

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

10400 Detrick Avenue
Kensington, Maryland 20895
(240) 627-9425

Minutes

July 13, 2022

22-07

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted via a hybrid platform and teleconference on Wednesday, July 13, 2022, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:06 p.m. Those in attendance were:

Present

Roy Priest, Chair
Frances Kelleher, Vice Chair
Richard Y. Nelson, Jr., Chair Pro Tem
Pamela Byrd
Linda Croom
Jeffrey Merkowitz
Jackie Simon

Also Attending

Chelsea Andrews, Executive Director
Aisha Memon, General Counsel
Marcus Ervin
Lynn Hayes
Eugenia Pascual
Daejauna Donahue

Kayrine Brown, Deputy Executive Director
Zachary Marks
Bonnie Hodge
Guidy Paul
Jennifer Arrington

Also Attending via Zoom

Paulette Dudley
Hugh McMullen
John Broullire
Matt Husman
Gail Willison

Hyunsuk Choi
Paige Gentry
David Brody
Fred Swan
Darcel Cox

IT Support

Irma Rodriguez
Aries "AJ" Cruz
Genio Etienne

Commission Support

Patrice Birdsong

Chair Priest opened the meeting welcoming all to the monthly meeting. There was a roll call of Commissioners participating.

Prior to the start of the business of the HOC Board, Chair Priest introduced Commissioner Jackie Simon, who provided a presentation and introduction of the 2022 Tony S. Davis Memorial Scholarship Award winners. This award was established 20-years ago in memory and honor of the late Tony S. Davis, former HOC employee who devoted his life to volunteering, coaching and counseling in the Seneca Ridge Community. During the past 20-years HOC has supported over 50-college bound students from its Communities. This year HOC awarded scholarships to six (6) deserving students who excelled academically and persevered against many odds during the pandemic years, while giving back to their communities. This year's first place award winners are Nazouria Nelson and Jeanne Lubiki who will each receive a \$5,000 cash scholarship. There was one (1) runner up, Samuel Ebobisse, who will receive \$2,000 cash scholarship award; and three (3) will receive cash scholarship awards in the amount of \$1,000, Antwone Morris, Caleb McBride, and Alexander Sarmiento.

I. **CONSENT**

A. Approval of 2022 Tony S. Davis Memorial Scholarship Award Winners

The following resolution was adopted upon a motion by Vice Chair Kelleher and seconded by Commissioner Simon. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkwowitz, and Simon.

RESOLUTION NO.: 22-55

**RE: Approval of 2022 Tony S. Davis Memorial
Scholarship Award Winners**

WHEREAS, in recognition of the many accomplishments and extensive community volunteer work performed by Tony Davis, a former Housing Opportunities Commission of Montgomery County ("HOC") employee who was tragically killed in the year 2000, HOC established the Tony S. Davis Memorial Scholarship Awards Program (the "Scholarship Program") in his memory; and

WHEREAS, since its inception, the Scholarship Program has annually provided scholarship awards to high school seniors who are residents of HOC's affordable housing programs and who also demonstrate excellent academic achievement and school attendance, participate in extracurricular and community activities, and have been accepted by a college or university; and

WHEREAS, the selection group considered academic records, recommendations from school personnel and HOC staff, personal essays written by the applicants, pandemic resilience, school and community activities, and college acceptance information; and

WHEREAS, HOC staff recommends two outstanding candidates, Nazouria Nelson and Jeanne Lubiki, for \$5,000 Tony S. Davis Scholarship Program awards; and

WHEREAS, HOC staff wishes to offer one runner-up scholarship award in the amount of \$2,000 to Samuel Ebobisse, and three second-runner-up \$1,000 scholarships to Antwone Morris, Caleb McBride and Alex Sarmento.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County affirms the recommendation of the Tony S. Davis Scholarship Awards Selection Panel for Nazouria

Nelson and Jeanne Lubiki to each receive a \$5,000 scholarship award, Samuel Ebobisse to receive a \$2,000 scholarship award, and Antwone Morris, Caleb McBride and Alex Sarmento to each receive

II. **Information Exchange**

The individual recipients of the Tony S. Davis Scholarship Award expressed appreciation to the HOC Commissioners and Staff.

