is determined by annualizing the actual monthly rental amount received for the property; it is not based on the property's market value. However, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the

account.

Withdrawal of Cash or Liquidation of Investments

Any withdrawal of cash or assets from an investment will be included in income except to the extent that the withdrawal reimburses amounts invested by the household. For example, when a household member retires, the amount received by the household from a retirement plan is not counted as income until the household has received payments equal to the amount the household member deposited into the retirement fund.

Jointly Owned Assets

Federal regulations specifies that annual income includes “amounts derived (during the 12- month period) from assets to which any member of the household has access.”

If an asset is owned by more than one person and any household member has unrestricted access to the asset, SFHRC will count the full value of the asset. A household member has unrestricted access to an asset when he or she can legally dispose of the asset without the consent of any of the other owners.

If an asset is owned by more than one person, including a household member, but the household member does not have unrestricted access to the asset, SFHRC will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, SFHRC will prorate the asset evenly among all owners.

Assets Disposed Of for Less than Fair Market Value

HUD regulations require SFHRC to count as a current asset any business or household asset that was disposed of for less than fair market value during the two years prior to the effective date of the examination/reexamination, except as noted below.

Minimum Threshold

SFHRC will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than \$2,500.

When the two-year period expires, the income assigned to the disposed asset(s) also expires. If the two-year period ends between annual recertification, the household may request an interim recertification to eliminate consideration of the asset(s).

Assets placed by the household in non-revocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments.

Separation or Divorce

The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.

All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a household member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

Foreclosure or Bankruptcy

Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale.

Household Declaration

Households must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. SFHRC may verify the value of the assets disposed of if other information available to SFHRC does not appear to agree with the information reported by the household.

Types of Assets

Checking and Savings Accounts

For regular checking accounts and savings accounts, cash value has the same meaning as market value. If a checking account does not bear interest, the anticipated income from the account is zero.

- In determining the value of a checking account, SFHRC will use the average monthly balance for the last three months.
- In determining the value of a savings account, SFHRC will use the current balance.
- In determining the anticipated income from an interest-bearing checking or savings account, SFHRC will multiply the value of the account by the current rate of interest paid on the account.

Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds

Interest or dividends earned by investment accounts are counted as actual income from assets even when the earnings are reinvested. The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.

In determining the market value of an investment account, SFHRC will use the value of the account on the most recent investment report.

How anticipated income from an investment account will be calculated depends on whether the rate of return is known. For assets that are held in an investment account with a known rate of return (e.g., savings certificates), asset income will be calculated based on that known rate (market value multiplied by rate of earnings). When the anticipated rate of return is not known (e.g., stocks), SFHRC will calculate asset income based on the earnings for the most recent reporting period.

Equity in Real Property or Other Capital Investments

Equity (cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset.

Equity in real property and other capital investments is considered in the calculation of asset income except for the following types of assets:

- Equity in real property when a household member's main occupation is real estate. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6.1.E.
- Interests in Indian Trust lands [24 CFR 5.603(b)]
- Real property and capital assets that are part of an active business or farming operation

A household may have real property as an asset in two ways: (1) owning the property itself and (2) holding a mortgage or deed of trust on the property. In the case of a property owned by a household member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.

In the case of a mortgage or deed of trust held by a household member, the outstanding balance (unpaid principal) is the cash value of the asset. The interest portion only of payments made to the household in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.

In the case of capital investments owned jointly with others not living in a household's unit, a prorated share of the property's cash value will be counted as an asset unless SFHRC determines that the household receives no income from the property and is unable to sell or otherwise convert the asset to cash.

Trusts

A trust is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).

Revocable Trusts

If any member of a household has the right to withdraw the funds in a trust, the value of the trust is considered an asset. Any income earned as a result of investment of trust funds is counted as actual asset income, whether the income is paid to the household or deposited in the trust.

Non-revocable Trusts

In cases where a trust is not revocable by, or under the control of, any member of a household, the value of the trust fund is not considered an asset. However, any income distributed to the household from such a trust is counted as a periodic payment or a lump-sum receipt, as appropriate. (Periodic payments are covered in section 6.1.G. Lump-sum receipts are discussed earlier in this section.)

Retirement Accounts

Company Retirement/Pension Accounts

In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, SFHRC must know whether the money is accessible before retirement.

While a household member is employed, only the amount the household member can withdraw without retiring or terminating employment is counted as an asset.

After a household member retires or terminates employment, any amount distributed to the household member is counted as a periodic payment or a lump-sum receipt, as appropriate, except to the extent that it represents funds invested in the account by the household member. (For more on periodic payments, see section 6.1.G.) The balance in the account is counted as an asset only if it remains accessible to the household member.

IRA, Keogh, and Similar Retirement Savings Accounts

IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty.

Personal Property

Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset.

In determining the value of personal property held as an investment, SFHRC will use the household's estimate of the value. SFHRC may obtain an appraisal to confirm the value of the asset if there is reason to believe that the household's estimated value is off by \$50 or more. The household must cooperate with the appraiser but cannot be charged any costs related to the appraisal.

Generally, personal property held as an investment generates no income until it is disposed of. If regular income is generated (e.g., income from renting the personal property), the amount that is expected to be earned in the coming year is counted as actual income from the asset.

Necessary items of personal property are not considered assets

Necessary personal property consists of only those items not held as an investment, and may include clothing, furniture, household furnishings, jewelry, and vehicles, including those specially equipped for persons with disabilities.

Life Insurance

The cash value of a life insurance policy available to a household member before death, such as a whole life or universal life insurance policy, is included in the calculation of the value of the household's assets. The cash value is the surrender value. If such a policy earns dividends or interest that the household could elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the household actually receives it.

6.1.G. Periodic Payments

Periodic payments are forms of income received on a regular basis. HUD regulations specify periodic payments that are and are not included in annual income.

Periodic Payments Included in Annual Income

- Periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions are not counted. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the household
- Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum.

Lump-Sum Payments for the Delayed Start of a Periodic Payment

Most lump-sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump-sum receipts for the delayed start of periodic social security or supplemental security income (SSI) payments are not counted as income.

Additionally, any deferred disability benefits that are received in a lump-sum or in prospective monthly amounts from SFHRC of Veterans Affairs are to be excluded from annual income.

When a delayed-start payment is received and reported during the period in which SFHRC is processing an annual reexamination, SFHRC will adjust the household share and SFHRC's RAP retroactively for the period the payment was intended to cover. The household may pay in full any amount due or request to enter into a repayment agreement with SFHRC.

Treatment of Overpayment Deductions from Social Security Benefits

SFHRC will make a special calculation of annual income when the Social Security Administration (SSA) overpays an individual, resulting in a withholding or deduction from his or her benefit amount until the overpayment is

paid in full. The amount and duration of the withholding will vary depending on the amount of the overpayment and the percent of the benefit rate withheld. Regardless of the amount withheld or the length of the withholding period, SFHRC will use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount.

Periodic Payments Excluded from Annual Income

- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the assisted household, who are unable to live alone). Kinship guardianship assistance payments (Kin-GAP) and other similar guardianship payments are treated the same as foster care payments and are likewise excluded from annual income.

SFHRC will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency.

- Amounts paid by a state agency to a household with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled household member at home;
- Amounts received under the Low-Income Home Energy Assistance Program;
- Amounts received under the Child Care and Development Block Grant Act of 1990;;
- Earned Income Tax Credit (EITC) refund payments Note: EITC may be paid periodically if the household elects to receive the amount due as part of payroll payments from an employer;
- Lump-sums received as a result of delays in processing Social Security and SSI payments; .
- Lump-sums or prospective monthly amounts received as deferred disability benefits from SFHRC of Veterans Affairs (VA);

6.1.H. Payments In Lieu Of Earnings

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay, are counted as income if they are received either in the form of periodic payments or in the form of a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment. If they are received in a one-time lump sum (as a settlement, for instance), they are treated as lump-sum receipts.

Sanctions Resulting in the Reduction of Welfare Benefits

SFHRC must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain households. The requirements are summarized below. This rule applies only if a household was receiving RAP assistance at the time the sanction was imposed.

Covered Households

The households who receive welfare assistance or other public assistance benefits ('welfare benefits') from a State or other public agency ('welfare agency') under a program for which Federal, State or local law requires that a member of the household must participate in an economic self-sufficiency program as a condition for such assistance"

Imputed Income

When a welfare agency imposes a sanction that reduces a household's welfare income because the household commits fraud or fails to comply with the agency's economic self-sufficiency program or work activities requirement, SFHRC must include in annual income "imputed" welfare income. must request that the welfare agency inform SFHRC when the benefits of a CoC RAP participant household are reduced. The imputed income is the amount the household would have received if the household had not been sanctioned.

This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a household member is unable to find employment even though the household member has complied with the welfare agency economic self-sufficiency or work activities requirements, or (3) because a household member has not complied with other welfare agency requirements..

Offsets

The amount of the imputed income is offset by the amount of additional income the household begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero.

6.1.I Periodic and Determinable Allowances

Annual income includes periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing with an assisted household.

Alimony and Child Support

SFHRC must count alimony or child support amounts awarded as part of a divorce or separation agreement.

SFHRC will count court-awarded amounts for alimony and child support unless it verifies that: (1) the payments are not being made, and (2) the household has made reasonable efforts to collect amounts due, SFHRC will count the previous 12 months of amounts received. including filing with courts or agencies responsible for enforcing payments.

In cases where the household is not receiving the court-awarded amount for alimony and child support,

Households who do not have court-awarded alimony and child support awards are not required to seek a court award and are not required to take independent legal action to obtain collection.

Regular Contributions or Gifts

SFHRC will count, as income, regular monetary and nonmonetary contributions or gifts from persons not residing with an assisted household Temporary, nonrecurring, or sporadic income and gifts are not counted.

Examples of regular contributions include: (1) regular payment of a household's bills (e.g., utilities, telephone, rent, credit cards, and car payments), (2) cash or other liquid assets provided to any household member on a regular basis, and (3) "in-kind" contributions such as groceries and clothing provided to a household on a regular basis.

Nonmonetary contributions will be valued at the cost of purchasing the items, as determined by SFHRC. For contributions that may vary from month to month (e.g., utility payments), SFHRC will include an average amount based upon past history.

Student Financial Assistance Excluded from Annual Income

Any student financial assistance not subject to inclusion is fully excluded from annual income whether it is paid directly to the student or to the educational institution the student is attending. This includes any financial assistance received by:

- Students residing with parents who are seeking or receiving RAP
- Students who are enrolled in an educational institution that does not meet the 1965 HEA definition of institution of higher education
- Students who are over 23 AND have at least one dependent child
- Students who are receiving financial assistance through a governmental program not authorized under the 1965 HEA.

6.1.J Additional Exclusions from Annual Income

Other exclusions contained include the following:

- Reimbursement of medical expenses;
- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program;
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
- Adoption assistance payments in excess of \$480 per adopted child;
- Refunds or rebates on property taxes paid on the dwelling unit;
- Amounts paid by a state agency to a household with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled household member at home.

In cases where the household is not receiving the court-awarded amount for alimony and child support, In cases where the household is not receiving the court-awarded amount for alimony and child support,

- Amounts specifically excluded by any other federal statute. HUD publishes an updated list of these exclusions periodically. It includes:
 - The value of the allotment provided to an eligible household under the Food Stamp Act of 1977;
 - Payments to Volunteers under the Domestic Volunteer Services Act of 1973;
 - Payments received under the Alaska Native Claims Settlement Act;
 - Income derived from certain sub marginal land of the United States that is held in trust for certain Indian tribes;
 - Payments or allowances made under SFHRC of Health and Human Services' Low-Income Home Energy Assistance Program;
 - Payments received under programs funded in whole or in part under the Job Training Partnership Act; (Effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998;
 - Income derived from the disposition of funds to the Grand River Band of Ottawa Indians;
 - The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands;
 - Payments received from programs funded under Title V of the Older Americans Act of 1985;
 - Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in In Re "Agent Orange" product liability litigation, M.D.L. No. 381 (E.D.N.Y.)

- Payments received under the Maine Indian Claims Settlement Act of 1980;
- The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990;
- Earned income tax credit (EITC) refund payments received on or after January 1, 1999;
- Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation;
- Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990;
- Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran;
- Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act;
- Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998;

Part 2: Adjusted Income

6.2.A. Introduction

Overview

HUD regulations require SFHRC to deduct from annual income any of five mandatory deductions for which a household qualifies. The resulting amount is the household's adjusted income. Mandatory deductions are found in 24 CFR 5.611.

5.611(a) Mandatory Deductions

In determining adjusted income, SFHRC will deduct the following amounts from annual income:

- \$480 for each dependent;
- \$400 for any elderly household or disabled household;
- The sum of the following, to the extent the sum exceeds three percent of annual income:
 - Unreimbursed medical expenses of any elderly household or disabled household;
 - Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the household who is a person with disabilities, to the extent necessary to enable any member of the household (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by household members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and
- Any reasonable child care expenses necessary to enable a member of the household to be employed or to further his or her education.

This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7.

Anticipating Expenses

Generally, SFHRC will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., childcare during school and non-school periods and cyclical medical expenses), SFHRC will estimate costs based on historic data and known future costs.

If a household has an accumulated debt for medical or disability assistance expenses, SFHRC will include as an eligible expense the portion of the debt that the household expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. SFHC may require the household to provide documentation of payments made in the preceding year.

6.2.B. Dependent Deduction

A deduction of \$480 is taken for each dependent. Dependent is defined as any household member other than the head, spouse, or co-head who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents.

6.2.C. Elderly or Disabled Household Deduction

A single deduction of \$400 is taken for any elderly or disabled household. An elderly household is a household whose head, spouse, co-head, or sole member is 62 years of age or older, and a disabled household is a household whose head, spouse, co-head, or sole member is a person with disabilities.

6.2.D. Medical Expenses Deduction

Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed three percent of annual income.

The medical expense deduction is permitted only for households in which the head, spouse, or co-head is at least 62 or is a person with disabilities. If a household is eligible for a medical expense deduction, the medical expenses of all household members are counted.

Definition of Medical Expenses

HUD regulations define medical expenses to mean “medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance.”

The most current IRS Publication 502, Medical and Dental Expenses, will be used to determine the costs that qualify as medical expenses.

Summary of Allowable Medical Expenses from IRS Publication 502	
<p>Services of medical professionals</p> <p>Surgery and medical procedures that are necessary, legal, non-cosmetic</p> <p>Services of medical facilities</p> <p>Hospitalization, long-term care, and in-home nursing services</p> <p>Prescription medicines and insulin, but <u>not</u> nonprescription medicines even if recommended by a doctor</p> <p>Improvements to housing directly related to medical needs (e.g., ramps for a wheel chair, handrails)</p>	<p>Substance abuse treatment programs</p> <p>Psychiatric treatment</p> <p>Ambulance services and some costs of transportation related to medical expenses</p> <p>The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth)</p> <p>Cost and continuing care of necessary service animals</p> <p>Medical insurance premiums or the cost of a health maintenance organization (HMO)</p>
<p>Note: This chart provides a summary of eligible medical expenses only. Detailed information is provided in IRS Publication 502. Medical expenses are considered only to the extent they are not reimbursed by insurance or some other source.</p>	

Households That Qualify for Both Medical and Disability Assistance Expenses

This policy applies only to households in which the head, spouse, or co-head is 62 or older or is a person with disabilities.

When expenses anticipated by a household could be defined as either medical or disability assistance expenses, SFHRC will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6.2.E. Disability Assistance Expenses Deduction

Reasonable expenses for attendant care and auxiliary apparatus for a disabled household member may be deducted if they: (1) are necessary to enable a household member 18 years or older to work, (2) are not paid to a household member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed three percent of annual income, and (4) do not exceed the earned income received by the household member who is enabled to work.

Earned Income Limit on the Disability Assistance Expense Deduction

A household can qualify for the disability assistance expense deduction only if at least one household member (who may be the person with disabilities) is enabled to work.

The disability expense deduction is capped by the amount of “earned income received by household members who are 18 years of age or older and who are able to work” because of the expense. The earned income used for this purpose is the amount verified before any earned income disallowances or income exclusions are applied.

The household must identify the household members enabled to work as a result of the disability assistance expenses. In evaluating the household's request, SFHRC will consider factors such as how the work schedule of the relevant household members relates to the hours of care provided, the time required for transportation, the relationship of the household members to the person with disabilities, and any special needs of the person with disabilities that might determine which household members are enabled to work.

When SFHRC determines that the disability assistance expenses enable more than one household member to work, the expenses will be capped by the sum of the household members' incomes.

Eligible Disability Expenses

Eligible Auxiliary Apparatus

Expenses incurred for maintaining or repairing an auxiliary apparatus are eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is an eligible expense. The cost of service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.

Eligible Attendant Care

The household determines the type of attendant care that is appropriate for the person with disabilities.

Attendant care includes, but is not limited to, reasonable costs for home medical care, nursing services, in-home or center-based care services, interpreters for persons with hearing impairments, and readers for persons with visual disabilities.

Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, personal services necessary to enable the person with disabilities to work are eligible.

If the care attendant also provides other services to the household, SFHRC will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a household member to work. For example, if the care provider also cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Payments to Household Members

No disability assistance expenses may be deducted for payments to a member of an assisted household. However, expenses paid to a relative who is not a member of the assisted household may be deducted if they are not reimbursed by an outside source.

Necessary and Reasonable Expenses

The household determines the type of care or auxiliary apparatus to be provided and must describe how the expenses enable a household member to work. The household must certify that the disability assistance expenses are necessary and are not paid or reimbursed by any other source.

SFHRC determines the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, SFHRC will collect information from organizations that provide services and

support to persons with disabilities. A household may present, and SFHRC will consider, the household's justification for costs that exceed typical costs in the area.

Households That Qualify for Both Medical and Disability Assistance Expenses

This policy applies only to households in which the head or spouse is 62 or older or is a person with disabilities.

When expenses anticipated by a household could be defined as either medical or disability assistance expenses, SFHRC will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6.2.F. Child Care Expense Deduction

HUD defines childcare expenses as "amounts anticipated to be paid by the household for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a household member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for childcare. In the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income."

Clarifying the Meaning of Child for This Deduction

Childcare expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted household's household. However, childcare expenses for foster children that are living in the assisted household, are included when determining the household's childcare expenses.

Qualifying for the Deduction

Determining Who Is Enabled to Pursue an Eligible Activity

The household must identify the household member(s) enabled to pursue an eligible activity. The term eligible activity in this section means any of the activities that may make the household eligible for a childcare deduction (seeking work, pursuing an education, or being gainfully employed).

In evaluating the household's request, SFHRC will consider factors such as how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the relationship of the household member(s) to the child, and any special needs of the child that might help determine which household member is enabled to pursue an eligible activity.

Seeking Work

If the childcare expense being claimed is to enable a household member to seek employment, the household must provide evidence of the household member's efforts to obtain employment at each reexamination. The deduction may be reduced or denied if the household member's job search efforts are not commensurate with the childcare expense being allowed by SFHRC.

Furthering Education

If the childcare expense being claimed is to enable a household member to further his or her education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The

household member is not required to be a full-time student, but the time spent in educational activities must be commensurate with the childcare claimed.

Being Gainfully Employed

If the childcare expense being claimed is to enable a household member to be gainfully employed, the household must provide evidence of the household member's employment during the time that childcare is being provided. Gainful employment is any legal work activity (full- or part-time) for which a household member is compensated.

Earned Income Limit on Child Care Expense Deduction

When a household member looks for work or furthers his or her education, there is no cap on the amount that may be deducted for childcare – although the care must still be necessary and reasonable. However, when child care enables a household member to work, the deduction is capped by “the amount of employment income that is included in annual income” [24 CFR 5.603(b)].

The earned income used for this purpose is the amount of earned income verified after any earned income disallowances or income exclusions are applied.

SFRHC must not limit the deduction to the least expensive type of child care. If the care allows the household to pursue more than one eligible activity, including work, the cap is calculated in proportion to the amount of time spent working.

When the childcare expense being claimed is to enable a household member to work, only one household member's income will be considered for a given period of time. When more than one household member works during a given period, SFHRC generally will limit allowable childcare expenses to the earned income of the lowest-paid member. The household may provide information that supports a request to designate another household member as the person enabled to work.

Eligible Child Care Expenses

The type of care to be provided is determined by the assisted household. SFHRC may not refuse to give a household the child care expense deduction because there is an adult household member in the household that may be available to provide child care.

Allowable Child Care Activities

For school-age children, costs attributable to public or private school activities during standard school hours are not considered. Expenses incurred for supervised activities after school or during school holidays (e.g., summer day camp, after-school sports league) are allowable forms of childcare.

The costs of general housekeeping and personal services are not eligible. Likewise, child care expenses paid to a household member who lives in the household's unit are not eligible; however, payments for child care to relatives who do not live in the unit are eligible.

If a child care provider also renders other services to a household or child care is used to enable a household member to conduct activities that are not eligible for consideration, SFRHC will prorate the costs and allow only that portion of the expenses that is attributable to child care for eligible activities. For example, if the care provider also cares for a child with disabilities who is 13 or older, the cost of care will be prorated. Unless otherwise specified by the childcare provider, the calculation will be based upon the number of hours spent

in each activity and/or the number of persons under care.

Necessary and Reasonable Costs

Child care expenses will be considered necessary if: (1) a household adequately explains how the care enables a household member to work, actively seek employment, or further his or her education, and (2) the household certifies, and the child care provider verifies, that the expenses are not paid or reimbursed by any other source.

Childcare expenses will be considered for the time required for the eligible activity plus reasonable transportation time. For childcare that enables a household member to go to school, the time allowed may include not more than one study hour for each hour spent in class.

Households may present, and SFHRC will consider, justification for costs that exceed typical costs in the area.

Part 3: Calculating Household Share and SFHRC RAP

6.3.A. Overview of Rent and RAP Calculations

Calculating Occupancy Charges and Rent

HUD regulations specify the formula for calculating the total participant payment (TPP) for an assisted household. TPP is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the household's monthly adjusted income (adjusted income is defined in Part 2)
- 10 percent of the household's monthly gross income (annual income, as defined in Part 1, divided by 12)
- The welfare rent (in as-paid states only)

Welfare Rent

Welfare rent does not apply in this locality.