Community Forum

- Chrystl Lindo-Bridgeforth, Safe Place Tenants Association of Cider Mill, addressed the Board regarding updates on issues pertaining to the roofing and an update on security cameras. Ms. Lindo-Bridgeforth welcomed Chelsea Andrews, HOC Executive Director, she also thanked Kayrine Brown, Deputy Executive Director, and Commissioners Priest and Simon for taking the time to meet with their Board regarding these urgent matters.
- Chair Priest followed up with an update informing that roof repairs have been scheduled, and there is a bid out for security camera contractors. He also mentioned that staff would convene monthly meetings with the Association. He thanked Bonnie Hodge, HOC Ombudsman, for keeping the group apprised of what HOC is trying to accomplish.

Introduction of New Executive Director

- Chelsea Andrews, Executive Director, provided her introduction as Executive Director of the Housing Opportunities Commission of Montgomery County, Maryland. She looks forward to the opportunity to work with the Commissioners, Staff, HOC Families, and communities of Montgomery County.

Deputy Executive Director's Report

- Kayrine Brown, Deputy Executive Director, provided an overview of the written report and addressed questions of the Commissioners. Commissioner Merkowicz thanked the Housing Resources staff for reaching benchmark of 95% house from the waitlist, and also outreach and assistance of both the Housing Resources and Resident Services Divisions to families that were scheduled for voucher termination. Chair Priest noted the fairly robust programs provided by the Resident Services Division to families and also suggested inclusion of a community gardening program.

Commissioner Exchange

- Vice Chair Kelleher reminded of the upcoming preliminary elections cycle for State, Local, and Congressional elected officials.
- Chair Priest announced the upcoming NAHRO Summer Conferences in the month of August, and Fall Conference in San Diego, CA in the month of September. He also announced to save the date for the HOC Gala to be held October 13, 2022.

III. **Approval of Minutes** - The minutes were approved as submitted with a motion by Commissioner Croom and seconded by Commissioner Simon. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkowicz, and Simon.

A. Approval of Minutes of June 8, 2022

IV. **COMMITTEE REPORTS AND RECOMMENDATIONS FOR ACTION**

A. Administrative and Regulatory Committee – Com. Kelleher, Chair

1. **Administrative Plan Amendment:** Authorization to Revise Administrative Plan for the Housing Choice Voucher Program to add clarity to Chapters 4, 7, 8, and 21

Lynn Hayes, Director of Housing Resources, and Guidy Paul, Assistant Director Housing Resources Division, provided a presentation and addressed questions of the Commissioners.

The following resolution was adopted upon a motion by Commissioner Byrd and seconded by Vice Chair Kelleher. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, and Merkowicz. Commissioner Simon abstained.

RESOLUTION NO.: 22-56

**RE: Authorization to Revise Administrative Plan for
The Housing Choice Voucher Program to Add
Clarity to chapters 4, 7, 8, and 21**

WHEREAS, the Housing Opportunities Commission of Montgomery County (“Commission” or “HOC”) desires to revise its Administrative Plan for the Housing Choice Voucher Program (the “Administrative Plan”) to update the (i) Chapter 4 in regards to the first preference (as shown on Exhibit A), (ii) processes related income verification in Chapter 7 (as shown on Exhibit B), (iii) voucher issuance and extension in Chapter 8 (as shown on Exhibit C), and (iv) income limit referencing homeownership program in Chapter 21 (as shown on Exhibit D) (collectively, the “Revisions”); and

WHEREAS, a public comment period for the Revisions began on June 11, 2022 and concluded on July 11, 2022 with a public hearing on July 13, 2022.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County adopts the Revisions, as identified in the revised Administrative Plan chapters attached hereto as Exhibit A, B C and Exhibit D.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or their designee, is hereby authorized and directed, without any further action on its part, to take any and all other actions necessary and proper to carry out the actions contemplated herein.