RAP

HUD will only provide rental assistance for a unit if the rent is reasonable. SFHRC must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size type, quality, amenities, facilities, and management and maintenance of each unit. Reasonable Rent must not exceed rent currently being charged by the same owner for comparable unassisted units

Utility Reimbursement

When subsidy for a household exceeds the rent to owner, the household is due a utility reimbursement. HUD permits SFHRC to pay the reimbursement to the household or directly to the utility provider.

SFHRC will make utility reimbursements to the household.

6.3.B. Applying Utility Allowances

Overview

SFHRC-established utility allowance schedule is used in determining household share and the rental assistance. SFHRC will use the appropriate utility allowance for the size of dwelling unit actually leased by a household rather than the RAP unit size for which the household qualifies using SFHRC's subsidy standards. See Chapter 5 for information on SFHRC's subsidy standards.

Reasonable Accommodation

HUD program regulations require SFHRC to approve a utility allowance amount higher than shown on the SFHRC's schedule if a higher allowance is needed as a reasonable accommodation for a household member with a disability. For example, if a household member with a disability requires such an accommodation, SFHRC will approve an allowance for air-conditioning, even if SFHRC has determined that an allowance for air-conditioning generally is not needed.

The household must request the higher allowance and provide SFHRC with an explanation of the need for the reasonable accommodation and information about the amount of additional allowance required.

Utility Allowance Revisions

At reexamination, SFHRC will use the current utility allowance schedule.

Revised utility allowances will be applied to a household's rent and subsidy calculations at the first annual reexamination that is effective after the allowance is adopted.

CHAPTER 7: VERIFICATION

Introduction

SFHRC must verify all information that is used to establish the household's eligibility and level of assistance and is required to obtain the household's consent to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. SFHRC will not pass on the cost of verification to the household. The SFHRC will follow the verification guidance provided by HUD. This Chapter summarizes those requirements and provides supplementary SFHRC policies.

Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies of SFHRC.

Part 1: General Verification Requirements

7.1.A Household Consent to Release of Information

The household must supply any information SFHRC or HUD determines is necessary to the administration of the program and must consent to SFHRC verification of that information.

7.1.B. Overview of Verification Requirements

HUD's Verification Hierarchy

HUD authorizes SFHRC to use four methods to verify household information and specifies the circumstances in which each method will be used. In general HUD requires SFHRC to use the most reliable form of verification that is available and to document the reasons when SFHRC uses a lesser form of verification.

In order of priority, the forms of verification SFHRC will use are:

1. Written Third-Party Verification (may be provided by applicant or participant)
2. Written Third-party Verification Form
3. Oral Third-party Verification
4. Self-Certification

Each of the verification methods is discussed in subsequent sections below.

Requirements for Acceptable Documents

Any documents used for verification must be the original (not photocopies) and generally must be dated within 60 days of the date they are provided to SFHRC for initial determination of eligibility and 120 days for annual recertifications. The documents must not be damaged, altered or in any way illegible.

Print-outs from Web pages are considered original documents.

SFHRC staff member who views the original document must make a photocopy, annotate the copy with the name of the person who provided the document and the date the original was viewed, and sign the copy.

Any household self-certifications must be made in a format acceptable to SFHRC and must be signed in the presence of a SFHRC representative.

File Documentation

SFHRC must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the household's file in sufficient detail to demonstrate that SFHRC has followed all of the verification policies set forth in this plan. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

SFHRC will document, in the household file, the following:

- Reported household annual income
- Value of assets
- Expenses related to deductions from annual income
- Other factors influencing the adjusted income or income-based rent determination

When SFHRC is unable to obtain 3rd party verification, it will document in the household file the reason that third-party verification was not available.

7.1.C Third-Party Written and Oral Verification

HUD's current verification hierarchy defines two types of written third-party verification. The more preferable

form, “written third-party verification,” consists of an original document generated by a third-party source, which may be received directly from a third-party source or provided to SFHRC by the household. If written third-party verification is not available, SFHRC must attempt to obtain a “written third-party verification form.” This is a standardized form used to collect information from a third party.

Written Third-Party Verification

Written third-party verification documents must be original and authentic and may be supplied by the household or received from a third-party source.

Examples of acceptable tenant-provided documents include, but are not limited to: pay stubs, payroll summary reports, employer notice or letters of hire and termination, SSA benefit verification letters, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices.

SFHRC is required to obtain, at minimum, two current and consecutive pay stubs for determining annual income from wages.

SFHRC may reject documentation provided by the household if the document is not an original, if the document appears to be forged, or if the document is altered, mutilated, or illegible.

If SFHRC determines that third-party documents provided by the household are not acceptable, SFHRC will explain the reason to the household and request additional documentation.

As verification of earned income, SFHRC will request pay stubs covering the 60-day period prior to the its request.

Written Third-Party Verification Form

When the household is unable to provide written third-party documents, SFHRC must request a written third-party verification form. HUD’s position is that this traditional third-party verification method presents administrative burdens and risks which may be reduced through the use of household-provided third-party documents.

A written third-party verification form is mandatory when there is an unreported source of income or a substantial difference in reported income (\$2400 annually or more) and there is no tenant-provided documentation to support the income discrepancy.

SFHRC may mail, fax, or e-mail third-party written verification form requests to third-party sources.

SFHRC Policy

SFHRC will send third-party verification forms directly to the third party.

Third-party verification forms will be sent when third-party verification documents are unavailable or are rejected by SFHRC.

Oral Third-Party Verification

For third-party oral verification, SFHRC contact sources, identified by the household, by telephone or in person.

Oral third-party verification is mandatory if neither form of written third-party verification is available.

Third-party oral verification may be used when requests for written third-party verification forms have not been returned within a reasonable time—e.g., 10 business days.

SFHRC will document in the file the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed.

When any source responds verbally to the initial written request for verification, SFHRC will accept the verbal response as oral verification but will also request that the source complete and return any verification forms that were provided.

When Third-Party Verification is not Required

Third-party verification may not be available in all situations. HUD has acknowledged that it may not be cost-effective or reasonable to obtain third-party verification of income, assets, or expenses when these items would have a minimal impact on the household's total tenant payment.

If the household cannot provide original documents, SFHRC may opt to pay the service charge required to obtain third-party verification, unless it is not cost effective in which case a self-certification will be acceptable as the only means of verification.

The cost of postage and envelopes to obtain third-party verification of income, assets, and expenses is not an unreasonable cost.

Primary Documents

Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.

Imputed Assets

SFHRC will accept a self-certification from a household as verification of assets disposed of for less than fair market value.

7.1.D Self-Certification

Self-certification, or "participant declaration," is used as a last resort when SFHRC is unable to obtain third-party verification.

When SFHRC relies on a tenant declaration for verification of income, assets, or expenses, the household's file must be documented to explain why third-party verification was not available.

When information cannot be verified by a third party or by review of documents, household members will be required to submit self-certifications attesting to the accuracy of the information they have provided to SFHRC.

SFHRC may require a household to certify that a household member does not receive a particular type of income or benefit.

The self-certification must be made in a format acceptable to SFHRC and must be signed by the household member whose information or status is being verified. SFHRC may require that a self-certification be signed in the presence of a SFHRC representative.

Self-certification will not be accepted for verification of identity or custody arrangements involving minor children.

Part 2: Verifying Household Information

Verification of U.S Citizenship of Eligible Immigration Status

In order to receive RAP, each household member must provide verification that's/he is a U.S. citizen, national or have eligible immigration status under Section 214 of the Housing and Community Development Act of 1974. Each household member must submit a signed "Declaration of Section 214 Status" and one of the following documents:

7.2.A. Social Security Numbers

The household must provide documentation of a valid social security number (SSN) for each member of the household, with the exception of individuals who do not contend eligible immigration status. Exemptions also include, existing program participants who were at least 62 years of age as of January 31, 2010, and had not previously disclosed an SSN.

SFHRC will accept the following documentation as acceptable evidence of the social security number:

- An original SSN card issued by the Social Security Administration (SSA)
- Acceptable forms of documentation in lieu of the actual social security card:
 - Medicare/Medicaid card with the social security number is printed on the card.
 - SD SFHRC of Social Services document with the social security number printed on the document.
 - State of South Dakota probation and parole document with the social security number printed on the document.
 - Other official government issued document with the social security number printed on the document (at the discretion of SFHRC).
- In addition, verification in the form of a receipt from Social Security showing the applicant has applied for a replacement social security card must be submitted.

SFHRC may only reject documentation of an SSN provided by an applicant or participant if the document is not an original document, if the original document has been altered, mutilated, or is not legible, or if the document appears to be forged.

SFHRC will explain to the applicant or participant the reasons the document is not acceptable and advise them that RAP cannot begin until it receives verification acceptable to SFHRC.

When the participant requests to add a new household member who is at least 6 years of age, or who is under the age of 6 and has an SSN, the participant must provide the complete and accurate SSN assigned to each new member at the time of reexamination or recertification, in addition to the documentation required to verify it.

SFHRC will not add the new household member until such documentation is provided.

When a participant requests to add a new household member who is under the age of 6 and has not been assigned an SSN, the participant must provide the SSN assigned to each new child and the required documentation within 90 calendar days of the child being added to the household. A 90-day extension will be granted if SFHRC determines that the participant's failure to comply was due to unforeseen circumstances and was outside of the participant's control. During the period SFHRC is awaiting documentation of the SSN, the child will be counted as part of the assisted household.

Social security numbers must be verified only once during continuously assisted occupancy. SFHRC will verify

each disclosed SSN by:

- Obtaining documentation from applicants and participants that is acceptable as evidence of social security numbers
- Making a copy of the original documentation submitted, returning it to the individual, and retaining a copy in the file folder.

7.2.B. Documentation of Age

A birth certificate or other official record of birth is the preferred form of age verification for all household members. For elderly household members an original document that provides evidence of the receipt of social security retirement benefits is acceptable.

If an official record of birth or evidence of social security retirement benefits cannot be provided, SFHRC will require the household to submit other documents that support the reported age of the household member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

Age must be verified only once during continuously assisted occupancy.

7.2.C. Household Relationships

Applicants and program participants are required to identify the relationship of each household member to the head of household.

Household relationships are verified only to the extent necessary to determine a household's eligibility and level of assistance. Certification by the head of household normally is sufficient verification of household relationships.

Birth certificates or custody documentation must be supplied for each minor child in the household.

If the minor child is not related to the head of household, spouse or co-head, and is not a Foster child, custody documentation is required.

Separation or Divorce

Certification by the head of household is normally sufficient verification. If SFHRC has reasonable doubts about a separation or divorce, SFHRC will require the household to document the divorce, or separation.

A certified copy of a divorce decree, signed by a court officer, is required to document that a couple is divorced.

A copy of a court-ordered maintenance or other court record is required to document a separation.

If no court document is available, documentation from a community-based agency will be accepted.

Absence of Household Members

Generally, an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less for educational activities, placement in foster care, employment, illness, incarceration, and court order is considered temporarily absent and continues to be considered a household member. Generally, an individual

who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a household member.

Absence of any household member or the entire household for reasons other than those named above will be limited to sixty (60) consecutive days unless approved by SFHRC.

Exceptions to this general policy are discussed below.

Absent Students

When someone who has been considered a household member attends school away from home, the person will continue to be considered a household member unless information becomes available to SFHRC indicating that the student has established a separate household or the household declares that the student has established a separate household. Such information will include, but not be limited to:

- Photo identification or driver's license with an address that differs from the household; or
- Enrollment paperwork reflecting a different address

Absences Due to Placement in Foster Care

Children and adults temporarily absent from the home as a result of placement in foster care are considered members of the household.

If a household member has been placed in foster care, SFHRC will verify with the appropriate agency whether and when the member is expected to be returned to the home.

Generally, if the agency verifies that the household member is expected to return to the home the household member will be considered a member of the assisted household. If the agency verifies that it reasonably believes the member will not be returned to the home s/he will be considered permanently removed

If the agency indicates that a condition of returning to the household is the provision of proper sleeping space for the household member, SFHRC may consider the children as part of the household for the purpose of determining subsidy bedroom size..

Absent Head, Spouse, or Co-head

An employed head, spouse, or co-head absent from the unit more than 180 consecutive days due to employment will continue to be considered a household member.

Household Members Permanently Confined for Medical Reasons

If a household member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a household member and the income of that person is not counted.

SFHRC will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The household may present evidence that the household member is confined on a permanent basis and request that the person not be considered a household member.

When an individual who has been counted as a household member is determined permanently absent, the household is eligible for the medical expense deduction only if the remaining head, spouse, or co-head,

qualifies as an elderly person or a person with disabilities.

Joint Custody of Dependents

Dependents that are subject to a joint custody arrangement will be considered a member of the household if they live with the applicant or participant household more than 50 percent of the time.

When more than one applicant or participant household is claiming the same dependents as household members, the household with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which household should claim them, SFHRC will make the determination based on available documents such as court orders, or an IRS return showing which household has claimed the child for income tax purposes.

Absences Due to Incarceration

If the sole member of the household is incarcerated for more than 180 days, he/she will be considered permanently absent.

Any member of the household other than the sole member maybe considered permanently absent if he/she is incarcerated for 3 consecutive months or more.

Household members absent due to incarceration may not be eligible for rental assistance upon release from custody, dependent upon the nature of the criminal activity that resulted in the incarceration. Refer to Chapter 12 for SFHRC's policies regarding criminal activity and termination of assistance.

7.2.D. Documentation of Disability

SFHRC must verify the existence of a disability in order to allow certain income disallowances and deductions from income. SFHRC is not permitted to inquire about the nature or extent of a person's disability. SFHRC may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If SFHRC receives a verification document that provides such information, SFHRC will not place this information in the tenant file. Under no circumstances will SFHRC request a participant's medical record(s).

Federal regulations do not prohibit the following inquiries, provided these inquiries are made of all applicants, whether or not they are persons with disabilities:

- Inquiry into an applicant's ability to meet the requirements of ownership or tenancy
- Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with disabilities or to persons with a particular type of disability
- Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with disabilities or to persons with a particular type of disability
- Inquiring whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance
- Inquiring whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance

Household Members Receiving SSA Disability Benefits

Verification of the receipt of disability benefits from the Social Security Administration (SSA) is sufficient verification of disability for the purpose of qualifying for waiting list preferences (if applicable) or certain income disallowances and deductions.

SFHRC will request a current (dated for the current benefit year) SSA benefit verification letter from each household member claiming disability status. If the household is unable to provide the document(s), SFHRC will ask the household to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the applicant or participant receives the benefit verification letter, they will be required to provide it to SFHRC.

Household Members Not Receiving SSA Disability Benefits

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.603.

For household members claiming disability who do not receive disability benefits from the SSA, a knowledgeable professional must provide third-party verification that the household member meets the HUD definition of disability. See the Eligibility Chapter for the HUD definition of disability. The knowledgeable professional will verify whether the household member does or does not meet the HUD definition.

7.2.E Citizenship or Eligible Immigration Status

Overview

In order to receive RAP applicants and participants must be lawfully within the U.S.

U.S. Citizens and Nationals

HUD requires a declaration for each household member who claims to be a U.S. citizen or national. The declaration must be signed personally by any household member 18 or older and by a guardian for minors.

SFHRC may request verification of the declaration by requiring presentation of a birth certificate, unexpired United States passport, Tribal Enrollment card/documents or Certificate of Naturalization.

Eligible Immigrants Documents Required

All household members claiming eligible immigration status must declare their status in the same manner as U.S. citizens and nationals.

The documentation required for eligible noncitizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, age, and the date on which the household began receiving HUD-funded assistance.

Verification

For household members age 62 or older who claim to be eligible immigrants, proof of age is required in the manner described in 7.2.C. of this plan. No further verification of eligible immigration status is required.

For household members under the age of 62 who claim to be eligible immigrants, SFHRC must verify immigration status with the United States Citizenship and Immigration Services (USCIS). SFHRC will follow all USCIS protocols for verification of eligible immigration status.

7.2.F. Verification of Preference Status.

SFHRC will offer a preference to any household that has been terminated from the CoC RAP program due to insufficient program funding. SFHRC will verify this preference using SFHRC's termination records.

Part 3: Verifying Income and Assets

Chapter 6, Part 1 of this plan describes in detail the types of income that are included and excluded and how assets and income from assets are handled. Any assets and income reported by the household must be verified. This part provides SFHRC policies that supplement the general verification procedures specified in Part 1 of this Chapter.

7.3.A. Earned Income Tips

Unless tip income is included in a household member's W-2 by the employer, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received for the prior year and tips anticipated to be received in the coming year or provide a copy of the submitted tax return from the previous year showing the amount of tip income claimed.

7.3.B. Business and Self Employment Income

Business owners and self-employed persons will be required to provide:

- An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy.
- All schedules completed for filing federal and local taxes in the preceding year.
- If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

SFHRC will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations.

At any reexamination SFHRC may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

If a household member has been self-employed less than three (3) months, SFHRC will accept the household member's certified estimate of income and schedule an interim reexamination in three (3) months. If the household member has been self-employed for three (3) to twelve (12) months SFHRC will require the household to provide documentation of income and expenses for this period and use that information to project income.

7.3.C. Periodic Payments and Payments In Lieu Of Earnings

Social Security/SSI Benefits

To verify the SS/SSI benefits of applicants, SFHRC will request a current (dated for the current benefit year) SSA benefit verification letter from each household member that receives social security benefits. If the household is unable to provide the document(s), SFHRC will help the applicant request a benefit verification

letter from SSA's Web site at www.socialsecurity.gov or ask the household to request one by calling SSA at 1-800-772-1213. Once the applicant has received the benefit verification letter, they will be required to provide it to SFHRC.

7.3.D. Alimony or Child Support

The way SFHRC will seek verification for alimony and child support differs depending on whether the household declares that it receives regular payments.

If the household declares that it receives regular payments, verification will be sought in the following order:

1. Third-party verification form from the state or local child support enforcement agency
2. Copy of the receipts and/or payment stubs for the 60 days prior to SFHRC request
3. Third-party verification form from the person paying the support
4. Household's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

7.3.E. Assets and Income from Assets

Assets Disposed of for Less than Fair Market Value

The household must certify whether any assets have been disposed of for less than fair market value in the preceding two years. SFHRC needs to verify only those certifications that warrant documentation.

SFHRC will verify the value of assets disposed of only if:

- SFHRC does not already have a reasonable estimation of its value from previously collected information, or
- The amount reported by the household in the certification appears obviously in error.

Example 1: An elderly participant reported a \$10,000 certificate of deposit at the last annual reexamination and SFHRC verified this amount. Now the person reports that she has given this \$10,000 to her son. SFHRC has a reasonable estimate of the value of the asset; therefore, reverification of the value of the asset is not necessary.

Example 2: A household member has disposed of its 1/4 share of real property located in a desirable area and has valued her share at approximately 5,000. Based upon market conditions, this declaration does not seem realistic. Therefore, SFHRC will verify the value of this asset.

SFHRC will not count an asset disposed for less than fair market value if the applicant or participant can provide a court order showing s/he was forced to dispose of the asset or if the s/he has protections under the Violence Against Women Act and had to flee due for the safety of her/himself or household members.

Net Household Assets of Less Than \$5,000

Tenants with assets below \$5,000 typically generate minimal income from these assets which results in small changes to tenant rental payments. However, SFHRC spend significant time verifying such assets which strains SFHRC budgets and leads to increased staff errors. This provision is intended to simplify the requirements associated with determining a participant's annual income.

Households with assets are required to report all assets annually. The amount of interest earned on those assets is included as income used to calculate the tenant's rent obligation. Currently, where the household has

net household assets in excess of \$5,000, annual income includes the greater of the actual income derived from all net household assets or a percentage of the value of such assets based on the current passbook savings rate.

SFHRC will accept a household's declaration of the amount of assets of less than \$5,000, and the amount of income expected to be received from those assets.

SFHRC's application and reexamination documentation, which is signed by all adult household members, can serve as the declaration. Where the household has net household assets equal to or less than \$5000, SFHRC does not need to request supporting documentation (e.g. bank statements) from the household to confirm the assets or the amount of income expected to be received from those assets. Where the household has net household assets in excess of \$5000, SFHRC must obtain supporting documentation (e.g. bank statements) from the household to confirm the assets. Any assets will continue to be reported on HUD Form 50058.

SFHRC will not request supporting documentation to confirm the assets or the amount of income expected to be received from those assets if the household self-certifies that it has net household assets equal to or less than \$5000 unless SFHRC has reasonable cause to believe that the household has misrepresented the value of its assets.

7.3.F. Net Income from Rental Property

The household must provide:

- A current executed lease for the property that shows the rental amount or certification from the current tenant
- A self-certification from the household members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income). If schedule E was not prepared, SFHRC will require the household members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

7.3.G. Retirement Accounts

SFHRC will accept written third-party documents supplied by the household as evidence of the status of retirement accounts.

The type of original document that will be accepted depends upon the household member's retirement status:

- Before retirement, SFHRC will accept an original document from the entity holding the account with a date that shows it is the most recently scheduled statement for the account but in no case earlier than 6 months from the effective date of the examination.
- Upon retirement, SFHRC will accept an original document from the entity holding the account that reflects any distributions of the account balance, any lump sums taken and any regular payments.
- After retirement, SFHRC will accept an original document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken and any regular payments.

7.3.H. Income from Excluded Sources

A detailed discussion of excluded income is provided in Chapter 6, Part 1.

7.3.I. Student Financial Assistance

[24CFR 5.609]

Any financial assistance, in excess of amounts received for tuition, that a person attending an institution of higher education receives under the Higher Education Act of 1965, from private sources, or from an institution of higher education must be considered income unless the student is over the age of 23 with dependent children or is residing with parents who are seeking or receiving RAP [.

For students over the age of 23 with dependent children or students residing with parents who are seeking or receiving RAP assistance, the full amount of student financial assistance is excluded from annual income. The full amount of student financial assistance is also excluded for students attending schools that do not qualify as institutions of higher learning. Excluded amounts are verified only if, without verification, SFHRC would not be able to determine whether or to what extent the income is to be excluded (see Section 7.3.H).