B. Budget, Finance and Audit Committee – Com. Nelson, Chair

1. **IT System Procurement:** Approval to Amend and Restate Resolution No. 02-113 to Provide for Administrative Extensions and Renewals to the Yardi Financial and Property Management System in Accordance with Section 16.2 of the Procurement Policy

Karlos Taylor, Chief Technology Officer, provided presentation requesting the Commission to adopt the amendment and restatement of Resolution No. 02-113 to provide for administrative extensions and renewals to the Yardi Financial and Property Management System.

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkowicz, and Simon.

RESOLUTION NO.: 22-57

**RE: Approval to Amend and Restate
Resolution No. 02-113**

WHEREAS, on December 11, 2002, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) passed Resolution No. 02-113, which authorized the purchase and implementation of the software conversion utilizing the Yardi Financial and Property Management system (the “Authorizing Resolution”);

WHEREAS, the Yardi contract is considered a “core” contract per HOC’s Procurement Policy (the “Policy”), and is therefore governed by Appendix IV and Section 16 of the Policy;

WHEREAS, the Authorizing Resolution did not expressly authorize extensions or renewals, and the Commission desires to amend and restate the Authorizing Resolution in order to rectify that error.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the approval in the Authorizing Resolution is hereby amended and restated in its entirety as follows:

“NOW, THEREFORE, BE IT RESOLVED, by the Housing Opportunities Commission of Montgomery County that it authorizes the purchase and implementation of the software conversion utilizing the Yardi Financial Property Management System, and authorizes the Executive Director, or their designee, to administratively renew and/or extend such contract, until such time as the Executive Director determines to terminate and/or not renew the agreement.”

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that this Resolution shall be deemed ratified as of December 11, 2002 with the same force and effect as if approved on that date.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or their designee, is authorized and directed without further action on its part, to take any or all other actions necessary and proper to carry out the activities contemplated herein.

- 2. Additional Audit Services:** Request for Additional Services under the Professional Auditing Services Contract (for GASB 87)

Eugenia Pascual, Controller, provided the presentation requesting formal approval for additional services under the professional auditing services contract with CliftonLarsonAllen (CLA) to include CLAI’s GASB 87 Turnkey Lease Solution.

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Merkowitz. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkowitz, and Simon.

RESOLUTION NO.: 22-58

**RE: Request for Additional Services Under the
Professional Auditing Services Contract (for
GASB 87)**

WHEREAS, on March 8, 2021, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) issued Request for Proposals #2252 for Professional Auditing Services (the “RFP”);

WHEREAS, on December 8, 2021, pursuant to the RFP, the Commission selected CliftonLarsonAllen LLP (“CLA”) to be its primary auditor for fiscal years 2022 and 2023;

WHEREAS, the RFP included a request for rates for additional professional services not explicitly outlined in the RFP, and CLA’s contract includes such option;

WHEREAS, the Commission requires an additional service in connection with GASB 87 requirements (a new lease accounting and reporting standard) for the FY 22 audit (the “Additional GASB Service”); and

WHEREAS, CLA’s fees for the Additional GASB Service is expected to be no more than \$73,500.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that staff is authorized to engage CLA for the Additional GASB Service for no more than \$73,500.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or their designee, is authorized, without any further action on its part, to take any and all other actions necessary and proper to carry out the transactions and actions contemplated herein, including the execution of any documents related thereto.

C. Development and Finance Committee – Com. Simon, Chair

1. Single Family Lending: Approval of New Participating Lender for Single Family Mortgage Purchase Program

Jennifer Arrington, Acting Director of Mortgage Finance, introduced Paulette Dudley, Program Specialist, who provided the presentation.