For a student subject to having a portion of his/her student financial assistance included in annual income in accordance with SFHRC will request written third-party verification of both the source and the amount. Household-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student.

In addition, SFHRC will request written verification of the student's tuition amount.

If SFHRC is unable to obtain third-party written verification of the requested information, SFHRC will pursue other forms of verification following the verification hierarchy in Section 7.1.B.

Part 4: Verifying Mandatory Deductions

7.4.A. Dependent and Elderly/Disabled Household Deductions

The dependent and elderly/disabled household deductions require only that SFHRC verify that the household members identified as dependents or elderly/disabled persons meet the statutory definitions. No further verifications are required.

Dependent Deduction

See Chapter 6 (6.2.B.) for a full discussion of this deduction. SFHRC must verify that:

- Any person under the age of 18 for whom the dependent deduction is claimed is not the head, spouse, or co-head of the household and is not a foster child
- Any person age 18 or older for whom the dependent deduction is claimed is not a foster adult or live-in aide, and is a person with a disability or a full-time student

Elderly/Disabled Household Deduction

See Eligibility Chapter for a definition of elderly and disabled households and Chapter 6 (6.2.C.) for a discussion of the deduction. SFHRC must verify that the head, spouse, or co-head is 62 years of age or older or a person

with disabilities.

7.4.B. Medical Expense Deduction

Policies related to medical expenses are found in 6.2.D. The amount of the deduction will be verified following the standard verification procedures described in Part 1.

Amount of Expense

Medical expenses will be verified through:

- Written third-party documents provided by the household, such as SFHRC printouts or receipts.
- SFHRC will make a best effort to determine what expenses from the past are likely to continue to occur in the future. SFHRC will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.
- Written third-party verification forms, if the household is unable to provide acceptable documentation.
- If third-party or document review is not possible, written household certification as to costs anticipated to be incurred during the upcoming 12 months.

In addition, SFHRC must verify that:

- The household is eligible for the deduction.
- The costs to be deducted are qualified medical expenses.
- The expenses are not paid for or reimbursed by any other source.
- Costs incurred in past years are counted only once.

Eligible Household

The medical expense deduction is permitted only for households in which the head, spouse, or co-head is at least 62, or a person with disabilities. SFHRC must verify that the household meets the definition of an elderly or disabled household provided in the Eligibility Chapter and as described in Chapter 7 (7.4.A.) of this plan.

Qualified Expenses

To be eligible for the medical expense deduction, the costs must qualify as medical expenses. See Chapter 6 (6.2.D.) for SFHRC's policy on what counts as a medical expense.

Unreimbursed Expenses

To be eligible for the medical expense deduction, the costs must not be reimbursed by another source.

The household will be required to certify that the medical expenses are not paid or reimbursed to the household from any source.

Expenses Incurred in Past Years

When anticipated costs are related to on-going payment of medical bills incurred in past years, SFHRC will verify:

- The anticipated repayment schedule
- The amounts paid in the past
- Whether the amounts to be repaid have been deducted from the household's annual income in past

years

7.4.C. Disability Assistance Expenses

Policies related to disability assistance expenses are found in 6.2.E. The amount of the deduction will be verified following the standard verification procedures described in Part 1.

Attendant Care

SFHRC will accept written third-party documents provided by the household.

If household-provided documents are not available, SFHRC will provide a third-party verification form directly to the care provider requesting the needed information.

Expenses for attendant care will be verified through:

- Written third-party documents provided by the household, such as receipts or cancelled checks.
- Third-party verification form signed by the provider, if household-provided documents are not available.
- If third-party verification is not possible, written household certification as to costs anticipated to be incurred for the upcoming 12 months.

Auxiliary Apparatus

Expenses for auxiliary apparatus will be verified through:

- Written third-party documents provided by the household, such as billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months.
- Third-party verification form signed by the provider, if household-provided documents are not available.
- If third-party verification is not possible, written household certification of estimated apparatus costs for the upcoming 12 months.

In addition, SFHRC must verify that:

- The household member for whom the expense is incurred is a person with disabilities (as described in 7.2.F above).
- The expense permits a household member, or members, to work (as described in 6.2.E.).
- The expense is not reimbursed from another source (as described in 6.2.E.).

Household Member is a Person with Disabilities

To be eligible for the disability assistance expense deduction, the costs must be incurred for attendant care or auxiliary apparatus expense associated with a person with disabilities. SFHRC will verify that the expense is incurred for a person with disabilities (See 7.2.F.).

Household Member(s) Permitted to Work

SFHRC must verify that the expenses claimed actually enable a household member, or members, (including the person with disabilities) to work.

SFHRC will request third-party verification from a rehabilitation agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another household member, or members, to work

(See 6.2.E.). This documentation may be provided by the household.

If third-party verification has been attempted and is either unavailable or proves unsuccessful, the household must certify that the disability assistance expense frees a household member, or members (possibly including the household member receiving the assistance), to work.

Unreimbursed Expenses

To be eligible for the disability expenses deduction, the costs must not be reimbursed by another source.

The household will be required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed to the household from any source.

7.4.D. Child Care Expenses

Policies related to childcare expenses are found in Chapter 6 (6.2.F). The amount of the deduction will be verified following the standard verification procedures described in Part 1 of this Chapter. In addition, SFHRC must verify that:

- The child is eligible for care.
- The costs claimed are not reimbursed.
- The costs enable a household member to pursue an eligible activity.
- The costs are for an allowable type of childcare.
- The costs are reasonable.

Eligible Child

To be eligible for the childcare deduction, the costs must be incurred for the care of a child under the age of 13. SFHRC will verify that the child being cared for (including foster children) is under the age of 13 (See 7.2.C.).

Unreimbursed Expense

To be eligible for the child-care deduction, the costs must not be reimbursed by another source.

The household will be required to certify that the childcare expenses are not paid by or reimbursed to the household from any source.

Pursuing an Eligible Activity

SFHRC must verify that the household member(s) that the household has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities.

Information to be gathered

SFHRC will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the household member(s) to the child, and any special needs of the child that might help determine which household member is enabled to pursue an eligible activity.

Seeking work

Whenever possible SFHRC will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases SFHRC will request household-provided verification from the agency of the member's job seeking efforts to date and require the household to submit to SFHRC any reports provided to the other agency.

In the event third-party verification is not available, SFHRC will provide the household with a form on which the household member must record job search efforts. SFHRC will review this information at each subsequent reexamination for which this deduction is claimed.

Furthering Education

SFHRC will request third-party documentation to verify that the person permitted to further his or her education by the childcare is enrolled and provide information about the timing of classes for which the person is registered. The documentation may be provided by the household.

Gainful Employment

SFHRC will seek third-party verification that at least one adult in the household is employed. If the childcare cost does not seem reasonable in comparison to the amount earned by the employed household member, SFHRC may request verification of the work schedule of the person who is permitted to work by the child-care. In cases in which two or more household members could be permitted to work, the work schedules for all relevant household members may be verified. The documentation may be provided by the household.

Allowable Type of Child Care

The type of care to be provided is determined by the household, but must fall within certain guidelines, as discussed in Chapter 6.

SFHRC will verify the following:

- SFHRC will verify that the type of childcare selected by the household is allowable, as described in Chapter 6 (6.2.F).
- SFHRC will verify that the fees paid to the child care provider cover only child care costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible household members).
- SFHRC will verify that the childcare provider is not an assisted household member. Verification will be made through the head of household's declaration of household members who are expected to reside in the unit.

Reasonableness of Expenses

Only reasonable childcare costs can be deducted.

The actual costs the household incurs will be compared with SFHRC's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable.

If the household presents a justification for costs that exceed typical costs in the area, SFHRC will request additional documentation, as required, to support a determination that the higher cost is appropriate.

Chapter 8: Housing Quality Standards and Rent Reasonableness Determinations

Introduction

HUD requires that all units occupied by households receiving Rent Assistance Payment (RAP) assistance meet HUD's Housing Quality Standards (HQS). HQS inspections are required before the Rent Assistance Payments (RAP) Contract is signed and at least annually during the term of the contract.

HUD also requires SFHRC to determine that units rented by households assisted under the RAP program have rents that are reasonable when compared to comparable unassisted units in the market area.

Part 1: Physical Standards

8.1.A. General HUD Requirements

HUD Performance and Acceptability Standards HUD's performance and acceptability standards for CoC RAP housing are provided in 24 CFR 982.401 and 24 CFR 578.51. These standards cover the following areas:

- Sanitary facilities
- Food preparation and refuse disposal
- Space and Security
- Thermal Environment
- Illumination and electricity
- Structure and materials
- Interior Air Quality
- Water Supply
- Lead-based paint
- Access
- Site and neighborhood
- Sanitary condition
- Smoke Detectors

Additional guidance on these requirements is found in the following HUD resources:

- HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form HUD 52580 A (9/00)
- HUD Notice 2003-31, Accessibility Notice: Section 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Architectural Barriers Act of 1968 and the Fair Housing Act of 1988.

Tenant Preference Items

HUD requires SFHRC to enforce minimum HQS but also requires that certain judgments about acceptability be left to the household. For example, SFHRC must ensure that the unit contains the required sanitary facilities, but the household decides whether the cosmetic condition of the facilities is acceptable.

Modifications to Provide Accessibility

Under the Fair Housing Act of 1988 an owner must not refuse the request of a household that contains a person with a disability to make necessary and reasonable modifications to the unit. Such modifications are at the household's expense. The owner may require restoration of the unit to its original condition if the modification would interfere with the owner or next occupant's full enjoyment of the premises. The owner may not increase a customarily required security deposit. However, the landlord may negotiate a restoration agreement that requires the household to restore the unit and, if necessary, to ensure the likelihood of

restoration, may require the tenant to pay a reasonable amount into an interest-bearing escrow account over a reasonable period of time. The interest in any such account accrues to the benefit of the tenant. The owner may also require reasonable assurances that the quality of the work will be acceptable and that any required building permits will be obtained.

Modifications to units to provide access for a person with a disability must meet all applicable HQS requirements and conform to the design, construction, or alteration of facilities contained in the UFAS and the ADA Accessibility Guidelines (ADAAG) [28 CFR 35.151(c) and Notice 2003-31] See Chapter 2 of this plan for additional information on reasonable accommodations for persons with disabilities.

Any owner that intends to negotiate a restoration agreement or require an escrow account must submit the agreement(s) to SFHRC for review.

8.1.B. Additional Local Requirements

SFHRC may impose additional quality standards as long as the additional criteria are not likely to adversely affect the health or safety of participant households or severely restrict housing choice. HUD approval is required if more stringent standards are imposed. HUD approval is not required if SFHRC additions are clarifications of HUD's acceptability criteria or performance standards.

Thermal Environment

SFHRC must define a "healthy living environment" for the local climate. This may be done by establishing a temperature that the heating system must be capable of maintaining, that is appropriate for the local climate.

The heating system must be capable of maintaining an interior temperature of 65 degrees Fahrenheit between October 1 and May 1.

Clarifications of HUD Requirements

The following specific requirements are used for HQS inspections.

Walls

In areas where plaster or drywall is sagging, severely cracked, or otherwise damaged, it must be repaired or replaced.

Windows

Window sashes must be in good condition, solid and intact, and properly fitted to the window frame. Damaged or deteriorated sashes must be replaced.

Windows must provide a weather-tight seal.

Doors

All exterior doors must be weather-tight to avoid any air or water infiltration, be lockable, have no holes, have all trim intact, and have a threshold.

All interior doors must have no holes that breach both sides of the door and be open-able without the use of a key.

Floors

All wood floors must be sanded to a smooth surface and sealed. Any loose or warped boards must be re-secured and made level. If they cannot be leveled, they must be replaced.

All floors must be in a finished state. Raw wood or unsealed concrete is not permitted.

All floors should have some type of trim or sealing where the flooring meets the wall, or another type of flooring, for a "finished look."

Tripping hazards, including tears, cracks, missing transition trim (from one flooring type to another) must be repaired to the extent that the hazard is eliminated. Repair to the tripping hazard should not cause an additional hazard to the household. An "additional hazard" may include, but is not limited to: exposed nail-heads, loose tape or other securing material, repair of floor with items not normally used for floor repair, etc.

Sinks

All sinks and commode water lines must have shut off valves, unless faucets are wall mounted.

Toilets

All worn or cracked toilet seats and tank lids must be replaced, and toilet tank lid must fit properly.

Security

If window security bars or security screens are present on emergency exit windows, they must be equipped with a quick release system. The owner is responsible for ensuring that the household is instructed on the use of the quick release system.

Smoke Detectors

The unit must have at least one (1) working smoke detector installed on each level of the home. If the home has an area for living/sleeping that is generally separated from the main living area (such as a garage that has been converted into a bedroom or a "mother-in-law" apartment that is semi-detached from the main unit), an additional smoke detector unit must be installed in the separated area.

Since exposure to smoke has been shown to reduce the effectiveness of smoke detectors, SFHRC requires that all smoke detectors in the unit be replaced any time there is a fire in the unit that is known to SFHRC.

Electrical/Mechanical Equipment

If supplied, electrical and/or mechanical equipment not necessarily required by Housing Quality Standards (such as dishwashers, laundry equipment, etc.) that is supplied by the landlord must be in good working order and must not pose a danger to the household.

Water Heaters

Water heaters are required to have a discharge line, to within six inches from the floor, from the temperature/pressure relief valve that is aimed toward the floor or plumbed into the unit's drainage system. The discharge line must be of a material made to handle water at temperatures exceeding 120 degrees Fahrenheit. If the discharge line is not made of metal pipe, the material must be clearly labeled indicating its temperature rating.

Modifications to the Unit to Accommodate a Disability

Any modifications or adaptations to the unit to accommodate a disability, such as an entrance ramp, must meet all applicable Housing Quality Standards and building codes.

Extension for repair items relating to a modification/adaptation to the unit to accommodate a disability that

are not required by HQS will be granted if agreed to by the tenant and landlord. SFHRC will allow execution of the RAP contract if the unit meets all requirements and the modification does not affect the livability of the unit.

Bedrooms

For the purpose of determining whether or not a room meets the definition of a "sleeping room" by having at least one window, sliding glass doors will be considered to meet the requirement to provide ventilation and egress.

Bedrooms are not required to have a closet in order to be considered a bedroom or "sleeping room".

Exterior Identification of the Unit

The address of the unit must be identifiable from the exterior of the unit. For single household homes, the street number of the home must be displayed on the exterior of the home. For multi-household units, the unit number must be displayed on the exterior of the unit. In all cases, the street number or unit number must be readable so that, in the event of an emergency, emergency response personnel could locate the unit.

Potable Water

Units that have a water source other than a municipal connection (i.e. wells, pumps, springs, etc.) must have water tested for potability by an appropriate testing agency at initial inspection. It is recommended that the water be periodically tested throughout the tenancy, however, it is not required on any regular basis. Testing of the water for potability may be required in subsequent year(s) of the tenancy if conditions warrant (i.e. water is discolored or malodorous).

8.1.C. Life-Threatening Conditions

HUD requires SFHRC to define life-threatening conditions and to notify the owner or the household (whichever is responsible) of the corrections required. The responsible party must correct life-threatening conditions within 24 hours of SFHRC notification.

The following are considered life threatening conditions:

- Any condition that jeopardizes the security of the unit
- Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling
- Natural or LP gas or fuel oil leaks
- Any electrical problem or condition that could result in shock or fire
- Absence of a working heating system when outside temperature is below 60 degrees Fahrenheit.
- Utilities not in service, including no running hot water
- Conditions that present the imminent possibility of injury
- Obstacles that prevent safe entrance or exit from the unit
- Absence of a functioning toilet in the unit
- Inoperable smoke detectors

If a household fails to correct a household caused life threatening condition as required by SFHRC, SFHRC may terminate the household's assistance.

The owner will be required to repair an inoperable smoke detector unless SFHRC determines that the household has intentionally disconnected it (by removing batteries or other means). In this case, the household will be required to repair the smoke detector within 24 hours.

8.1.D. Owner and Household Responsibilities

Household Responsibilities

The household is responsible for correcting the following HQS deficiencies:

- Tenant-paid utilities not in service
- Failure to provide or maintain household-supplied appliances
- Damage to the unit or premises caused by a household member or guest beyond normal wear and tear. "Normal wear and tear" is defined as items which could not be charged against the tenant's security deposit under state law or court practice.

Owner Responsibilities

The owner is responsible for all HQS violations not listed as a household responsibility above, even if the violation is caused by the household's living habits (e.g., vermin infestation). However, if the household's actions constitute a serious or repeated lease violation the owner may take legal action to evict the household.

8.1.E. Special Requirements for Children with Environmental Intervention Blood Lead Level

If SFHRC is notified by a public health agency, or other medical health care provider, or verifies information from a source other than a public health agency or medical health care provider, that a child of less than 6 years of age, living in a RAP unit has been identified as having an environmental intervention blood lead level, SFHRC must complete a risk assessment of the dwelling unit. The risk assessment must be completed in accordance with program requirements, and the result of the risk assessment must be immediately provided to the owner of the dwelling unit. In cases where the public health SFHRC has already completed an evaluation of the unit, this information must be provided to the owner.

Within 30 days after receiving the risk assessment report from SFHRC, or the evaluation from the public health SFHRC, the owner is required to complete the reduction of identified lead-based paint hazards in accordance with the lead-based paint regulations. If the owner does not complete the "hazard reduction" as required, the dwelling unit is in violation of HQS and SFHRC will take action in accordance with Section 8.2.G.

SFHRC reporting requirements, and data collection and record keeping responsibilities related to children with an environmental intervention blood lead level are discussed in Chapter 16.

8.1.F. Violation of HQS Space Standards

If SFHRC determines that a unit does not meet the HQS space standards because of an increase in household size or a change in household composition, SFHRC must issue the household a new subsidy, and the household and SFHRC must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the household, SFHRC must terminate the RAP contract in accordance with its terms.

Part 2: The Inspection Process

8.2.A. Overview

Types of Inspections

SFHRC conducts the following types of inspections as needed. Each type of inspection is discussed in the paragraphs that follow.

- **Initial Inspections.** SFHRC conducts initial inspections in response to a request from the household to

approve a unit for participation in the CoC RAP program. The unit must pass the HQS inspection before the effective date of the RAP Contract.

- **Annual Inspections.** HUD requires SFHRC to inspect each unit under lease at least annually to confirm that the unit still meets HQS. The inspection may be conducted in conjunction with the household's annual reexamination but also may be conducted separately.
- **Special Inspections.** A special inspection may be requested by the owner, the household, or a third party as a result of problems identified with a unit between annual inspections.
- **Quality Control Inspections.** HUD requires that a sample of units be re-inspected by a supervisor or other qualified individual to ensure that HQS are being enforced correctly and uniformly by all inspectors.

Notice and Scheduling

The household must allow SFHRC to inspect the unit at reasonable times with reasonable notice. Failure to do so can lead to end of participation in the program.

Both the household and the owner will be given reasonable notice of all inspections. Except in the case of a life-threatening emergency, reasonable notice is considered to be not less than 48 hours. Inspections may be scheduled between 8:00 a.m. and 5:00 p.m. Generally, inspections will be conducted on business days only. In the case of a life-threatening emergency, SFHRC will give as much notice as possible, given the nature of the emergency.

Owner and Household Inspection Attendance

When a household occupies the unit at the time of inspection, an adult (at least 18 years of age) must be present for the inspection. The adult may be a household member, or another adult selected by the household to be at the unit in their stead. The presence of the owner or the owner's representative is encouraged but is not required.

If the Head of Household or other adult (at least 18 years of age) cannot be present at the scheduled inspection and the household chooses to have the owner/manager present and give SFHRC access to the unit for the inspection, the household must notify SFHRC in writing and SFHRC must receive the household's written notice not less than three (3) business days prior to the date of the inspection.

At initial inspection of a vacant unit, the presence of a household representative is permitted, but is not required. The inspector may enter a vacant unit without a representative of the owner present if the owner has granted such permission.

"No Show" Inspections

A regularly scheduled inspection where the household occupies the unit to be inspected will be considered a "no show" if:

- No adult representative of the household, age 18 or over, is present for a scheduled inspection, including owner/manager stand-in for the household, or
- No one is present at the unit for a scheduled inspection

If the household is not present, or does not arrange for an adult to be present, at two (2) consecutively scheduled inspections, the household will be considered to be in non-compliance with the household obligation of allowing SFHRC to inspect the unit at reasonable times and after reasonable notice and SFHRC may initiate termination procedures as outlined in this plan.

Additionally, if the household establishes a history of consistently missing inspections or failing to arrange for a representative to be at the unit at the scheduled inspection time, SFHRC may initiate termination procedures for non-compliance with household obligations, as described above. For the purpose of this section of the plan, an “established history” is defined as having three “no show” inspections as described above within a 36-month period, whether or not they were consecutively scheduled.

SFHRC reserves the right to consider mitigating circumstances when determining whether or not to take action to terminate a participant’s rental assistance for “no show” inspections.

The owner is not responsible for the tenant's obligation of allowing SFHRC to inspect the dwelling. In no event will SFHRC abate, or otherwise withhold, housing assistance payments to the owner due to a tenant's non-compliance with the obligation to attend inspection appointments.

8.2.B. Initial HQS Inspection

Timing of Initial Inspections.

SFHRC will complete the initial inspection, determine whether the unit satisfies HQS, and notify the owner and the household of the determination within as quickly as possible, based on SFHRC’s Inspector’s schedule, after being notified the owner has agreed to rent an apartment to the applicant.

Inspection Results

If any HQS violations are identified, the owner and applicant will be notified, in writing, of the deficiencies and advised that rental assistance cannot begin unless and until the unit meets HQS. SFHRC will request that if the landlord chooses not to correct the deficiencies, she/he must notify the household and SFHRC so the household can continue to search for another unit.

Utilities

Generally, at initial lease-up the owner is responsible for demonstrating that all utilities are in working order including those utilities that the household will be responsible for paying.

If utility service is not available for testing at the time of the initial inspection, SFHRC will allow the utilities to be placed in service after the unit has met all other HQS requirements.

Appliances

If the household is responsible for supplying the stove and/or refrigerator, SFHRC will allow the stove and refrigerator to be placed in the unit after the unit has met all other HQS requirements. The required appliances must be in place before the RAP contract is executed by SFHRC. SFHRC will execute the RAP contract based upon a certification from the household that the appliances have been installed and are working.

8.2.C. Annual HQS Inspections

Scheduling the Inspection

Each unit under RAP contract must have an annual inspection no more than 12 months after the most recent inspection.

It is the responsibility of the household to arrange for an adult, at least 18 years of age, to be at the unit to allow the inspector access at the time scheduled by SFHRC.

If the household misses the first scheduled appointment or does not arrange to have an adult representative at the unit for the inspection, SFHRC will follow its policy regarding “No Show” inspections as stated in Section 8.2.A of this plan.

SFHRC will provide written notification to the landlord and household of any deficiencies found during the annual inspection. In general, SFHRC will allow the landlord 30 days to correct the deficiencies. At its discretion, SFHRC will approve extensions to correct the deficiencies.

8.2.D. Special Inspections

SFHRC will conduct a special inspection if the owner, household, or another source reports HQS violations in the unit.

During a special inspection, SFHRC generally will inspect only those deficiencies that were reported. However, the inspector will record any additional HQS deficiencies that are observed and will require the responsible party to make the necessary repairs.

If the annual inspection has been scheduled or is due within 90 days of the date the special inspection is scheduled SFHRC may elect to conduct a full annual inspection.

When life threatening conditions are identified, SFHRC will immediately notify both parties by telephone, facsimile, or email. The notice will specify who is responsible for correcting the violation. The corrective actions must be taken within 24 hours of SFHRC’s notice.

The notice of inspection results will inform the owner that if life threatening conditions are not corrected within 24 hours, the owner’s RAP will be abated in accordance with SFHRC policy (see 8.2.G.). (see Chapter 12).

8.2.E. Extensions

For conditions that are life-threatening, SFHRC cannot grant an extension to the 24-hour corrective action period. For conditions that are not life-threatening, SFHRC may grant an exception to the required time frames for correcting the violation, if SFHRC determines that an extension is appropriate.

Extensions will be granted in cases where SFHRC has determined that the owner has made a good faith effort to correct the deficiencies and is unable to for reasons beyond the owner’s control. Reasons may include, but are not limited to:

- A repair cannot be completed because required parts or services are not available.
- A repair cannot be completed because of weather conditions.
- A reasonable accommodation is needed because the household includes a person with disabilities.

The length of the extension will be determined on a case by case basis, but will not exceed 60 days, except in the case of delays caused by weather conditions. In the case of weather conditions, extensions may be continued until the weather has improved sufficiently to make repairs possible. The necessary repairs must be made within 15 calendar days, once the weather conditions have subsided.

8.2.F. Enforcing Owner Compliance

If the owner fails to maintain the dwelling unit in accordance with HQS, SFHRC will take prompt and vigorous action to enforce the owner obligations.

RAP Abatement

If an owner fails to correct HQS deficiencies by the time specified by SFHRC, SFHRC will abate rental assistance payments no later than the first of the month following the specified correction period (including any approved extension). No retroactive payments will be made to the owner for the period of time the rent was abated. Owner rents are not abated as a result of HQS failures that are the household's responsibility.

SFHRC will make all RAP abatements effective the first of the month following the expiration of SFHRC specified correction period (including any extension).

During any abatement period the household continues to be responsible for its share of the rent. The owner must not seek payment from the household for abated amounts and may not use the abatement as cause for eviction.

RAP Contract Termination

SFHRC must decide how long any abatement period will continue before the RAP contract will be terminated. SFHRC will take steps not to terminate the contract until the household finds another unit, provided the household does so in a reasonable time and must give the owner reasonable notice of the termination. SFHRC will issue subsidy to permit the household to move to another unit as described in Chapter 10.

The maximum length of time that RAP may be abated is 90 days. However, if the owner completes corrections and notifies SFHRC before the termination date of the RAP contract, SFHRC may rescind the termination notice if the household still resides in the unit and wishes to remain in the unit and the owner provides written certification, under penalty of perjury, the deficiencies have been corrected.

Reasonable notice of RAP contract termination by SFHRC is 30 days.

8.2.G. Enforcing Household Compliance with HQS

Households are responsible for correcting any HQS violations listed in paragraph 8.1.D. If the household fails to correct a violation within the period allowed by SFHRC (and any extensions), SFHRC will terminate the household's assistance, according to the policies described in Chapter 12.

If the owner carries out a repair for which the household is responsible under the lease, the owner may bill the household for the cost of the repair.

Part 3: Rent Reasonableness

8.3.A. Overview

No RAP contract can be approved until SFHRC has determined that the rent for the unit is reasonable. The purpose of the rent reasonableness ("RR") test is to ensure that a fair rent is paid for each unit rented under RAP program.

HUD regulations define a reasonable rent as one that does not exceed the rent charged for comparable, unassisted units in the same market area. HUD also requires that owners not charge more for assisted units

than for comparable units on the premises. This part explains the method used to determine whether a unit's rent is reasonable.

When determining rent reasonableness, the SFHRC shall compare unit rents with the most current HUD-provided FMR data for the area in which a rental unit is located. If a particular unit's RR calculations are above the corresponding FMR, SFHRC staff must determine whether the proposed contract rent is, indeed, reasonable. If CoC staff determines the reasonable rent amount should override the FMR, documentation should be provided in the participant file. The documentation form should be signed by the CoC Supervisor.

8.3.B. When Rent Reasonableness Determinations

Owner-initiated Rent Determinations

SFHRC must make a rent reasonableness determination at initial occupancy and whenever the owner requests a rent adjustment.

The owner and household first negotiate the rent for a unit. SFHRC (or independent agency in the case of SFHRC-owned units) will assist the household with the negotiations upon request. At initial occupancy SFHRC must determine whether the proposed rent is reasonable before a RAP Contract is signed. The owner must not change the rent during the initial lease term. Subsequent requests for rent adjustments must be consistent with the lease between the owner and the household. Rent increases will not be approved unless any failed items identified by the most recent HQS inspection have been corrected.

After the initial occupancy period, the owner may request a rent adjustment in accordance with the owner's lease. For rent increase requests after initial lease-up, SFHRC may request owners to provide information about the rents charged for other units on the premises, if the premises include more than 4 units. In evaluating the proposed rents in comparison to other units on the premises SFHRC will consider unit size and length of tenancy in the other units.

If SFHRC has, within the last 12 months, determined the maximum reasonable rent for the unit is an amount equal to or higher than the requested rent, SFHRC will not re-determine rent reasonableness.

If no such determination exists, or the maximum reasonable rent is below the requested increase, or rental market conditions known to SFHRC have changed significantly since the determination was made, SFHRC will determine whether the requested increase is reasonable. The owner will be notified of the determination in writing.

All rent adjustments will be effective the first of the month following 30 days after SFHRC's receipt of the owner's request or on the date specified by the owner, whichever is later.

SFHRC- and HUD-Initiated Rent Reasonableness Determinations

In addition to the instances described above, SFHRC will make a determination of rent reasonableness at any time after the initial occupancy period if: (1) SFHRC determines that the initial rent reasonableness determination was in error or (2) SFHRC determines that the information provided by the owner about the unit or other units on the same premises was incorrect.

8.3.C. How Comparability Is Established

Factors to Consider

SFHRCs will take into consideration the factors listed below when determining rent comparability. SFHRC may

use these factors to make upward or downward adjustments to the rents of comparison units when the units are not identical to the RAP unit.

- Location and age
- Unit size including the number of rooms and square footage of rooms
- The type of unit including construction type (e.g., single household, duplex, garden, low-rise, high-rise)
- The quality of the units including the quality of the original construction, maintenance and improvements made.
- Amenities, services, and utilities included in the rent

Units That Will Not Be Used as Comparables

Comparable units must represent unrestricted market rents. Therefore, units that receive some form of federal, state, or local assistance that imposes rent restrictions cannot be considered comparable units. These include units assisted by HUD through any of the following programs: Section 8 project-based assistance, Section 236 and Section 221(d)(3) Below Market Interest Rate (BMIR) projects, HOME or Community Development Block Grant (CDBG) program-assisted units in which the rents are subsidized; units subsidized through federal, state, or local tax credits; units subsidized by SFHRC of Agriculture rural housing programs, and units that are rent-controlled by local ordinance. *Note: Notice PIH 2010-18, issued May 10, 2010, provides further guidance on the issue of what constitutes an assisted unit.*

Rents Charged for Other Units on the Premises

The Request for Tenancy Approval (HUD-52517) requires owners to provide information, on the form itself, about the rent charged for other unassisted comparable units on the premises if the premises include more than 4 units.

By accepting SFHRC payment each month the owner certifies that the rent is not more than the rent charged for comparable unassisted units on the premises. If asked to do so, the owner must give SFHRC information regarding rents charged for other units on the premises.

8.3.D. SFHRC Rent Reasonableness Methodology

How Market Data is Collected

Information sources to determine rent reasonableness include newspapers, realtors, market surveys, Craigslist, HotPad and other online resources, inquiries of owners and other available sources.

How Rents are Determined

The rent for a unit proposed for RAP will be compared to the rent charged for comparable units in the same market area. Rents will be considered comparable if they are within 110 percent of the open market unit.

The adjustment must reflect the local market. Not all differences in units require adjustments (e.g., the presence or absence of a garbage disposal may not affect the rent in some market areas).

Adjustments may vary by unit type (e.g., a second bathroom may be more valuable in a three-bedroom unit than in a two-bedroom).

The adjustment must reflect the rental value of the difference – not its construction costs (e.g., it might cost \$20,000 to put on a new roof, but the new roof might not make any difference in what a tenant would be

willing to pay because rental units are presumed to have functioning roofs).

SFHRC will notify the owner of the rent SFHRC can approve based upon its analysis of rents for comparable units. The owner may submit information about other comparable units in the market area. SFHRC will confirm the accuracy of the information provided and consider this additional information when making rent determinations. The owner must submit any additional information within 10 business days of SFHRC's request for information or the owner's request to submit information.

CHAPTER 9: GENERAL LEASING POLICIES

Introduction

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

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

- The unit itself must qualify as an eligible unit
- The unit must be inspected by SFHRC and meet the Housing Quality Standards (HQS);
- The lease offered by the owner must be approvable and must include the required Tenancy Addendum
- The rent to be charged by the owner for the unit must be reasonable
- The owner must be an eligible owner, approvable by SFHRC, with no conflicts of interest

Part 1: General Leasing

9.1.A. Tenant Screening

SFHRC has no liability or responsibility to the owner or other persons for the household's behavior or suitability for tenancy.

SFHRC does not screen applicants for household behavior or suitability for tenancy. See Chapter 3 for a discussion of SFHRC's policies with regard to screening applicant households for program eligibility.

The owner is responsible for screening and selection of the household to occupy the owner's unit. At or before SFHRC approval of the tenancy, SFHRC must inform the owner that screening and selection for tenancy is the responsibility of the owner.

Upon request from a prospective landlord, SFHRC will provide the owner with the household's current and prior address (as shown in SFHRC records) and the name and address (if known to SFHRC) of the landlord at the household's current and prior address.

SFHRC will not disclose to the owner any confidential information provided in response to a SFHRC request for documentation of domestic violence, dating violence, or stalking except at the written request or with the written consent of the individual providing the documentation.

Requesting Tenancy Approval

After the household is issued a Family Tenancy Agreement, the household must locate an eligible unit. Once a household finds a suitable unit and the owner is willing to lease the unit under the program, the owner and the household must request SFHRC to approve the assisted tenancy in the selected unit.

The owner and the household must submit two documents to SFHRC:

- Completed Request for Tenancy Approval (RTA)
- Copy of the proposed lease

The RTA contains important information about the rental unit selected by the household, including the unit address, number of bedrooms, structure type, year constructed, utilities included in the rent, and the requested beginning date of the lease, necessary for SFHRC to determine whether to approve the assisted tenancy in this unit.

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

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

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

Both the RTA and the proposed lease must be submitted no later than the expiration date stated on the Family Tenancy Agreement.

The RTA must be signed by both the household and the owner. The owner may submit the RTA on behalf of the household.

Completed RTA (including the proposed dwelling lease) must be submitted as hard copies, in-person, by mail, fax, or a scanned copy may be sent by email. SFHRC reserves the right to request the original signed RTA if received by fax or email.

The household may not submit, and SFHRC will not process, more than one (1) RTA at a time. When the household submits the RTA SFHRC will review the RTA for completeness.

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

Missing information and/or missing documents will only be accepted as hard copies, in-person, by mail, or by fax. SFHRC will not accept missing information over the phone.

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

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

Corrections to the terms of the RTA and/or the proposed lease will only be accepted as hard copies, in-person, by mail or by fax. SFHRC will not accept corrections by phone.

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

by phone, fax, or email.

9.1.B. Owner Participation

SFHRC does not formally approve an owner to participate in the CoC RAP program. However, there are a number of criteria where SFHRC may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. No owner has a right to participate in the CoC RAP program.

9.1.C. Eligible Units

There are a number of criteria that a dwelling unit must meet in order to be eligible for assistance under the subsidy program. Generally, an assisted household may choose any available rental dwelling unit on the market in SFHRC's jurisdiction. This includes the dwelling unit they are currently occupying.

Ineligible Units

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

Special Housing Types

HUD regulations permit, but do not generally require, SFHRC to permit households to use subsidy assistance in a number of special housing types in accordance with the specific requirements applicable to those programs. These special housing types include single room occupancy (SRO) housing, congregate housing, group home, shared housing, manufactured home space (where the household owns the manufactured home and leases only the space), cooperative housing and homeownership option.

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

Duplicative Assistance

[24 CFR 578]

A household may not receive the benefit of CoC RAP while receiving the benefit of any of the following forms of other housing subsidy, for the same unit or for a different unit:

- Public or Indian housing assistance;
- Other Section 8 assistance (including other tenant-based assistance);
- Assistance under former Section 23 of the United States Housing Act of 1937 (before amendment by the Housing and Community Development Act of 1974);
- Section 101 rent supplements;
- Section 236 rental assistance payments;
- Tenant-based assistance under the HOME Program;
- Rental assistance payments under Section 521 of the Housing Act of 1949 (a program of the Rural Development Administration);
- Any local or State rent subsidy;
- Section 202 supportive housing for the elderly;
- Section 811 supportive housing for persons with disabilities; (11) Section 202 projects for non-elderly

persons with disabilities (Section 162 assistance); or

- Any other duplicative federal, State, or local housing subsidy, as determined by HUD. For this purpose, “housing subsidy” does not include the housing component of a welfare payment, a social security payment received by the household, or a rent reduction because of a tax credit.

NOTE: The Request for Tenancy Form (Appendix C) attached to this Administrative Plan requires the Owner/Landlord to self-certify that any of the forms of assistance listed above are not in place on the rental unit about to receive/receiving CoC assistance.

Housing Quality Standards (HQS)

[24 CFR 578.51]

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

Unit Size

In order to be eligible, the dwelling unit must be appropriate for the number of persons in the household. A household must be allowed to lease an otherwise acceptable dwelling unit with fewer bedrooms than the number of bedrooms stated on the Family Tenancy Agreement issued to the household, provided the unit meets the applicable HQS space requirements [24 CFR 578]. The household must be allowed to lease an otherwise acceptable dwelling unit with more bedrooms than the number of bedrooms stated on the subsidy issued to the household.

Rent Reasonableness

[24 CFR 578.51]

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

9.1.D. Lease and Tenancy Addendum

The household and the owner must execute and enter into a written dwelling lease for the assisted unit. This written lease is a contract between the tenant household and the owner; SFHRC is not a party to this contract.

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

Lease Form and Tenancy Addendum

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

All provisions in the HUD-required Tenancy Addendum must also be added word-for-word to the owner's

standard lease form, for use with the assisted household. The Tenancy Addendum may be added as a signed addendum to the Owner's Lease if the Owner prefers this option over adding the language to the Lease Agreement. The Tenancy Addendum includes the tenancy requirements for the program and the composition of the household as approved by SFHRC. As a part of the lease, the tenant shall have the right to enforce the Tenancy Addendum against the owner and the terms of the Tenancy Addendum shall prevail over any other provisions of the lease.

Lease Information

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

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

Term of Assisted Tenancy

The initial term of the assisted dwelling lease must be for **at least one year**. The initial lease term is also stated in the RAP contract.

The HUD program regulations permit SFHRC to approve a shorter initial lease term if certain conditions are met.

Generally, SFHRC will encourage an initial lease term of no less than one (1) year, however a shorter lease term may be approved if it is to the benefit of the tenant; i.e. to prevent the tenant from losing a prospective rental unit or from having to move to a different unit.

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

Any provisions for renewal of the dwelling lease will be stated in the dwelling lease. There are no HUD requirements regarding any renewal extension terms, except that they must be in the dwelling lease if they exist.

SFHRC may execute the RAP contract even if there is less than one year remaining from the beginning of the initial lease term to the end of the last expiring funding increment under the current HUD FY CoC Homeless Assistance grant funding.

Security Deposit

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

Separate Non-Lease Agreements between Owner and Tenant

Owners may not demand or accept any rent payment from the household in excess of the rent to the owner minus SFHRC's Rent Assistance Payments to the owner.

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

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

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

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

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

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

SFHRC Review of Lease

SFHRC will review the dwelling lease for compliance with all applicable requirements. **NOTE: A copy of the signed dwelling lease must be provided to the SFHRC and included in the participant's file, PRIOR to the initial payment of CoC Assistance being paid to the unit Owner.** If an Owner/Landlord has been using the SFHRC CoC RAP Contract as his/her lease agreement, the Owner/Landlord **must** replace this with his/her own lease agreement upon initiation of the next recertification of the tenant/participant.

If the dwelling lease is incomplete or incorrect, SFHRC will notify the household and the owner of the deficiencies. Missing and corrected lease information will only be accepted as hard copies, in-person, by mail, fax or email (i.e. scanned copy). SFHRC will not accept missing and corrected information over the phone.

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

SFHRC is permitted, but is not required, to review the lease to determine if the lease complies with State and local law and is permitted to decline to approve the tenancy if SFHRC determines that the lease does not comply with State or local law.

SFHRC Policy

SFHRC will not review the owner's lease for noncompliance with state/local law.

9.1.E. Tenancy Approval

After receiving the household's Request for Tenancy Approval, with proposed dwelling lease, SFHRC must

promptly notify the household and owner whether the assisted tenancy is approved.

Prior to approving the assisted tenancy and execution of a RAP contract, SFHRC must ensure that all required actions and determinations, discussed in Part 1 of this Chapter have been completed.

These actions include ensuring that the unit is eligible; the unit has been inspected by SFHRC and meets the Housing Quality Standards (HQS); the lease offered by the owner is approvable and includes the required Tenancy Addendum; the rent to be charged by the owner for the unit must be reasonable; the owner is an eligible owner, not disapproved by SFHRC, with no conflicts of interest; the household and the owner have executed the lease, including the Tenancy Addendum, and the lead-based paint disclosure information.

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

Corrections to the RTA/proposed lease will only be accepted as hard copies, in-person, by mail, fax or email (scanned copy). SFHRC will not accept verbal corrections over the phone or in person.

If SFHRC determines that the tenancy cannot be approved for any reason, the owner and the household will be notified in writing and given the opportunity to address any reasons for disapproval. SFHRC will instruct the owner and household of the steps that are necessary to approve the tenancy.

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

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

9.1.F. RAP Contract Execution

The RAP contract is a written agreement between the SFHRC and the owner of the dwelling unit occupied by a rent assisted household. Under the RAP contract, SFHRC agrees to make Rent Assistance Payments to the owner on behalf of a specific household occupying a specific unit and obliges the owner to comply with all program requirements.

If SFHRC has given approval for the household of the assisted tenancy, the owner and SFHRC execute the RAP contract.

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

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

SFHRC may not pay any housing assistance payment to the owner until the RAP contract has been executed.

For the purpose of this plan, an "executed" contract: 1) has been received by SFHRC and 2) has been signed by all parties.

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

The owner and SFHRC will execute the RAP contract. SFHRC will not execute the RAP contract until the owner has submitted IRS form W-9. SFHRC will ensure that the owner receives a copy of the executed RAP contract.

9.1.G. Changes in Lease or Rent

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

Generally, SFHRC approval of tenancy and execution of a new RAP contract are not required for changes in the lease. However, under certain circumstances, RAP in the unit shall not be continued unless SFHRC has approved a new tenancy in accordance with program requirements and has executed a new RAP contract with the owner. These circumstances include:

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

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

Where the owner is changing the amount of rent, the owner must notify SFHRC of any changes in the amount of the rent to owner. SFHRC will agree to such an increase only if the amount of the rent to owner is considered reasonable according to the rent reasonableness standards discussed in Chapter 8. If the requested rent is not found to be reasonable, the owner must either reduce the requested rent increase, or give the household notice in accordance with the terms of the lease.

No rent increase is permitted during the initial term of the lease.

SFHRC Policy

Where the owner is requesting a rent increase:

- If SFHRC has, within the last 12 months, determined the maximum reasonable rent for the unit is an amount equal to or higher than the requested rent, SFHRC will not re-determine rent reasonableness.
- If no such determination exists, or the maximum reasonable rent is below the requested increase, or rental market conditions known to SFHRC have changed significantly since the determination was made, SFHRC will determine whether the requested increase is reasonable within 10 business days of receiving the request from the owner. The owner will be notified of the determination in writing.
- If the increase is found unreasonable, the owner will be notified of the determination in writing. If the increase is reasonable, the owner and tenant will be notified of the increase through normal SFHRC procedures for changes in RAP and participant rent.
- Rent increases will go into effect on the first of the month after the owner notifies SFHRC of the rent change or on the date specified by the owner, whichever is later.