The following resolutions were adopted upon a motion by Commissioner Simon and seconded by Commissioner Merkowitz. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkowitz, and Simon.

RESOLUTION NO.: 22-59

**RE: Approval of New Participating Lender for the
for the Single Family Mortgage Purchase Program**

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) approves lenders to participate in the Single Family Mortgage Purchase Program (“MPP”); and

WHEREAS, such participation is continuous and for multiple programs; and

WHEREAS, the Commission has approved an ongoing process for adding new lenders to the MPP;

WHEREAS, Celebrity Home Loans, LLC has applied for participation in the MPP; and

WHEREAS, Celebrity Home Loans, LLC has satisfied the required criteria for admittance into the MPP.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Celebrity Home Loans, LLC is approved for participation in the MPP, effective immediately.

2. **HOC at Wheaton Gateway, LLC – Wheaton Gateway:** Approval and Selection of an Architect, Civil Engineer, and Approval of an Amended Predevelopment Budget and Funding

Marcus Ervin, Director of Real Estate Development, and Daejauna Donahue, Project Manager, provided the presentation.

The following resolution was adopted upon a motion by Commissioner Simon and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkwitz, and Simon.

RESOLUTION NO.: 22-60^A

RE: Approval of the CY 2022-2025 Predevelopment Budget and Funding for Wheaton Gateway; Approval of a Loan to Wheaton Gateway, LLC; Approval of the Selection of an Architect; and Approval of the Selection of a Civil Engineer

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) through its subsidiary, Wheaton-University Boulevard Limited Partnership, a Maryland limited partnership, owned a residential condominium unit in a now-demolished condominium located at 2715 University Blvd W., Silver Spring, MD 20902 (the “Ambassador Property”); and

WHEREAS, Wheaton Commercial Center Associates Limited Partnership, a Maryland partnership (“Willco”), owned the commercial condominium unit at the Ambassador Property and property adjacent to the Ambassador Property located at 11200 Veirs Mill Road, Silver Spring, MD 20902 (the “Mattress Firm Property”); and

WHEREAS, as described in this Resolution and as previously authorized by the Commission, HOC has assembled the Ambassador Property, the Mattress Firm Property, and a third adjacent property located at 11250 Veirs Mill Road, Silver Spring, MD 20902 (the “Lindsay Ford Property”, collectively with the Ambassador Property and the Mattress Firm Property, the “Wheaton Gateway Property”); and

WHEREAS, on August 9, 2017, the Commission authorized the creation of a joint venture known as Wheaton Gateway, LLC (“Wheaton Gateway”) between The Duffie Companies and HOC in order to further the potential redevelopment of the Wheaton Gateway Property; and

WHEREAS, HOC, in accordance with previous Commission resolutions, formed HOC at 11250 Veirs Mill Road, LLC (the “Venture Entity”) to acquire the Wheaton Gateway Property; and

WHEREAS, on April 3, 2019, the Commission authorized the creation of a joint venture, Wheaton Venture, LLC (“Wheaton Venture”) between Wheaton Gateway and Willco and the Commission approved a land assembly strategy for the Venture Entity; and

WHEREAS, on June 5, 2020, Wheaton Venture became the sole member of the Venture Entity;
and

WHEREAS, as previously authorized by the Commission, the Venture Entity acquired the Lindsay Ford Property on January 17, 2019, and acquired each of the Mattress Firm Property and the Ambassador Property on June 5, 2020; and

WHEREAS, on May 26, 2022, the Montgomery County Planning Board unanimously approved the Sketch Plan submission for the development that will allow for the furtherance of the design and permitting efforts of the development; and

WHEREAS, the Commission desires to approve the calendar years 2022-2025 Predevelopment Budget in the amount of \$19,898,188.60 (the "2022-2025 Predevelopment Budget") to cover predevelopment costs related to the redevelopment of the Property (the "Wheaton Gateway Redevelopment") and needed to continue with the design and planning options for the redevelopment plan; and