Chapter 10: Reexaminations

Introduction

SFHRC is required to reexamine each household's income and composition at least annually, and to adjust the household's level of assistance accordingly. Interim reexaminations are also needed in certain situations. Policies governing reasonable accommodation, household privacy, required household cooperation, and program abuse, as described elsewhere in this plan, applies to both annual and interim reexaminations.

Part 1: Annual Reexaminations

Overview

SFHRC must conduct a reexamination of household income and composition at least annually. This includes gathering and verifying current information about household composition, income, and expenses. Based on this updated information, the household's income and rent must be recalculated. This part discusses the schedule for annual reexaminations, the information to be collected and verified, and annual reexamination effective dates.

10.1.A. Scheduling Annual Reexaminations

SFHRC must establish a policy to ensure that the annual reexamination for each household is completed within a 12-month period and may require reexaminations more frequently.

SFHRC will begin the annual reexamination process 120 days in advance of its scheduled effective date.

Generally, SFHRC will schedule annual reexamination effective dates to coincide with the household's anniversary date.

Anniversary date is defined as 12 months from the effective date of the household's last annual reexamination or, during a household's first year in the program, from the effective date of the household's initial examination (admission).

If the household moves to a new unit, SFHRC may perform a new annual reexamination.

SFHRC also may schedule an annual reexamination for completion prior to the anniversary date for administrative purposes.

Notification of and Participation in the Annual Reexamination Process

SFHRC is required to obtain the information needed to conduct annual reexaminations. How that information will be collected is left to the discretion of SFHRC.

Notification of annual reexamination interviews will be sent by first-class mail and will contain the paperwork that must be completed by the household and returned to SFHRC. In addition, it will inform the household of the information and documentation that must be submitted with the annual recertification paperwork.

If a household fails to return the completed annual recertification paperwork, with appropriate verifications by the deadline specified in the letter, or if the notice is returned by the post office with no forwarding address, a notice of termination (see Chapter 11) will be sent to the household's address of record, and to any alternate

address provided in the household's file.

An advocate, interpreter, or other assistant may assist the household in the interview process. The household and SFHRC must execute a certification attesting to the role and assistance of any such third party.

10.1.B. Conducting Annual Reexaminations

As part of the annual reexamination process, households are required to provide updated information to SFHRC regarding the household's income, expenses, and composition.

Any required documents or information that SFHRC requests from a household must be provided within 10 business days of the request. If the household is unable to obtain the information or materials within the required time frame, the household may request an extension.

If the household does not provide the required documents or information within the required time frame of the second request, the household will be sent a notice of termination (See Chapter 11).

The information provided by the household generally must be verified in accordance with the policies in Chapter 7. Unless the household reports a change, or the agency has reason to believe a change in information has occurred and is previously unreported by the household, certain types of information that are verified at admission typically do not need to be re-verified on an annual basis. These include:

- Age
- Social security numbers
- A person's disability status
- Citizenship or immigration status

If adding a new household member to the unit causes overcrowding according to the Housing Quality Standards (HQS) (see Chapter 8), SFHRC must issue the household a new subsidy, and the household and SFHRC must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the household, SFHRC must terminate the RAP contract in accordance with its terms.

10.1.C. Effective Dates

In general, an *increase* in the household share of the rent that results from an annual re-examination will take effect on the household's anniversary date, and the household will be notified at least 30 days in advance.

- If less than 30 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period.
- If a household moves to a new unit, the increase will take effect on the effective date of the new lease and RAP contract, and no 30-day notice is required.
- If SFHRC chooses to schedule an annual reexamination for completion prior to the household's anniversary date for administrative purposes, the effective date will be the anniversary date, but will always allow for the 30-day notice period.
- If the household causes a delay in processing the annual reexamination, increases in the household share of the rent will be applied retroactively, to the scheduled effective date of the annual reexamination.

In general, a *decrease* in the household share of the rent that results from an annual reexamination will take effect on the household's anniversary date.

- If a household moves to a new unit, the decrease will take effect on the effective date of the new lease and RAP contract.
- If SFHRC chooses to schedule an annual reexamination for completion prior to the household's anniversary date for administrative purposes, the effective date will be the anniversary date.
- If the household causes a delay in processing the annual reexamination, decreases in the household share of the rent will be applied prospectively, from the first day of the month following completion of the reexamination processing.
- Delays in reexamination processing are considered to be caused by the household if the household fails to provide information requested by SFHRC by the date specified, and this delay prevents SFHRC from completing the reexamination as scheduled.

Part 2: Interim Reexaminations

10.2.A. Overview

Household circumstances may change throughout the period between annual reexaminations. HUD and SFHRC policies dictate what kinds of information about changes in household circumstances must be reported, and under what circumstances SFHRC must process interim reexaminations to reflect those changes. HUD regulations also permit SFHRC to conduct interim reexaminations of income or household composition at any time. When an interim reexamination is conducted, only those factors that have changed are verified and adjusted.

In addition to specifying what information the household must report, HUD regulations permit the household to request an interim determination if other aspects of the household's income or composition changes. SFHRC must complete the interim reexamination within a reasonable time after the household's request.

This part includes HUD and SFHRC policies describing what changes households are required to report, what changes households may choose to report, and how SFHRC will process both SFHRC and household initiated interim reexaminations.

10.2.B. Changes in Household and Household Composition

SFHRC will conduct interim reexaminations to account for any changes in household composition that occur between annual reexaminations, except as follows:

For new participants, SFHRC requires successful lease-up for at least 6 months before a request to add a household member will be received and reviewed. SFHRC may waive the probationary period to add an adult on a case-by-case basis upon written request from the household and with supervisory approval in the following situations:

- If to provide live-in care for an elderly or disabled household member
- If caring for mutual children
- If in a spousal-type relationship
- Spousal-type relationship includes persons who are spouses by marriage, registered domestic partners, or those in an interdependent relationship.

SFHRC will permit the addition of adults if not part of the household at initial eligibility with approval of the Service Provider Agency and the landlord.

SFHRC will not permit addition of household groups (adult and one or more children) if not permitted through case-by-case review as identified above.

New Household Members Not Requiring Approval

The addition of a household member as a result of birth, adoption, or court-awarded custody does not require SFHRC approval. However, the household is required to promptly notify SFHRC of the addition.

The household must inform SFHRC of the birth, adoption, or court-awarded custody of a child within 10 business days.

New Household and Household Members Requiring Approval

With the exception of children who join the household as a result of birth, adoption, or court-awarded custody, a household must request SFHRC approval to add a new household member.

When any new household member is added, SFHRC must conduct a reexamination to determine any new income or deductions associated with the additional household member and to make appropriate adjustments in the household share of the rent and the RAP payment.

If a change in household size causes a violation of Housing Quality Standards (HQS) space standards (see Chapter 8), SFHRC must issue the household a new Family Tenancy Agreement, and the household must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the household, SFHRC must terminate the household's RAP contract in accordance with its terms.

Households must request SFHRC approval to add a new household member, live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than 30 consecutive days or 90 cumulative days within a 12-month period and therefore no longer qualifies as a "guest." Requests must be made in writing and approved by SFHRC prior to the individual moving into the unit.

SFHRC will not approve the addition of adults if not part of the household at initial eligibility, or if not permitted through case-by-case review as identified earlier in this section. This includes parents, siblings, cousins, aunts, uncles and any others.

SFHRC will not approve addition of household groups (adult and one or more children) if not permitted through case-by-case review as identified earlier in this section.

SFHRC will not approve the addition of an adult unless the landlord has approved their addition to the lease. Landlord approval shall be verified by receipt of an addendum to the rental agreement or signed and dated written confirmation on landlord letterhead. SFHRC reserves the right to determine if the verification of landlord approval is sufficient.

SFHRC will not approve the addition of a foster child or foster adult if it will cause a violation of HQS space standards.

If SFHRC determines an individual meets SFHRC's eligibility criteria and documentation requirements, SFHRC will provide written approval to the household. If the approval of a new household member or live-in aide will cause overcrowding according to HQS standards, the approval letter will explain that the household will be issued a Family Tenancy Approval and will be required to move.

If SFHRC determines that an individual does not meet SFHRC's eligibility criteria or documentation requirements, SFHRC will notify the household in writing of its decision to deny approval of the new household or household member and the reasons for the denial.

SFHRC will make its determination within 10 business days of receiving all information required to verify the individual's eligibility.

Departure of a Household or Household Member

Households must promptly notify SFHRC if any household member no longer lives in the unit

Because household members are considered when determining the household unit size, SFHRC also needs to know when any live-in aide, foster child, or foster adult ceases to reside in the unit.

If a household member ceases to reside in the unit, the household must inform SFHRC within 10 business days. This requirement also applies to a household member who has been considered temporarily absent at the point that the household concludes the individual is permanently absent.

If a live-in aide, foster child, or foster adult ceases to reside in the unit, the household must inform SFHRC within 10 business days.

10.2.C. Changes Affecting Income or Expenses

Interim reexaminations can be scheduled either because SFHRC has reason to believe that changes in income or expenses may have occurred, or because the household reports a change. When a household reports a change, SFHRC may take different actions depending on whether the household reported the change voluntarily, or because it was required to do so.

SFHRC-Initiated Interim Re-examinations

SFHRC-initiated interim reexaminations are those that are scheduled based on circumstances or criteria defined by SFHRC. They are not scheduled because of changes reported by the household.

SFHRC will conduct interim reexaminations in each of the following instances:

- If at the time of the annual reexamination, it is not feasible to anticipate a level of income for the next 12 months (e.g. seasonal or cyclic income), SFHRC will schedule an interim reexamination to coincide with the end of the period for which it is feasible to project income.
- If at the time of the annual reexamination, tenant-provided documents were used on a provisional basis due to the lack of third-party verification, and third-party verification becomes available, SFHRC will conduct an interim reexamination.
- SFHRC may conduct an interim reexamination at any time in order to correct an error in a previous reexamination, or to investigate a tenant fraud complaint.

Household-Initiated Interim Reexaminations

Required Reporting

Households are required to report all increases in income, including new employment, within 10 business days of the date the change takes effect.

Households are not required to report any other changes in income or expenses.

Optional Reporting

The household may request an interim reexamination any time the household has experienced a change in circumstances since the last determination. SFHRC must process the request if the household reports a change that will result in a reduced household income.

If a household reports a decrease in income from the loss of welfare benefits due to fraud or non-compliance with a welfare agency requirement to participate in an economic self-sufficiency program, the household's share of the rent will not be reduced. For more information regarding the requirement to impute welfare income see Chapter 6.

If a household reports a change that it was not required to report and that would result in an increase in the household share of the rent, SFHRC will note the information in the tenant file, but will not conduct an interim reexamination.

If a household reports a change that it was not required to report and that would result in a decrease in the household share of rent, SFHRC will conduct an interim reexamination. See Section 10.2.D. for effective dates.

Households may report changes in income or expenses at any time.

10.2.D. Processing the Interim Reexamination

Method of Reporting

The household must notify SFHRC of changes in writing.

Based on the type of change reported, SFHRC will determine the documentation the household will be required to submit. The household must submit any required information or documents within 10 business days of receiving a request from SFHRC. This time frame may be extended for good cause with SFHRC approval. SFHRC will accept required documentation by mail, by fax, or in person.

Effective Dates

SFHRC must establish the time frames in which any changes that result from an interim reexamination will take effect. The changes may be applied either retroactively or prospectively, depending on whether there is to be an increase or a decrease in the household share of the rent, and whether the household reported any required information within the required time frames.

If the household share of the rent is to increase:

- The increase generally will be effective on the first of the month following 30 days' notice to the household.
- If a household fails to report a change within the required time frames or fails to provide all required information within the required time frames, the increase will be applied retroactively, to the date it would have been effective had the information been provided on a timely basis. The household will be responsible for any overpaid subsidy and may be offered a repayment agreement.

If the household share of the rent is to decrease:

- The decrease will be effective on the first day of the month following the month in which the change was

reported and all required documentation was submitted. In cases where the change cannot be verified until after the date the change would have become effective, the change will be made retroactively.

Part 3: Recalculating Household Share and Subsidy Amount

10.3.A. Overview

After gathering and verifying required information for an annual or interim reexamination, SFHRC must recalculate the household share of the rent and the RAP amount and notify the household and owner of the changes. While the basic policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

10.3.B. Changes in Payment Standards and Utility Allowances

In order to calculate the household share of the rent and RAP amount correctly, utility allowances may need to be updated and included in SFHRC's calculations.

Specific policies governing how utility allowances are applied are discussed below.

Utility Allowances

The household share of the rent and RAP calculations must reflect any changes in the household's utility arrangement with the owner, or in SFHRC's utility allowance schedule.

When there are changes in the utility arrangement with the owner, SFHRC must use the utility allowances in effect at the time the new lease and RAP contract are executed.

At reexamination, SFHRC must use SFHRC current utility allowance schedule. Revised utility allowances will be applied to a household's rent and subsidy calculations at the first annual reexamination after the allowance is adopted.

10.3.C. Notification of New Household Share and RAP Amount

SFHRC must notify the owner and household of any changes in the amount of the RAP payment. The notice must include the following information:

- The amount and effective date of the new RAP payment
- The amount and effective date of the new household share of the rent
- The amount and effective date of the new contract rent to owner

The household must be given an opportunity for an informal hearing regarding SFHRC's determination of their annual or adjusted income, and the use of such income to compute the rent assistance payment.

The notice to the household will state the procedures for requesting an informal hearing.

10.3.D. Discrepancies

During an annual or interim reexamination, SFHRC may discover that information previously reported by the household was in error, or that the household intentionally misrepresented information. In addition, SFHRC may discover errors made by SFHRC. When errors resulting in the overpayment or underpayment of subsidy

are discovered, corrections will be made. If the household failed to accurately reported their income they will be required to reimburse SFHRC the overpayment of rental assistance.

CHAPTER 11: TERMINATION OF ASSISTANCE AND TENANCY

This Chapter presents the policies that govern voluntary and involuntary terminations of assistance, and termination of tenancy by the owner.

Part 1: Grounds for Termination of Assistance

11.1.A. Overview

HUD requires SFHRC to terminate assistance for certain offenses and when the household no longer requires assistance. HUD permits SFHRC to terminate assistance for certain other actions household members take or fail to take. In addition, a household may decide to stop receiving RAP assistance at any time by notifying SFHRC.

11.1.B. Household No Longer Requires Assistance

As a household's income increases, the amount of SFHRC RAP goes down. If the amount of RAP provided by SFHRC drops to zero and remains at zero for 180 consecutive calendar days the household's assistance terminates automatically.

If a participating household receiving zero assistance experiences a change in circumstances that would cause the RAP payment to rise above zero, the household must notify SFHRC of the changed circumstances and request an interim reexamination before the expiration of the 180-day period.

11.1.C. Household Chooses to Terminate Assistance

The household may request that SFHRC terminate the household's assistance at any time.

The request to terminate assistance must be made in writing and signed by the head of household.

11.1.D. Termination of Assistance

Eviction

SFHRC may terminate assistance whenever a household is evicted from a unit assisted under the CoC program for a serious or repeated violation of the lease. Incidents of actual or threatened domestic violence, dating violence, or stalking may not be construed as serious or repeated violations of the lease by the victim or threatened victim of such violence or stalking.

A household will be considered evicted if the household moves after a legal eviction order has been issued whether or not physical enforcement of the order was necessary.

If a household moves after the owner has given the household an eviction notice for serious or repeated lease violations but before a legal eviction order has been issued, termination of assistance is not mandatory. In such cases SFHRC will determine whether the household has committed serious or repeated violations of the lease based on available evidence and may terminate assistance or take any of the alternative measures. In

making its decision, SFHRC will consider the factors described in this Administrative Plan. Upon consideration of such factors, SFHRC may, on a case-by-case basis, choose not to terminate assistance.

Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises and criminal activity. Generally, the criterion to be used will be whether or not the reason for the eviction was the fault of the tenant or guests.

Failure to Provide Consent

SFHRC must terminate assistance if any household member fails to sign and submit any consent form they are required to sign for a reexamination. See Chapter 7 for a complete discussion of consent requirements.

Failure to Disclose and Document Social Security Numbers

SFHRC must terminate assistance if a participant household fails to disclose the complete and accurate social security numbers of each household member and the documentation necessary to verify each social security number.

However, if the household is otherwise eligible for continued program assistance, and SFHRC determines that the household's failure to meet the SSN disclosure and documentation requirements was due to circumstances that could not have been foreseen and were outside of the household's control, SFHRC may defer the household's termination and provide the opportunity to comply with the requirement within a period not to exceed 90 calendar days from the date SFHRC determined the household to be noncompliant.

SFHRC will defer the household's termination and provide the household with the opportunity to comply with the requirement for a period of 90 calendar days for circumstances beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the household, or other emergency, if there is a reasonable likelihood that the participant will be able to disclose an SSN by the deadline.

Methamphetamine Manufacture or Production

SFHRC may terminate assistance if any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally assisted housing.

Death of the Sole Household Member

SFHRC must immediately terminate program assistance for deceased single member households.

11.1. E

On a case-by-case basis, with consultation of the appropriate Agency Provider, SFHRC to terminate assistance in the following circumstances:

- Any household member has violated the household's obligation not to engage in violent criminal activity
- Drug-related criminal activity is defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.
- Violent criminal activity means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

SFHRC may terminate a household's RAP if any household member has violated the household's obligation not to engage in gross drug-related, or violent criminal activity during participation in the CoC RAP program.

SFHRC will consider all credible evidence, including but not limited to, any record of arrests and/or convictions of household members related to drug-related or violent criminal activity, and any eviction or notice to evict based on drug-related or violent criminal activity.

In making its decision to terminate assistance, SFHRC will consider alternatives as described in Section 11.2.C and other factors described in Sections 11.2.D and 11.2.E. Upon consideration of such alternatives and factors, SFHRC may, on a case-by-case basis, choose not to terminate assistance.

Other Authorized Reasons for Termination of Assistance

[24 CFR 5.2005(c)]

HUD permits SFHRC to terminate assistance under a number of other circumstances. It is left to the discretion of SFHRC whether such circumstances in general warrant consideration for the termination of assistance. As discussed further in section 11.2.E, the Violence against Women Act of 2005 explicitly prohibits SFHRCs from considering incidents of, or criminal activity directly related to, domestic violence, dating violence, or stalking as reasons for terminating the assistance of a victim of such abuse.

SFHRC Policy

SFHRC may terminate a household's assistance if:

- The household has failed to comply with any household obligations under the program.
- Any household member has been evicted from federally assisted housing in the last five years.
- Any household member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.
- A household member has engaged in or threatened violent or abusive behavior toward SFHRC personnel. Abusive or violent behavior towards SFHRC personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.
 - Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to terminate assistance, SFHRC will consider alternatives as described in Section 11.2.C and other factors described in Sections 11.2.D and 11.2.E. Upon consideration of such alternatives and factors, SFHRC may, on a case-by-case basis, choose not to terminate assistance.

Household Absence from the Unit

The household may be absent from the unit for brief periods. SFHRC must establish a policy on how long the household may be absent from the assisted unit. However, the household may not be absent from the unit for a period of more than 90 consecutive calendar days for any reason. Absence in this context means that no member of the household is residing in the unit.

If the household is absent from the unit for more than 90 consecutive calendar days, the household's assistance will be terminated. Notice of termination will be sent in accordance with Section 11.2.F.

SFHRC reserves the right to allow a thirty-day extension when requested by the household in writing but will not permit absences beyond 120 days in any 12-month period except as a reasonable accommodation for a

disabled or elderly household.

Insufficient Funding

SFHRC may terminate RAP contracts if SFHRC determines, in accordance with HUD requirements, that funding under the Federal FY CoC Homeless Assistance is insufficient to support continued assistance for households in the program.

SFHRC will determine whether there is sufficient funding to pay for currently assisted households. If SFHRC determines there is a shortage of funding, prior to terminating any RAP contracts, SFHRC will determine if any other actions can be taken to reduce program costs. If after implementing all reasonable cost cutting measures there is not enough funding available to provide continued assistance for current participants, SFHRC will terminate RAP contracts as a last resort.

Prior to terminating any RAP contracts, SFHRC will inform the local HUD field office. SFHRC will terminate the minimum number needed in order to reduce RAP costs to a level within SFHRC's annual budget authority.

If SFHRC must terminate RAP contracts due to insufficient funding, SFHRC will do so in accordance with the following criteria and instructions:

Households that include either a disabled or elderly household member are given preference to retain assistance if possible.

A preference will then be given to the households which will assist them with re-entering the program once the insufficient funding issue has been resolved.

Part 2: Approach to Termination of Assistance

11.2.A Method of Termination

The way in which SFHRC terminates assistance depends upon individual circumstances. HUD permits SFHRC to terminate assistance by:

- Terminating housing assistance payments under a current RAP contract
- Refusing to approve a request for tenancy or to enter into a new RAP contract

11.2.B. Alternatives to Termination of Assistance

Change in Household Composition

As a condition of continued assistance, the head of household must certify that the culpable household member has vacated the unit and will not be permitted to visit or to stay as a guest in the assisted unit. The household must present evidence of the former household member's current address upon SFHRC request.

11.2.C. Criteria for Deciding to Terminate Assistance Evidence

For criminal activity, SFHRC may terminate assistance if a preponderance of the evidence indicates that a household member has engaged in the activity, regardless of whether the household member has been arrested or convicted.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the

evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence

Consideration of Circumstances

SFHRC will consider the following factors when making its decision to terminate assistance:

- The seriousness of the case, especially with respect to how it would affect other residents
- The effects that termination of assistance may have on other members of the household who were not involved in the action or failure
- The extent of participation or culpability of individual household members, including whether the culpable household member is a minor or a person with disabilities or (as discussed further in section 11.2.E) a victim of domestic violence, dating violence, or stalking
- The length of time since the violation occurred, the household's recent history and the likelihood of favorable conduct in the future
- SFHRC will require the participant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.
- In the case of program abuse, the dollar amount of the overpaid assistance and whether or not a false certification was signed by the household

Reasonable Accommodation

If a household indicates that the behavior of a household member with a disability is the reason for a proposed termination of assistance, SFHRC will determine whether the behavior is related to the disability. If so, upon the household's request, SFHRC will determine whether alternative measures are appropriate as a reasonable accommodation. SFHRC will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed termination of assistance. See Chapter 2 for a discussion of reasonable accommodation.

11.2.D. Terminations Related to Domestic Violence, Dating Violence, Or Stalking

This section addresses the protections against termination of assistance that the Violence against Women Act of 2005 (VAWA) provides for victims of domestic violence, dating violence, stalking, or sexual assault.

VAWA Protections against Termination

VAWA provides four specific protections against termination of CoC RAP assistance for victims of domestic violence, dating violence, stalking, or sexual assault. (Note: The second, third, and fourth protections also apply to terminations of tenancy or occupancy by owners participating in the CoC RAP program. As do the limitations discussed under the next heading.)

First, VAWA provides that a SFHRC may not terminate assistance to a household that moves out of an assisted unit in violation of the lease, with or without prior notification to SFHRC, if the move occurred to protect the health or safety of a household member who is or has been the victim of domestic violence, dating violence, or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the unit.

Second, it provides that an incident or incidents of actual or threatened domestic violence, dating violence, or stalking may not be construed either as a serious or repeated lease violation by the victim or as good cause to

terminate the assistance of the victim.

Third, it provides that criminal activity directly related to domestic violence, dating violence, or stalking may not be construed as cause for terminating the assistance of a tenant if a member of the tenant's household, a guest, or another person under the tenant's control is the one engaging in the criminal activity and the tenant or an affiliated individual of the tenant is the actual or threatened victim of the domestic violence, dating violence, or stalking.

- An "affiliated individual" is defined by the Violence Against Women Reauthorization Act of 2013 as a spouse, parent, brother, sister, or child of the individual, or an individual to whom that individual stands in loco parentis (in the place of a parent), or any individual, tenant, or lawful occupant living in the household of that individual.

Fourth, it gives SFHRCs the authority to terminate assistance to any tenant or lawful occupant who engages in criminal acts of physical violence against household members or others without terminating assistance to, or otherwise penalizing, the victim of the violence [24 CFR 5.2009(a)].

Limitations on VAWA Protections

[24 CFR 5.2005(d) and (e)]

VAWA does not limit the authority of a SFHRC to terminate the assistance of a victim of abuse for reasons unrelated to domestic violence, dating violence, or stalking so long as SFHRC does not subject the victim to a more demanding standard than it applies to other program participants.

Likewise, VAWA does not limit the authority of a SFHRC to terminate the assistance of a victim of domestic violence, dating violence, or stalking if SFHRC can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the assisted property if the victim is not terminated from assistance.

HUD regulations define actual and imminent threat to mean words, gestures, actions, or other indicators of a physical threat that (a) is real, (b) would occur within an immediate time frame, and (c) could result in death or serious bodily harm [24 CFR 5.2005(d)(2) and (e)]. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include:

- The duration of the risk
- The nature and severity of the potential harm
- The likelihood that the potential harm will occur
- The length of time before the potential harm would occur [24 CFR 5.2005(e)]

Even when a victim poses an actual and imminent threat, however, HUD regulations authorize a SFHRC to terminate the victim's assistance "only when there are no other actions that could be taken to reduce or eliminate the threat",

In determining whether a program participant who is a victim of domestic violence, dating violence, or stalking is an actual and imminent threat to other tenants or those employed at or providing service to a property, SFHRC will consider the following, and any other relevant, factors:

- Whether the threat is toward an employee or tenant other than the victim of domestic violence, dating violence, or stalking
- Whether the threat is a physical danger beyond a speculative threat

- Whether the threat is likely to happen within a short period of time
- Whether the threat to other tenants or employees can be eliminated in some other way, such as by helping the victim relocate to a confidential location or seeking a legal remedy to prevent the perpetrator from acting on the threat

If the participant wishes to contest SFHRC's determination that he or she is an actual and imminent threat to other tenants or employees, the participant may do so as part of the informal hearing.

Documentation of Abuse

When an individual facing termination of assistance for reasons related to domestic violence, dating violence, or stalking claims protection under VAWA, SFHRC will request that the individual provide documentation supporting the claim in accordance with the policies.

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

Terminating the Assistance of a Domestic Violence Perpetrator

Although VAWA provides protection against termination of assistance for victims of domestic violence, it does not provide such protection for perpetrators. VAWA gives SFHRC the explicit authority to "terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against household members or others" without terminating assistance to "or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant" This authority is not dependent on a bifurcated lease or other eviction action by an owner against an individual household member. Further, this authority supersedes any local, state, or other federal law to the contrary. However, if SFHRC chooses to exercise this authority, it must follow any procedures prescribed by HUD or by applicable local, state, or federal law regarding termination of assistance. This means that SFHRC must follow the same rules when terminating assistance to an individual as it would when terminating the assistance of an entire household [3/16/07 Federal Register notice on the applicability of VAWA to HUD programs].

SFHRC will terminate assistance to a household member if SFHRC determines that the household member has committed criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking. Until HUD guidance is published, SFHRC shall provide the remaining tenant ninety (90) days to establish eligibility or find new housing under another covered housing program.

In making its decision, SFHRC will consider all credible evidence, including, but not limited to, a signed certification (form HUD-50066) or other documentation of abuse submitted to SFHRC by the victim in accordance with this section. SFHRC will also consider the factors in section 11.2.D. Upon such consideration, SFHRC may, on a case-by-case basis, choose not to terminate the assistance of the culpable household member.

If SFHRC does terminate the assistance of the culpable household member, it will do so in accordance with applicable law, HUD regulations, and the policies in this plan.

If such bifurcation occurs, and the removed tenant or lawful occupant was the sole tenant eligible to receive assistance under the Rent Assistance Program, SFHRC shall provide any remaining tenant the opportunity to establish eligibility for the covered housing program. If the remaining tenant cannot establish eligibility, SFHRC is required to provide the tenant a reasonable time to find new housing or to establish eligibility under another covered housing program. HUD will provide through rulemaking or guidance, as may be applicable, what

constitutes a reasonable time for remaining tenants to find new housing or establish eligibility under another HUD covered housing program. SFHRCs will not be able to implement this provision until HUD provides such rulemaking or guidance. [VAWA 2013, Letter to Executive Directors September 30, 2013].

11.2.E. Termination Notice

HUD regulations require SFHRCs to provide written notice of termination of assistance to a household only when the household is entitled to an informal hearing. However, since the household's RAP contract and lease will also terminate when the household's assistance terminates. It is a good business practice to provide written notification to both owner and household anytime assistance will be terminated, whether voluntarily or involuntarily.

Whenever a household's assistance will be terminated, SFHRC will send a written notice of termination to the household and to the owner of the household's unit. The notice will state the date on which the termination will become effective. This date generally will be at least 30 calendar days following the date of the termination notice, but exceptions will be made whenever HUD rules, other SFHRC policies, or the circumstances surrounding the termination require.

When SFHRC notifies an owner that a household's assistance will be terminated, SFHRC will, if appropriate, advise the owner of his/her right to offer the household a separate, unassisted lease.

If a household whose assistance is being terminated is entitled to an informal hearing, the notice of termination that SFHRC sends to the household must meet the additional HUD and SFHRC notice requirements. Although HUD does not require SFHRCs to include information about the protections against termination of assistance provided by the Violence against Women Act of 2005 (VAWA) to victims of domestic violence, dating violence, stalking, or sexual assault, SFHRCs have the discretion to include such information.

Whenever SFHRC decides to terminate a household's assistance because of the household's action or failure to act, SFHRC will include in its termination notice the VAWA information described in this plan and will request that a household member wishing to claim protection under VAWA notify SFHRC within 10 business days.

Part 3: Termination of Tenancy by the Owner

11.3.A. Overview

Termination of an assisted tenancy is a matter between the owner and the household; SFHRC is not directly involved. However, the owner is under some constraints when terminating an assisted tenancy; the reasons for which a tenancy is terminated dictate whether assistance also will be terminated.

11.3.B. Grounds for Owner Termination of Tenancy

During the term of the lease, the owner is not permitted to terminate the tenancy except for serious or repeated violations of the lease, certain violations of state or local law, or other good cause.

Serious or Repeated Lease Violations

The owner is permitted to terminate the household's tenancy for serious or repeated violations of the terms and conditions of the lease, except when the violations are related to incidents of actual or threatened domestic violence, dating violence, or stalking and the victim is protected from eviction by the Violence against Women Act of 2005 (see section 11.2.E). A serious lease violation includes failure to pay rent or other amounts

due under the lease. However, SFHRC's failure to make a RAP payment to the owner is not a violation of the lease between the household and the owner.

Violation of Federal, State, or Local Law

The owner is permitted to terminate the tenancy if a household member violates federal, state, or local law that imposes obligations in connection with the occupancy or use of the premises.

Criminal Activity

The owner may terminate tenancy during the term of the lease if any covered person—meaning any member of the household, a guest, or another person under the tenant's control—commits any of the following types of criminal activity (for applicable definitions see 24 CFR 5.100):

- Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of the premises by, other residents (including property management staff residing on the premises)
- Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of their residences by, persons residing in the immediate vicinity of the premises

However, in the case of criminal activity directly related to domestic violence, dating violence, or stalking, if the tenant or an immediate member of the tenant's household is the victim, the criminal activity may not be construed as cause for terminating the victim's tenancy (see section 11.2.E).

The owner may terminate tenancy during the term of the lease if any member of the household is:

- Fleeing to avoid prosecution, custody, or confinement after conviction for a crime or an attempt to commit a crime that is a felony under the laws of the place from which the individual flees, or
- Violating a condition of probation or parole imposed under federal or state law.

The owner may terminate tenancy during the term of the lease if any member of the household has engaged in abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

Evidence of Criminal Activity

The owner may terminate tenancy and evict by judicial action a household for criminal activity by a covered person if the owner determines the covered person has engaged in the criminal activity, regardless of whether the covered person has been arrested or convicted for such activity and without satisfying the standard of proof used for a criminal conviction.

Other Good Cause

During the initial lease term, the owner may not terminate the tenancy for "other good cause" unless the owner is terminating the tenancy because of something the household did or failed to do. During the initial lease term or during any extension term, other good cause includes the disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises.

After the initial lease term, "other good cause" for termination of tenancy by the owner includes:

- Failure by the household to accept the offer of a new lease or revision
- The owner's desire to use the unit for personal or household use, or for a purpose other than as a residential rental unit
- A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, or desire to lease the unit at a higher rent)

After the initial lease term, the owner may give the household notice at any time, in accordance with the terms of the lease.

11.3.C. Eviction

The owner must give the tenant a written notice that specifies the grounds for termination of tenancy during the term of the lease. The tenancy does not terminate before the owner has given this notice, and the notice must be given at or before commencement of the eviction action.

The notice of grounds may be included in, or may be combined with, any owner eviction notice to the tenant.

Owner eviction notice means a notice to vacate, or a complaint or other initial pleading used under state or local law to commence an eviction action. The owner may only evict the tenant from the unit by instituting a court action. The owner must give SFHRC a copy of any eviction notice at the same time the owner notifies the household. The household is also required to give SFHRC a copy of any eviction notice (see Chapter 5).

If the eviction action is finalized in court, the owner must provide SFHRC with documentation related to the eviction, including notice of the eviction date, as soon as possible, but no later than 5 business days following the court-ordered eviction.

11.3.D. Deciding Whether to Terminate Tenancy

An owner who has grounds to terminate a tenancy is not required to do so and may consider all of the circumstances relevant to a particular case before making a decision. These might include:

- The nature of the offending action
- The seriousness of the offending action;
- The effect on the community of the termination, or of the owner's failure to terminate the tenancy;
- The extent of participation by the leaseholder in the offending action;
- The effect of termination of tenancy on household members not involved in the offending activity;
- The demand for assisted housing by households who will adhere to lease responsibilities;
- The extent to which the leaseholder has shown personal responsibility and taken all reasonable steps to prevent or mitigate the offending action;
- The effect of the owner's action on the integrity of the program.

The owner may require a household to exclude a household member in order to continue to reside in the assisted unit, where that household member has participated in or been culpable for action or failure to act that warrants termination.

In determining whether to terminate tenancy for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the owner may consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully (42 U.S.C. 13661). For this purpose, the owner may require the tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.

The owner's termination of tenancy actions must be consistent with the fair housing and equal opportunity provisions in 24 CFR 5.105.

An owner's decision to terminate tenancy for incidents related to domestic violence, dating violence, or stalking is limited by the Violence against Women Act of 2005 (VAWA) and the conforming regulations in 24 CFR Part 5, Subpart L. (See section 11.2.E.)

11.3.E. Effect of Tenancy Termination On The Household's Assistance

If a termination is not due to a serious or repeated violation of the lease, and if SFHRC has no other grounds for termination of assistance, SFHRC may issue a new Family Tenancy Agreement so that the household can move with continued assistance (see Chapter 10).

CHAPTER 12: PROGRAM ADMINISTRATION

Part 1: Setting Program Standards and Schedules

12.1.A. Overview

Although many of the program's requirements are established centrally by HUD, the CoC program's regulations recognize that some flexibility is required to allow SFHRC to adapt the program to local conditions. This part discusses how SFHRC establishes and updates certain schedules and standards that are used to administer the program locally. Details about how these schedules are applied to individual households are provided in other Chapters. The schedules and standards discussed here include:

- Utility Allowances, which specify how a household's payment should be adjusted to account for tenant-paid utilities (application of utility allowances is discussed in Chapter 6).

Copies of the utility allowance schedules are available for review in SFHRC's offices during normal business hours.

Households, owners, and members of the public may submit written comments on the schedules discussed in this part, at any time, for consideration during the next revision cycle.

SFHRC will maintain documentation to support its annual review of the utility allowance schedules. This documentation will be retained for at least 3 years.

12.1.B. Utility Allowances

A SFHRC-established utility allowance schedule is used in determining household share and SFHRC subsidy. SFHRC must maintain a utility allowance schedule for (1) all tenant-paid utilities, (2) the cost of tenant-supplied refrigerators and ranges, and (3) other tenant-paid housing services such as trash collection. The utility allowance schedule must be determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, SFHRC must use normal patterns of consumption for the community as a whole and current utility rates.

The utility allowance must include the utilities and services that are necessary in the locality to provide housing that complies with housing quality standards. Costs for telephone, cable/satellite television, and internet services are not included in the utility allowance schedule.

In the utility allowance schedule, SFHRC must classify utilities and other housing services according to the following general categories: space heating; air conditioning; cooking; water heating; water; sewer; trash

collection; other electric; cost of tenant-supplied refrigerator; cost of tenant-supplied range; and other specified housing services.

The cost of each utility and housing service must be stated separately by unit size and type. Chapter 18 of the HCV Guidebook provides detailed guidance to SFHRC about establishing utility allowance schedules.

Air Conditioning

An allowance for air-conditioning must be provided when the majority of housing units in the market have central air-conditioning or are wired for tenant-installed air conditioners.

SFHRC does not include an allowance for air-conditioning in its schedule.

Reasonable Accommodation

Program regulations require a SFHRC to approve a utility allowance amount higher than shown on SFHRC's schedule if a higher allowance is needed as a reasonable accommodation for a household member with a disability. For example, if a household member with a disability requires such an accommodation, SFHRC will approve an allowance for air-conditioning, even if SFHRC has determined that an allowance for air-conditioning generally is not needed (See Chapter 2 for policies regarding the request and approval of reasonable accommodations).

Utility Allowance Revisions

SFHRC must review its schedule of utility allowances each year and must revise the schedule if there has been a change of 10 percent or more in any utility rate since the last time the allowance for that utility was revised.

SFHRC must maintain information supporting its annual review of utility allowance and any revisions made in its utility allowance schedule.

Part 2: Informal Reviews and Hearings

12.2.A. Overview

When SFHRC makes a decision that has a negative impact on a household, the household is often entitled to appeal the decision. For applicants, the appeal takes the form of an informal review; for participants, or for applicants denied admission because of citizenship issues, the appeal takes the form of an informal hearing.

SFHRCs are required to include in their administrative plans, informal review procedures for applicants, and informal hearing procedures for participants.

12.2.B. Informal Reviews

Informal reviews are provided for program applicants. An applicant is someone who has applied for admission to the program but is not yet a participant in the program. Informal reviews are intended to provide a "minimum hearing requirement" and need not be as elaborate as the informal hearing requirements [Federal Register 60, no. 127 (3 July 1995): 34690].

Decisions Subject to Informal Review

SFHRC must give an applicant the opportunity for an informal review of a decision denying assistance. Denial of assistance may include any or all of the following:

- Denying listing on SFHRC waiting list
- Denying or withdrawing subsidy
- Refusing to enter into a RAP contract or approve a lease

Informal reviews are not required for the following reasons:

- Discretionary administrative determinations by SFHRC
- General policy issues or class grievances
- A determination of the household unit size under SFHRC subsidy standards
- A SFHRC determination not to grant approval of the tenancy
- A SFHRC determination that the unit is not in compliance with the HQS
- A SFHRC determination that the unit is not in accordance with the HQS due to household size or composition

SFHRC will only offer an informal review to applicants for whom assistance is being denied. Denial of assistance includes the following: denying listing on SFHRC waiting list; denying or withdrawing subsidy; refusing to enter into a RAP contract or approve a lease; refusing to process or provide assistance under portability procedures.

Notice to the Applicant

SFHRC must give an applicant prompt notice of a decision denying assistance. The notice must contain a brief statement of the reasons for SFHRC decision and must also state that the applicant may request an informal review of the decision. The notice must describe how to obtain the informal review.

Scheduling an Informal Review

A request for an informal review must be made in writing and delivered to SFHRC either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of SFHRC's notice of denial of assistance.

SFHRC will offer the household the opportunity to select a review by mail or a review in person.

- If the household elects to have an Informal Review by mail:
 - The household will be informed that they may submit any evidence or documentation they feel supports their case with their request for an informal review.
 - If the review can be conducted and completed within 15 calendar days of the household's request for a review, a notice will be sent to the household detailing the outcome of the review.
 - If the review cannot be conducted within 15 calendar days of the household's request, a letter confirming receipt of their request will be sent within 15 calendar days. The review will then be conducted, and a notice mailed to the household detailing the outcome of the review, within 30 days of the household's request.
- If the household elects to have an Informal Review in person:
 - SFHRC will notify the applicant within 15 calendar days from the date it receives the applicant's written request for an informal review that a review has been scheduled. The review will be scheduled within 10 business days from the date the notification is sent to the applicant.
 - If the household does not appear at the stated date and time, and there is no known reason for the absence, the denial of admission will stand and the household will be so notified.
 - SFHRC will reschedule Informal Reviews only for verifiable, bona fide emergencies or as a reasonable accommodation to a person with a disability.

After the informal review has been completed, SFHRC will notify the applicant of its decision no more than 15

calendar days from the date of the informal review. If more time is needed in order to reach a decision, the applicant will be informed with 10 business days from the date of the informal review.

In all cases, SFHRC will make its best effort to complete the Informal Review process and notify the household of its decision within 30 calendar days of receipt of a request for an Informal Review.

Informal Review Procedures

The informal review must be conducted by a person other than the one who made or approved the decision under review, or a subordinate of this person.

The applicant must be provided an opportunity to present written or oral objections to the decision of SFHRC.

Informal Review Decision

SFHRC must notify the applicant of SFHRC's final decision, including a brief statement of the reasons for the final decision.

In rendering a decision, SFHRC will evaluate the following matters:

- Whether or not the grounds for denial were stated factually in the Notice.
- The validity of grounds for denial of assistance. If the grounds for denial are not specified in the regulations, then the decision to deny assistance will be overturned.
- The validity of the evidence. SFHRC will evaluate whether the facts presented prove the grounds for denial of assistance. If the facts prove that there are grounds for denial, and the denial is required by HUD, SFHRC will uphold the decision to deny assistance.

If the facts prove the grounds for denial, and the denial is discretionary, SFHRC will consider the recommendation of the person conducting the informal review in making the final decision whether to deny assistance.

SFHRC will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed within 10 business days of the informal review, to the applicant and his or her representative, if any, along with proof of mailing.

If the decision to deny is overturned as a result of the informal review the applicant may be returned to the waiting list with the same date and time of application or the review officer may determine that processing for admission should resume.

If the household fails to appear for their informal review, the denial of admission will stand and the household will be so notified.

After the Informal Review decision is made, the household has the right to seek judicial review by Writ of Review under ORS 34.010-34.100 if a petition is filed within 60 days from the date of the decision.

12.2.C. Informal Hearings for Participants

SFHRCs must offer an informal hearing for certain SFHRC determinations relating to the individual circumstances of a participant household. A participant is defined as a household that has been admitted to SFHRC's RAP program and is currently assisted in the program. The purpose of the informal hearing is to consider whether SFHRC's decisions related to the household's circumstances are in accordance with the law, HUD regulations and SFHRC policies.

SFHRC is not permitted to terminate a household's assistance until the time allowed for the household to request an informal hearing has elapsed, and any requested hearing has been completed. Termination of assistance for a participant may include any or all of the following:

- Refusing to enter into a RAP contract or approve a lease
- Terminating housing assistance payments under an outstanding RAP contract

Decisions Subject to Informal Hearing

Circumstances for which SFHRC must give a participant household an opportunity for an informal hearing are as follows:

- A determination of the household's annual or adjusted income, and the use of such income to compute the housing assistance payment
- A determination of the appropriate utility allowance (if any) for tenant-paid utilities from SFHRC utility allowance schedule
- A determination of the household unit size under SFHRC's subsidy standards
- A determination to terminate assistance for a participant household because of the household's actions or failure to act
- A determination to terminate assistance because the participant has been absent from the assisted unit for longer than the maximum period permitted under SFHRC policy and HUD rules

Circumstances for which an informal hearing is not required are as follows:

- Discretionary administrative determinations by SFHRC
- General policy issues or class grievances
- Establishment of SFHRC schedule of utility allowances for households in the program
- A SFHRC determination not to approve an extension or suspension of subsidy term
- A SFHRC determination not to approve a unit or tenancy
- A SFHRC determination that a unit selected by the applicant is not in compliance with the HQS
- A SFHRC determination that the unit is not in accordance with HQS because of household size
- A determination by SFHRC to exercise or not to exercise any right or remedy against an owner under a RAP contract.

SFHRC will only offer participants the opportunity for an informal hearing when required to by the regulations.

Informal Hearing Procedures

Notice to the Household

When SFHRC makes a decision that is subject to informal hearing procedures, SFHRC must inform the household of its right to an informal hearing at the same time that it informs the household of the decision.

For decisions related to the household's annual or adjusted income, the determination of the appropriate utility allowance, and the determination of the household unit size, SFHRC must notify the household that they may ask for an explanation of the basis of the determination, and that if they do not agree with the decision, they may request an informal hearing on the decision.

For decisions related to the termination of the household's assistance, or the denial of a household's request for an exception to SFHRC's subsidy standards, the notice must contain a brief statement of the reasons for

the decision, a statement that if the household does not agree with the decision, the household may request an informal hearing on the decision, and a statement of the deadline for the household to request an informal hearing.

In cases where SFHRC makes a decision for which an informal hearing must be offered, the notice to the household will include all of the following:

- The proposed action or decision of SFHRC.
- A brief statement of the reasons for the decision including the regulatory reference.
- The date the proposed action will take place.
- A statement of the household's right to an explanation of the basis for SFHRC's decision.
- A statement that if the household does not agree with the decision the household may request an informal hearing of the decision.
- A deadline for the household to request the informal hearing.
- To whom the hearing request should be addressed.

Scheduling an Informal Hearing

When an informal hearing is required, SFHRC must proceed with the hearing in a reasonably expeditious manner upon the request of the household.

A request for an informal hearing must be made in writing and delivered to SFHRC either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of SFHRC's decision or notice to terminate assistance.

SFHRC must schedule and send written notice of the informal hearing to the household within 10 business days of the household's request.

The household may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the household. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, SFHRC may request documentation of the "good cause" prior to rescheduling the hearing.

If the household does not appear at the scheduled time, SFHRC will consider the household to have defaulted the hearing unless the absence was for an unavoidable emergency that threatened the health, safety, or welfare of the household.

If the household contacts SFHRC within 24 hours of the scheduled hearing date, excluding weekends and holidays, SFHRC, at its discretion, may reschedule the hearing. SFHRC will reschedule the hearing only if the household can provide verification of the emergency that caused the failure to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

Pre-Hearing Right to Discovery

Participants and SFHRC are permitted pre-hearing discovery rights. The household must be given the opportunity to examine before the hearing any SFHRC documents that are directly relevant to the hearing. The household must be allowed to copy any such documents at their own expense. If SFHRC does not make the document available for examination on request of the household, SFHRC may not rely on the document at the hearing.

SFHRC hearing procedures may provide that SFHRC must be given the opportunity to examine at SFHRC offices before the hearing, any household documents that are directly relevant to the hearing. SFHRC must be allowed to copy any such document at SFHRC's expense. If the household does not make the document available for examination on request of SFHRC, the household may not rely on the document at the hearing.

For the purpose of informal hearings, documents include records and regulations.

The household will be allowed to copy any documents related to the hearing at a cost in accordance with the Minnehaha County Fee Schedule. The household must request discovery of SFHRC documents no later than 12:00 p.m. on the business day prior to the scheduled hearing date

SFHRC must be given an opportunity to examine at SFHRC offices before the hearing any household documents that are directly relevant to the hearing. Whenever a participant requests an informal hearing, SFHRC will automatically mail a letter to the participant requesting a copy of all documents that the participant intends to present or utilize at the hearing. The participant must make the documents available no later than 12:00 pm on the business day prior to the scheduled hearing date.

Participant's Right to Bring Counsel Informal Hearing Officer

Informal hearings will be conducted by a person or persons approved by SFHRC, other than the person who made or approved the decision or a subordinate of the person who made or approved the decision.

Household may be represented by Service Provider Agency staff, a lawyer, or other representative during hearing at the household's expense.

SFHRC Policy

SFHRC has designated the following to serve as hearing officers: **Executive Director and his/her assigns.**

Attendance at the Informal Hearing

Hearings may be attended by a hearing officer and the following applicable persons:

- A SFHRC representative(s) and any witnesses for SFHRC
- The participant and any witnesses for the participant
- The participant's counsel or other representative
- Any other person approved by SFHRC as a reasonable accommodation for a person with a disability

Conduct at Hearings

The person who conducts the hearing may regulate the conduct of the hearing in accordance with SFHRC's hearing procedures.

The hearing officer is responsible to manage the order of business and to ensure that hearings are conducted in a professional and businesslike manner. Attendees are expected to comply with all hearing procedures established by the hearing officer and guidelines for conduct. Any person demonstrating disruptive, abusive or otherwise inappropriate behavior will be excused from the hearing at the discretion of the hearing officer.

Evidence

SFHRC and the household must be given the opportunity to present evidence and question any witnesses. In general, all evidence is admissible at an informal hearing. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are five categories of evidence:

- **Oral evidence:** the testimony of witnesses
- **Documentary evidence:** a writing which is relevant to the case, for example, a letter written to SFHRC. Writings include all forms of recorded communication or representation, including letters, words, pictures, sounds, videotapes or symbols or combinations thereof.
- **Demonstrative evidence:** Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.
- **Real evidence:** A tangible item relating directly to the case.
- **Hearsay Evidence:** is evidence of a statement that was made other than by a witness while testifying at the hearing and that is offered to prove the truth of the matter. Even though evidence, including hearsay, is generally admissible, hearsay evidence alone cannot be used as the sole basis for the hearing officer's decision.

If either SFHRC or the household fail to comply with the discovery requirements described above, the hearing officer will refuse to admit such evidence.

Other than the failure of a party to comply with discovery, the hearing officer has the authority to overrule any objections to evidence.

Hearing Officer's Decision

The person who conducts the hearing must issue a written decision, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the household must be based on a preponderance of evidence presented at the hearing. A copy of the hearing must be furnished promptly to the household.

In rendering a decision, the hearing officer will consider the following matters:

- **SFHRC Notice to the Household:** The hearing officer will determine if the reasons for SFHRC's decision are factually stated in the Notice.
- **Discovery:** The hearing officer will determine if SFHRC and the household were given the opportunity to examine any relevant documents in accordance with SFHRC policy.
- **SFHRC Evidence to Support SFHRC Decision:** The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support SFHRC's conclusion.
- **Validity of Grounds for Termination of Assistance (when applicable):** The hearing officer will determine if the termination of assistance is for one of the grounds specified in the HUD regulations and SFHRC policies. If the grounds for termination are not specified in the regulations or in compliance with SFHRC policies, then the decision of SFHRC will be overturned.
- The hearing officer will issue a written decision to the household and SFHRC no later than 20 business days after the hearing. The report will contain the following information:
 - Hearing information:
 - Name of the participant;
 - Date, time and place of the hearing;
 - Name of the hearing officer;
 - Name of SFHRC representative; and
 - Name of household representative (if any).
- **Background:** A brief, impartial statement of the reason for the hearing.
- **Summary of the Evidence:** The hearing officer will summarize the testimony of each witness and identify any documents that a witness produced in support of his/her testimony and that are admitted into evidence.

- **Findings of Fact:** The hearing officer will include all findings of fact, based on a preponderance of the evidence. Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.
- **Conclusions:** The hearing officer will render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion will result in a determination of whether these facts uphold SFHRC's decision.
- **Order:** The hearing report will include a statement of whether SFHRC's decision is upheld or overturned. If it is overturned, the hearing officer will instruct SFHRC to change the decision in accordance with the hearing officer's determination. In the case of termination of assistance, the hearing officer will instruct SFHRC to restore the participant's program status.

Procedures for Rehearing or Further Hearing

The hearing officer may ask the household for additional information and/or might adjourn the hearing in order to reconvene at a later date before reaching a decision. If the household misses an appointment or deadline ordered by the hearing officer, the action of SFHRC will take effect and another hearing will not be granted.

A rehearing or a further hearing may be requested for the purpose of rectifying any obvious mistake of law made during the hearing or any obvious injustice not known at the time of the hearing.

SFHRC Notice of Final Decision

SFHRC is not bound by the decision of the hearing officer for matters in which SFHRC is not required to provide an opportunity for a hearing, decisions that exceed the authority of the hearing officer, decisions that conflict with or contradict HUD regulations, requirements, or are otherwise contrary to Federal, State or local laws.

If SFHRC determines it is not bound by the hearing officer's decision in accordance with HUD regulations, SFHRC must promptly notify the household of the determination and the reason for the determination.

SFHRC will mail a "Notice of Final Decision" including the hearing officer's report, to the participant and their representative. This Notice will be sent by first-class mail and certified mail. A copy of the "Notice of Final Decision" along with the original proof mailing will be maintained in SFHRC's file.

Part 3: Matching Requirements

12.3 Matching Requirements

- In general. The recipient or sub recipient must match all grant funds, except for leasing funds, with no less than 25 percent of funds or in-kind contributions from other sources.
- Cash sources. Funds from any source, including any other federal sources (excluding Continuum of Care program funds), as well as State, local, and private sources, provided that funds from the source are not statutorily prohibited to be used as a match. The recipient must ensure that any funds used to satisfy the matching requirements of this section are eligible under the laws governing the funds in order to be used as matching funds for a grant awarded under this program.
- In-kind contributions.
 - The value of any real property, equipment, goods, or services contributed to the project as match, provided that if the recipient or sub recipient had to pay for them with grant funds, the costs would have been eligible under Subpart D.

- The requirements for 24 CFR 84.23 and 85.24 apply.
- Services to be provided by a third party must be documented by a memorandum of understanding (MOU) between the sub recipient and the third party that will provide the services. Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the organization.
 - a. The MOU must establish the unconditional commitment, by the third party to provide the services, the specific service to be provided, the profession of the persons providing the service, and the hourly cost of the service to be provided.
 - b. Records documenting the service hours provided must be retained and made available for inspection, if requested.

Understanding Match

Match is defined as the agency's contribution to the project. Match is further defined in 24 CFR Part 578, D & F. Match in the CoC Program is restricted to the costs identified in Subpart D of the CoC Program interim rule and 2 CFR Part 200, Subpart E – Cost Principles. Match in the CoC Program may be in the form of cash or in-kind contributions and must be used by the recipient or sub-recipient on costs for the project.

What is NOT Match?

- Program income
- Cash or any in-kind contribution used as match for another grant
- Cash or in-kind contributions statutorily prohibited as match
- Program Participant Savings
 - Savings belong to the program participant, not the recipient or sub-recipient

Summary of Match Requirements

- All CoC Program costs and match must be in your approved budget
- Must be able to document all costs
- Match requirement – 25% cash or in-kind for all line items except leasing
- Match is provided to the CoC Program grant, not to a specific budget line item
- Matching funds can only be used on eligible CoC Program costs

Submission of In-Kind or Cash Match Verification by CoC Partners

The following steps are required for providing In-Kind or Cash matches for the SFHRC CoC Program(s).

- Execution of a formal Memorandum of Understanding shall be completed prior to the start of any grant cycle. In-Kind Match documentation must be consistent with the match that is represented in the grant's MOU. In-kind Match can be provided as one of the following:
 - Donation of property, supplies, food or equipment that are applicable to the project or program's objectives.
 - Contribution of time and/or services directly applicable to the CoC Grant for which a participant/client is associated.
- Documentation of a partnering agency's Match must be made in a formalized process. In-Kind Match documentation must be made using a partnering entity's letterhead. Additionally, the value of equipment, goods or services must be calculated at rates consistent with those ordinarily paid or charged for comparable equipment, goods or services in an organization or geographic region. The standard cover letter for match reporting is attached to this Administrative Plan as **Appendix E**.

(NOTE: Supporting documentation must be included as part of the signed cover letter provided as an example in Appendix E. Documentation would include the services provided to each CoC participant by hour, type of service, agent providing the service and the appropriate billing rate for this service.)

Part 4: Record Keeping

12.4.A. Overview

SFHRC must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. All such records must be made available to HUD or the Comptroller General of the United States upon request.

In addition, SFHRC must ensure that all applicant and participant files are maintained in a way that protects an individual's privacy rights.

12.4.B. Record Retention

[24 CFR 578]

During the term of each assisted lease, and for at least 5 years thereafter, SFHRC must keep:

- A copy of the executed lease;
- The RAP contract; and
- The application from the household.

In addition, SFHRC must keep the following records for at least five years:

Records that provide income, racial, ethnic, gender, and disability status data on program applicants and participants:

- An application from each ineligible household and notice that the applicant is not eligible;
- HUD-required reports;
- Unit inspection reports;
- Lead-based paint records as required by 24 CFR 35, Subpart B.
- Accounts and other records supporting SFHRC budget and financial statements for the program;
- Records to document the basis for SFHRC determination that rent to owner is a reasonable rent (initially and during the term of a RAP contract); and
- Other records specified by HUD.

If an informal hearing to establish a household's citizenship status is held, longer retention requirements apply for some types of documents.

12.4.C. Records Management

SFHRCs must maintain applicant and participant files and information in accordance with the regulatory requirements described below.

All applicant and participant information will be kept in a secure location and access will be limited to authorized SFHRC staff. Any records that are maintained electronically will be kept in a secure network environment.

SFHRC staff will not discuss personal household information unless there is a business reason to do so.

Inappropriate discussion of household information or improper disclosure of household information by staff will result in disciplinary action.

Privacy Act Requirements

The collection, maintenance, use, and dissemination of social security numbers (SSN), employer identification numbers (EIN), any information derived from these numbers, and income information of applicants and participants must be conducted, to the extent applicable, in compliance with the Privacy Act of 1974, and all other provisions of Federal, State, and local law.

Applicants and participants, including all adults in the household, are required to sign a consent form, HUD-9886, Authorization for Release of Information. This form incorporates the Federal Privacy Act Statement and describes how the information collected using the form may be used, and under what conditions HUD or SFHRC may release the information collected.

Criminal Records

SFHRC may only disclose the criminal conviction records which SFHRC receives from a law enforcement agency to officers or employees of SFHRC, or to authorized representatives of SFHRC who have a job-related need to have access to the information

SFHRC must establish and implement a system of records management that ensures that any criminal record received by SFHRC from a law enforcement agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to SFHRC action without institution of a challenge or final disposition of any such litigation.

SFHRC must establish and implement a system of records management that ensures that any sex offender registration information received by SFHRC from a State or local agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to SFHRC action without institution of a challenge or final disposition of any such litigation. This requirement does not apply to information that is public information or is obtained by a SFHRC other than under 24 CFR 5.905.

SFHRC files are kept in a secured area, in locked file cabinets, or are maintained electronically in a secure network environment.

Medical/Disability Records

SFHRCs are not permitted to inquire about the nature or extent of a person's disability. SFHRC may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If SFHRC receives a verification document that provides such information SFHRC will redact or destroy it.

Documentation of Domestic Violence, Dating Violence, or Stalking

For requirements and SFHRC policies related to management of documentation obtained from victims of domestic violence, dating violence, stalking, or sexual assault.

Part 5. Insufficient Funding

HUD regulations allow SFHRCs to deny households permission to move and to terminate Rental Assistance

Payments (RAP) contracts if funding under the consolidated CoC Homeless Program is insufficient to support continued assistance. Insufficient funding may also impact SFHRC's ability to issue RAP to households on a waiting list. This part discusses the methodology SFHRC will use to determine whether or not SFHRC has sufficient funding to issue subsidy, approve moves, and to continue subsidizing all households currently under a RAP contract.

Part 6. Methodology

SFHRC will determine whether there is adequate funding to issue subsidy, approve moves to higher cost units and areas, and continue subsidizing all current participants by comparing SFHRC's annual budget authority to the annual total RAP needs on a monthly basis. The total RAP needs for the calendar year will be projected by establishing the actual RAP costs year to date. To that figure, SFHRC will add anticipated RAP expenditures for the remainder of the calendar year. Projected RAP expenditures will be calculated by multiplying the projected number of units leased per remaining months by the most current month's average RAP. The projected number of units leased per month will take into account the average monthly turnover of participant households. If the total annual RAP needs equal or exceed the annual budget authority, or if SFHRC cannot support the cost of the proposed subsidy commitment (subsidy issuance or move) based on the funding analysis, SFHRC will be considered to have insufficient funding.

Part 7: Violence Against Women Act (VAWA): Notification, Documentation, Confidentiality

12.7.A. Overview

The Violence against Women Act of 2005 and the Violence Against Women Reauthorization Act of 2013 (herein referred to collectively as "VAWA") provide special protections for victims of domestic violence, dating violence, stalking, or sexual assault who are applying for or receiving assistance under the Rental Assistance Program. If your state or local laws provide greater protection for such victims, those laws take precedence over VAWA.

In addition to definitions of key terms used in VAWA, this part contains general VAWA requirements and SFHRC policies in three areas: notification, documentation, and confidentiality. Specific VAWA requirements and SFHRC policies are located primarily in the following sections: 3.1.C, "Household Breakup and Remaining Member of Tenant Household"; 3.3.G, "Prohibition against Denial of Assistance to Victims of domestic violence, dating violence, stalking, or sexual assault"; 10.1.A, "Allowable Moves"; 10.1.B, "Restrictions on Moves"; 12.2.E, "Terminations Related to Domestic Violence, Dating Violence, or Stalking"; and 12.2.F, "Termination Notice."

12.7.B. Definitions

[24 CFR 5.2003]

As used in VAWA:

- The term ***bifurcate*** means (with respect to a CoC RAP lease): to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining household members' lease and occupancy rights are allowed to remain intact.
- The term ***dating violence*** means: violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:
 - The length of the relationship
 - The type of relationship
 - The frequency of interaction between the persons involved in the relationship
- The term ***domestic violence*** includes: felony or misdemeanor crimes of violence committed by a current

or former spouse of the victim or:

- By a person with whom the victim shares a child in common
- By a person who is cohabitating with or has cohabitated with the victim as a spouse
- By a person similarly situated to a spouse of the victim under the domestic or household violence laws of the jurisdiction receiving grant monies
- By any other person against an adult or youth victim who is protected from that person's acts under the domestic or household violence laws of the jurisdiction.
- The term ***affiliated individual*** means, with respect to a person:
 - A spouse, parent, brother or sister, or child of that person, or an individual to whom that person stands in loco parentis (in the position or place of a parent); or
 - Any other individual, tenant, or lawful occupant living in the household of that individual.
- The term ***stalking*** means:
 - To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or
 - To place under surveillance with the intent to kill, injure, harass, or intimidate another person; and
 - In the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (1) that person, (2) a member of the immediate household of that person, or (3) the spouse or intimate partner of that person.

12.7.C. Notification

Notification to Public

SFHRC adopts the following policy to help ensure that all actual and potential beneficiaries of its CoC RAP program are aware of their rights under VAWA.

SFHRC will post the following information regarding VAWA in its offices and on its Web site. It will also make the information readily available to anyone who requests it.

- A summary of the rights and protections provided by VAWA to Rental Assistance Program applicants and participants who are or have been victims of domestic violence, dating violence, stalking, or sexual assault
- The definitions of domestic violence, dating violence, and stalking provided in VAWA
- An explanation of the documentation that SFHRC may require from an individual who claims the protections provided by VAWA.
- A copy of form HUD-50066, Certification of Domestic Violence, Dating Violence, or Stalking
- A statement of SFHRC's obligation to keep confidential any information that it receives from a victim unless (a) SFHRC has the victim's written permission to release the information, (b) it needs to use the information in an eviction proceeding, or (c) it is compelled by law to release the information.
- The National Domestic Violence Hot Line: 1-800-799-SAFE (7233) or 1-800-787-3224 (TTY) Contact information for local victim advocacy groups or service providers

SFHRC will also provide notice of VAWA protection, and a copy of the applicable certification form (currently HUD-50066), when an individual or household is admitted to the program, denied assistance, or notified of termination of housing benefits.

- Notification of VAWA protection at admission will be provided as part of the RAP Briefing. A written notice, and the applicable certification form, will be included as part of the briefing packet.

Notification to Program Applicants and Participants

SFHRCs are required to inform program participants of their rights under VAWA, including their right to confidentiality and the limits thereof. Since VAWA provides protections for applicants as well as participants,

SFHRCs may elect to provide the same information to applicants.

SFHRC will include information about VAWA in all notices of denial of assistance.

SFHRC will provide all participants with information about VAWA at the time of admission (see section 5.1.B) and at annual reexamination. SFHRC will also include information about VAWA in notices of termination of assistance, as provided in section 12.2.F.

The VAWA information provided to applicants and participants will consist of the notice and a copy of form HUD-50066, Certification of Domestic Violence, Dating Violence, and Stalking.

Notification to Owners and Managers

SFHRCs are required to notify owners and managers participating in the CoC RAP program of their rights and obligations under VAWA.

SFHRC will provide owners and managers with information about their rights and obligations under VAWA when they begin their participation in the CoC RAP program and at least annually thereafter.

The VAWA information provided to owners will consist of the notice and a copy of form HUD-50066, Certification of Domestic Violence, Dating Violence, and Stalking.

12.7.D. Documentation

A SFHRC presented with a claim for initial or continued assistance based on status as a victim of domestic violence, dating violence, stalking, or criminal activity related to any of these forms of abuse may—but is not required to—request that the individual making the claim document the abuse. Any request for documentation must be in writing, and the individual must be allowed at least 14 business days after receipt of the request to submit the documentation. SFHRC may extend this time period at its discretion. [24 CFR 5.2007(a)]

The individual may satisfy SFHRC's request by providing any one of the following forms of documentation [24 CFR 5.2007(b) and VAWA 2013]:

- A completed and signed HUD-approved certification form (HUD-50066, Certification of Domestic Violence, Dating Violence, or Stalking), which must include the name of the perpetrator.
- A federal, state, tribal, territorial, or local police report or court record.
- Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, or stalking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; or a medical professional. The person signing the documentation must attest under penalty of perjury to the person's belief that the incidents in question are bona fide incidents of abuse. The victim must also sign the documentation.
- Record of an administrative agency.
- Documentation from a mental health professional.

SFHRC may not require third-party documentation in addition to certification, except as specified below under "Conflicting Documentation," nor may it require certification in addition to third-party documentation [VAWA final rule].

Any request for documentation of domestic violence, dating violence, or stalking will specify a deadline of 10 business days following receipt of the request, will describe the forms of acceptable documentation, will provide explicit instructions on where and to whom the documentation must be submitted, and will state the

consequences for failure to submit the documentation or request an extension in writing by the deadline.

SFHRC may, in its discretion, extend the deadline for 10 business days. Any extension granted by SFHRC will be in writing.

Conflicting Documentation

In cases where SFHRC receives conflicting certification documents from two or more members of a household, each claiming to be a victim and naming one or more of the other petitioning household members as the perpetrator, SFHRC may determine which is the true victim by requiring each to provide acceptable third-party documentation, as described above (forms 2 and 3). SFHRC must honor any court orders issued to protect the victim or to address the distribution of property

If presented with conflicting certification documents (two or more forms HUD-50066) from members of the same household, SFHRC will attempt to determine which is the true victim by requiring each of them to provide third-party documentation in accordance with 24 CFR 5.2007(b)(2) or (3) and by following any HUD guidance on how such determinations should be made.

Discretion to Require No Formal Documentation

SFHRC has the discretion to provide benefits to an individual based solely on the individual's statement or other corroborating evidence—i.e., without requiring formal documentation of abuse in accordance with 24 CFR 5.2007(b).

If SFHRC accepts an individual's statement or other corroborating evidence of domestic violence, dating violence, or stalking, SFHRC will document acceptance of the statement or evidence in the individual's file.

Failure to Provide Documentation

In order to deny relief for protection under VAWA, a SFHRC must provide the individual requesting relief with a written request for documentation of abuse. If the individual fails to provide the documentation within 10 business days from the date of receipt, or such longer time as SFHRC may allow, SFHRC may deny relief for protection under VAWA.

12.7.E. Confidentiality

All information provided to SFHRC regarding domestic violence, dating violence, or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence. This means that SFHRC (1) may not enter the information into any shared database, (2) may not allow employees or others to access the information unless they are explicitly authorized to do so and have a need to know the information for purposes of their work, and (3) may not provide the information to any other entity or individual, except to the extent that the disclosure is (a) requested or consented to by the individual in writing, (b) required for use in an eviction proceeding, or (c) otherwise required by applicable law.

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, SFHRC will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

Part 8: Continuum of Care, Responsibilities and General Operations

Participation of Homeless Individuals

Each recipient and sub recipient must provide for the participation of not less than one homeless individual or formerly homeless individual on the board of directors of other equivalent policy making entity of the recipient or sub recipient, to the extent that such entity considers and makes policies and decision regarding any project, supportive services, or assistance provided under this part. This requirement is waived if a recipient or sub recipient is unable to meet such requirement and obtains HUD approval for a plan to otherwise consult with homeless or formerly homeless persons when considering and making policies and decisions

Each recipient and sub recipient of assistance under this part must, to the maximum extent practicable, involve homeless individuals and families through employment; volunteer services; or otherwise in constructing, rehabilitation, maintaining, and operating the project, and in providing supportive services for the project.

APPENDIX A

Chronic Homelessness Documentation Checklist

An individual is defined by HUD as “Chronically Homeless” if they have a disability and have lived in a shelter, safe haven, or place not meant for human habitation for 12 continuous months or for 4 separate occasions in the last three years (must total 12 months). Breaks in homelessness, while the individual is residing in an institutional care facility will not count as a break in homelessness. Additionally, an individual who is currently residing in an institutional care facility for less than 90 days and meets the above criteria for chronic homelessness may also be considered chronically homeless. Lastly, a family with an adult/minor head of household who meets the above mentioned criteria may also be considered chronically homeless, despite changes in family composition (unless the chronically homeless head of household leaves the family).

Client Name:	Date of Birth:
Number in Household:	Client Head of Household: <input type="checkbox"/> Yes <input type="checkbox"/> No

Part 1: Current Housing Status

Client must currently be in one of these locations in order to be considered chronically homeless.

Client is currently residing:

- In Emergency Shelter
- On the Streets/Place not Meant for Human Habitation
- In the Safe Haven
- In an Institutional Care Facility (Where they have been for fewer than 90 days)

Start Date: _____	End Date: _____
--------------------------	------------------------

Location Name/Address:

Current Housing Status Notes:

Part 2: Housing History

	Month # 1	Month # 2	Month # 3	Month # 4	Month # 5	Month # 6	Month # 7	Month # 8	Month # 9	Month # 10	Month # 11	Month # 12	
Mo./Yr.	(Current Month)												
Location	<input type="checkbox"/> Streets <input type="checkbox"/> Shelter <input type="checkbox"/> Safe Haven <input type="checkbox"/> Inst. (<90 days)	<input type="checkbox"/> Streets <input type="checkbox"/> Shelter <input type="checkbox"/> Safe Haven <input type="checkbox"/> Inst. (<90 days)	<input type="checkbox"/> Streets <input type="checkbox"/> Shelter <input type="checkbox"/> Safe Haven <input type="checkbox"/> Inst. (<90 days)	<input type="checkbox"/> Streets <input type="checkbox"/> Shelter <input type="checkbox"/> Safe Haven <input type="checkbox"/> Inst. (<90 days)	<input type="checkbox"/> Streets <input type="checkbox"/> Shelter <input type="checkbox"/> Safe Haven <input type="checkbox"/> Inst. (<90 days)	<input type="checkbox"/> Streets <input type="checkbox"/> Shelter <input type="checkbox"/> Safe Haven <input type="checkbox"/> Inst. (<90 days)	<input type="checkbox"/> Streets <input type="checkbox"/> Shelter <input type="checkbox"/> Safe Haven <input type="checkbox"/> Inst. (<90 days)	<input type="checkbox"/> Streets <input type="checkbox"/> Shelter <input type="checkbox"/> Safe Haven <input type="checkbox"/> Inst. (<90 days)	<input type="checkbox"/> Streets <input type="checkbox"/> Shelter <input type="checkbox"/> Safe Haven <input type="checkbox"/> Inst. (<90 days)	<input type="checkbox"/> Streets <input type="checkbox"/> Shelter <input type="checkbox"/> Safe Haven <input type="checkbox"/> Inst. (<90 days)	<input type="checkbox"/> Streets <input type="checkbox"/> Shelter <input type="checkbox"/> Safe Haven <input type="checkbox"/> Inst. (<90 days)	<input type="checkbox"/> Streets <input type="checkbox"/> Shelter <input type="checkbox"/> Safe Haven <input type="checkbox"/> Inst. (<90 days)	<input type="checkbox"/> Streets <input type="checkbox"/> Shelter <input type="checkbox"/> Safe Haven <input type="checkbox"/> Inst. (<90 days)
Doc. Type	<input type="checkbox"/> HMIS <input type="checkbox"/> Obsv. By Outreach <input type="checkbox"/> Comp. Database <input type="checkbox"/> Discharge Paperwork <input type="checkbox"/> Referral <input type="checkbox"/> Self-Cert. <input type="checkbox"/> Staff <input type="checkbox"/> Doc. of Situation <input type="checkbox"/> Doc. of steps to obtain evidence	<input type="checkbox"/> HMIS <input type="checkbox"/> Obsv. By Outreach <input type="checkbox"/> Comp. Database <input type="checkbox"/> Discharge Paperwork <input type="checkbox"/> Referral <input type="checkbox"/> Self-Cert. <input type="checkbox"/> Staff <input type="checkbox"/> Doc. of Situation <input type="checkbox"/> Doc. of steps to obtain evidence	<input type="checkbox"/> HMIS <input type="checkbox"/> Obsv. By Outreach <input type="checkbox"/> Comp. Database <input type="checkbox"/> Discharge Paperwork <input type="checkbox"/> Referral <input type="checkbox"/> Self-Cert. <input type="checkbox"/> Staff <input type="checkbox"/> Doc. of Situation <input type="checkbox"/> Doc. of steps to obtain evidence	<input type="checkbox"/> HMIS <input type="checkbox"/> Obsv. By Outreach <input type="checkbox"/> Comp. Database <input type="checkbox"/> Discharge Paperwork <input type="checkbox"/> Referral <input type="checkbox"/> Self-Cert. <input type="checkbox"/> Staff <input type="checkbox"/> Doc. of Situation <input type="checkbox"/> Doc. of steps to obtain evidence	<input type="checkbox"/> HMIS <input type="checkbox"/> Obsv. By Outreach <input type="checkbox"/> Comp. Database <input type="checkbox"/> Discharge Paperwork <input type="checkbox"/> Referral <input type="checkbox"/> Self-Cert. <input type="checkbox"/> Staff <input type="checkbox"/> Doc. of Situation <input type="checkbox"/> Doc. of steps to obtain evidence	<input type="checkbox"/> HMIS <input type="checkbox"/> Obsv. By Outreach <input type="checkbox"/> Comp. Database <input type="checkbox"/> Discharge Paperwork <input type="checkbox"/> Referral <input type="checkbox"/> Self-Cert. <input type="checkbox"/> Staff <input type="checkbox"/> Doc. of Situation <input type="checkbox"/> Doc. of steps to obtain evidence	<input type="checkbox"/> HMIS <input type="checkbox"/> Obsv. By Outreach <input type="checkbox"/> Comp. Database <input type="checkbox"/> Discharge Paperwork <input type="checkbox"/> Referral <input type="checkbox"/> Self-Cert. <input type="checkbox"/> Staff <input type="checkbox"/> Doc. of Situation <input type="checkbox"/> Doc. of steps to obtain evidence	<input type="checkbox"/> HMIS <input type="checkbox"/> Obsv. By Outreach <input type="checkbox"/> Comp. Database <input type="checkbox"/> Discharge Paperwork <input type="checkbox"/> Referral <input type="checkbox"/> Self-Cert. <input type="checkbox"/> Staff <input type="checkbox"/> Doc. of Situation <input type="checkbox"/> Doc. of steps to obtain evidence	<input type="checkbox"/> HMIS <input type="checkbox"/> Obsv. By Outreach <input type="checkbox"/> Comp. Database <input type="checkbox"/> Discharge Paperwork <input type="checkbox"/> Referral <input type="checkbox"/> Self-Cert. <input type="checkbox"/> Staff <input type="checkbox"/> Doc. of Situation <input type="checkbox"/> Doc. of steps to obtain evidence	<input type="checkbox"/> HMIS <input type="checkbox"/> Obsv. By Outreach <input type="checkbox"/> Comp. Database <input type="checkbox"/> Discharge Paperwork <input type="checkbox"/> Referral <input type="checkbox"/> Self-Cert. <input type="checkbox"/> Staff <input type="checkbox"/> Doc. of Situation <input type="checkbox"/> Doc. of steps to obtain evidence	<input type="checkbox"/> HMIS <input type="checkbox"/> Obsv. By Outreach <input type="checkbox"/> Comp. Database <input type="checkbox"/> Discharge Paperwork <input type="checkbox"/> Referral <input type="checkbox"/> Self-Cert. <input type="checkbox"/> Staff <input type="checkbox"/> Doc. of Situation <input type="checkbox"/> Doc. of steps to obtain evidence	<input type="checkbox"/> HMIS <input type="checkbox"/> Obsv. By Outreach <input type="checkbox"/> Comp. Database <input type="checkbox"/> Discharge Paperwork <input type="checkbox"/> Referral <input type="checkbox"/> Self-Cert. <input type="checkbox"/> Staff <input type="checkbox"/> Doc. of Situation <input type="checkbox"/> Doc. of steps to obtain evidence	<input type="checkbox"/> HMIS <input type="checkbox"/> Obsv. By Outreach <input type="checkbox"/> Comp. Database <input type="checkbox"/> Discharge Paperwork <input type="checkbox"/> Referral <input type="checkbox"/> Self-Cert. <input type="checkbox"/> Staff <input type="checkbox"/> Doc. of Situation <input type="checkbox"/> Doc. of steps to obtain evidence
Doc. Att.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Break Mo./Yr. & Descr. or N/A	Break 1: Break 2: Break 3: If there are additional breaks please detail and attach.												
Notes													
Self-Cert. Check	Does the documentation include more than 3 Months of Self-Certifications? * <input type="checkbox"/> Yes <input type="checkbox"/> No * Please be advised that if you answered YES , that for at least 75% of the households assisted by a recipient in a project during an operating year, no more than 3 months can be self-certified. Please check with you project administrator to ensure your project has not exceeded its self-certification cap.												
Key	Mo. = Month, Yr. = Year, Inst. = Institution, Doc. = Documentation, Obsv. = Observation, Comp. = Comparable, Cert. = Certification, Descr. = Description												

Part 3: Disability Status

The term homeless individual with a disability' means an individual who is homeless, as defined in section 103, and has a disability that

- *Is expected to be long-continuing or of indefinite duration;*
 - *Substantially impedes the individual's ability to live independently;*
 - *Could be improved by the provision of more suitable housing conditions; and*
 - *Is a physical, mental, or emotional impairment, including an impairment caused by alcohol or drug abuse, post-traumatic stress disorder, or brain injury;*
- *Is a developmental disability, as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002); or*
- *Is the disease of acquired immunodeficiency syndrome or any condition arising from the etiologic agency for acquired immunodeficiency syndrome.*

The head of household has been diagnosed with one or more of the following (check all that apply):

- Substance use disorder
- Serious mental illness
- Developmental disability
- Post-traumatic stress disorder
- Cognitive impairments resulting from brain injury
- Chronic physical illness or disability
- Other:

Documentation Attached:

- Written verification of the disability from a licensed professional;
- Written verification from the Social Security Administration;
- The receipt of a disability check; or
- Intake staff-recorded observation of disability that, no later than 45 days from the application for assistance, accompanied by supporting evidence.

Disability Notes:

Part 4: Staff and Client Certifications

Client Certification:

To the best of my knowledge and ability, all the information provided in this document is true and complete. I also understand that any misrepresentation or false information may result in my participation being cancelled or denied, or in termination of assistance. It is my responsibility to notify _____ of any changes in my housing status or address in writing during program participation and I understand that my application may be cancelled if I fail to do so.

Client Name: (Printed)

Client Signature:

Date:

Staff Certification:

To the best of my knowledge and ability, all of the information and documentation used in making this eligibility determination is true and complete.

Staff Name: (Printed)

Staff Signature:

Date:

Staff Role:

Agency:

Notes:

APPENDIX B

SHELTER PLUS CARE/CONTINUUM OF CARE
RENT REASONABLENESS CHECKLIST AND CERTIFICATION

	Proposed Unit	Unit #1	Unit #2	Unit #3
Address				
Number of Bedrooms				
Square Feet				
Type of Unit/Construction				
Housing Condition				
Location/Accessibility				
Amenities Unit: Site: Neighborhood:				
Age in Years				
Utilities (type)				
Unit Rent Utility Allowance Gross Rent				
Handicap Accessible?				

CERTIFICATION:

A. Compliance with Payment Standard

_____ + _____ = _____
 Proposed Contract Rent + Utility Allowance = Proposed Gross Rent

Approved rent does not exceed applicable Payment Standard of

\$_____.

B. Rent Reasonableness

Based upon a comparison with rents for comparable units, I have determined that the proposed rent for the unit [] is [] is not reasonable.

Name:	Signature:	Date:
-------	------------	-------

APPENDIX C

SHELTER PLUS CARE-CONTINUUM OF CARE REQUEST FOR TENANCY APPROVAL

- ✓ Decide where you want to live. Go through tenancy review process with landlord.
- ✓ AFTER the landlord agrees to rent to you, you will meet with them and complete this form together.
- ✓ Return the form before your voucher expires. You can drop it off at Sioux Falls Housing and Redevelopment Commission-630 S. Minnesota Avenue, Sioux Falls, SD. You may email the completed form to h_burns@siouxfallshousing.org or fax it to 1-605-339-9305. We will not process your application until it is properly completed!
- ✓ The landlord must provide a copy of the completed and signed lease to SFHRC.
- ✓ We will not schedule an inspection of the property until you provide SFHRC with a properly completed RFTA (Request for Tenancy Approval) form, AND when it has been determined the property meets the rent reasonableness requirements.
- ✓ In order for assistance to begin, the following must occur in this order:
 - **You submit all the required paperwork, which has been properly filled out and signed.**
 - **The unit passes inspection. (If you are currently living in the unit, you are responsible for the full rent until the property passes inspection).**
 - **The HAP contract is signed by SFHRC, the tenant, and landlord and you have turned in a signed lease agreement, with a matching start date for the HAP contract.**
- ✓ The assistance payments will be processed on the first of the month following the date of the passed inspection provided the HAP contract and the lease agreements are both properly signed and dated.
- ✓ SFHRC will send both you and the landlord a letter when the HAP (Housing Assistance Payment) contract is ready to be signed. You should keep this letter for future verification needs (SNAP, LIEAP, etc).
- ✓ The HAP Part C.15.d requires landlords to notify SFHRC of any change in the amount of the “rent to owner” at least 60 days before any change goes into effect, and the amount of the new rent to owner must pass the rent reasonableness test.

Date Constructed: _____

Proposed Rent: _____

Security Deposit Amount: _____

Most recent rent charged for unit: _____

Were the same utilities/appliances included in the rent: ___ yes ___ no

Reason for increase, if any: _____

Utilities	Type	Provided by Owner	Provided by Tenant
Heating	___ gas ___ electric	_____	_____
Cooking	___ gas ___ electric	_____	_____
Electric (lights)	___ electric	_____	_____
Hot Water	___ gas ___ electric	_____	_____
Water/sewer		_____	_____
Trash Collection		_____	_____

The program regulation requires Sioux Falls Housing and Redevelopment Commission to certify that the rent charged to the Shelter Plus Care tenant is not more than the rent charged for other unassisted comparable units. Owners of projects with more than four units must complete the following section for most recently leased comparable unassisted units within the premises.

Address and Unit Number Date Rented Rental Amount

1. _____

2. _____

3. _____

Owner Certification: By executing this request, the landlord agrees that the required lease addendum is acceptable and certifies that:

- 1) the information provided on the form is accurate and true;
- 2) the proposed unit is not assisted or covered by any other federally funded rental subsidy contact;
- 3) the unit currently meets Housing Quality Standards (or will be brought up to HQS before the Shelter plus Care contract is executed);
- 4) the owner/landlord is not the parent, child, grandparent, grandchild, sister, or brother of the tenant, unless SFHRC has determined (and notified the landlord and the family of such a determination) that

approving leasing of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities;
5) this unit is made available, managed, and operated regardless of race, color, creed, religion, sex, national origin, handicap, or familial status of the tenant or the tenant's household members.

If the landlord has not received an IRS-1099 form from SFHRC, s/he must provide a completed W-2 form to SFHRC for income tax reporting purposes. A W-2 form is available at SFHRC's office during normal business hours or by visiting www.irs.gov.

Tenant Name: _____ Tenant Phone: _____

Tenant Signature: _____ Date: _____

Landlord Name: _____

Name you want checks written to (if different from above):

Landlord Mailing Address: _____

Landlord Phone Number: _____

Landlord Signature: _____ Date: _____

APPENDIX D – Sample Cover Letter & Service Verification Form

(On SFHRC Letterhead)

Date:

Caseworker

Southeastern Behavioral Healthcare

2000 S. Summit Ave

Sioux Falls, SD 57105

Dear _____

Sioux Falls Housing and Redevelopment Commission is in the process of completing an annual recertification for ___ who is receiving housing assistance payments under the Shelter Plus Care program. As part of the recertification process we need to document the tenant is receiving supportive services with your agency. Please complete the enclosed form and return to me as soon as possible. Please call or email if you have questions or concerns about this request.

Thanks,

Hunter Burns

Director of Special Programs

Annual Documentation of Supportive Services

Date: _____

Head of Household: _____

Name of tenant requiring supportive services (if different): _____

I, _____, am the case manager currently working with the above name individual. I hereby certify the above named individual has received supportive services at Southeastern Behavioral Healthcare for the past 12 months. He/She has accessed the following supportive services:

_____ Psychiatric care

_____ Counseling

_____ Employment services

_____ Clubhouse (Psycho-social Rehab)

_____ Case Management

_____ Mental Health/Substance Use Groups

In addition, I agree to notify Sioux Falls Housing and Redevelopment Commission within 14 days if _____ ceases to engage in or quits services with Southeastern Behavioral Healthcare.

Signature

Printed Name

Position/Credentials

Appendix E

In-Kind Match Summary Letter

(Provided on Letterhead of Agency/Entity Submitting Match Documentation)

Date

Mr./Mrs./Ms/etc

Agency Receiving In-Kind Donation

Agency Address

City, State ZIP

**RE: Project Name – HUD Continuum of Care Program
In-Kind Match Documentation**

Dear Mr/Mrs/Ms, etc:

We are pleased to present the following confirmation of in-kind match for goods and/or services as provided for the above-referenced HUD Continuum of Care Grant. This In-kind Match documentation is consistent with the MOU dated _____ for this grant.

Type of Contribution	
Number of Participants served by these goods/services	
Total Value of the Match Contribution	
Dates the Match Goods/Services were available	
Name and Title of Person authorized to Verify and Submit Match Documentation	

Signature of Authorized Agent

Date

SHELTER PLUS CARE Supplement to Coordinated Entry Referrals

In the event there are no eligible, chronically homeless referrals available through the Coordinated Entry System (“CES”) at the time of vacancy, the project may receive referrals for households that are not chronically homeless. South Dakota Housing for the Homeless Consortium policies include prioritization categories for PSH projects in the event there are no eligible households to refer from the CE queue when the project has an opening. Priority 5 of the SDHHC policies may be utilized.

SFHRC staff should attempt not to draw from other programs in order to fill voucher slots in its programs; however, this Supplement to Coordinated Entry Referrals addendum will allow more flexibility for staff when making decisions regarding Shelter Plus Care placement/referrals.

NOTE: SFHRC staff MUST verify that each referral using the decision-tree meets eligible category requirements of the CoC (SDHDA). The CoC currently has plan in place that would allow non-chronic families to be referred so long as they meet SPMI and PSH.