WHEREAS, staff recommends that the 2022-2025 Predevelopment Budget be funded by a draw from the PNC Bank, N.A. Real Estate Line of Credit ("RELOC") and the proceeds loaned to HOC at Wheaton Gateway, LLC ("HOC at Wheaton") to fund the ongoing predevelopment costs for the Wheaton Gateway Redevelopment, which loan and interest will be repaid upon the closing of the construction or permanent financing of the Property; and

WHEREAS, the Commission issued a Request for Proposals for architectural services ("RFP #2311") for the Wheaton Gateway Redevelopment; and

WHEREAS, Torti Gallas and Partners ("TGP") received the highest score among the respondents to RFP #2311, and staff recommends selecting TGP and authorizing the Executive Director to execute a contract ("Architect Agreement") with TGP for such services; and

WHEREAS, the Commission issued a Request for Proposals for civil engineering services ("RFP #2321") for the Wheaton Gateway Redevelopment; and

WHEREAS, Charles P. Johnson & Associates ("CPJ") was the sole respondent for RFP #2321, and staff recommends selecting CPJ and authorizing the Executive Director to execute a contract ("Engineering Agreement") with CPJ for such services.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the 2022-2025 Predevelopment Budget of \$19,898,188.60 for the design and entitlement of the Wheaton Gateway Redevelopment and the use of the RELOC as the source to fund the predevelopment budget, which shall be loaned to HOC at Wheaton and will be repaid upon the closing of the construction or permanent financing of the Property.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and in its capacity as the sole member of HOC at Wheaton, which HOC at Wheaton is the manager and a member of Wheaton Gateway, which Wheaton Gateway is a member of Wheaton Venture, which Wheaton Venture is the sole member of the Venture Entity, that HOC, HOC at Wheaton, Wheaton Gateway, Wheaton Venture, and the Venture Entity are each authorized to take any and all actions necessary and proper to carry out the transactions and actions contemplated herein, including the execution of any documents related to HOC at Wheaton's acceptance of the loan from HOC's RELOC in the amount of \$19,898,188.60.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and in its capacity as the sole member of HOC at Wheaton, which HOC at Wheaton is the manager and a member of Wheaton Gateway, which Wheaton Gateway is a member of Wheaton Venture, which Wheaton Venture is the sole member of the Venture Entity, that it approves the selection of TGP as the architect for the Wheaton Gateway Redevelopment and authorizes the Executive Director, or her designee, to execute the Architect Agreement for an amount not to exceed \$4,248,618.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and in its capacity as the sole member of HOC at Wheaton, which HOC at Wheaton is the manager and a member of Wheaton Gateway, which Wheaton Gateway is a member of Wheaton Venture, which Wheaton Venture is the sole member of the Venture Entity, that it approves the selection of CPJ as the civil engineer for the Wheaton Gateway Redevelopment and authorizes the Executive Director, or her designee, to execute the Civil Engineer Agreement for an amount not to exceed \$1,476,121.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission Montgomery County, acting for itself and in its capacity as sole member of HOC at Wheaton, which HOC at Wheaton is the manager and a member of Wheaton Gateway, which Wheaton Gateway is a member of Wheaton Venture, which Wheaton Venture is the sole member of the Venture Entity, authorizes HOC's Executive Director, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein.

The following resolution was adopted upon a motion by Commissioner Simon and seconded by Chair Pro Tem Nelson. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkwitz, and Simon.

RESOLUTION No. 22-60^B

**RE: Approval to Draw on the PNC Bank, N.A.
Real Estate Line of Credit to Fund the
Predevelopment Budget and Funding for
the Wheaton Gateway Redevelopment**

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission"), in accordance with previous Commission resolutions, is the sole member of HOC at Wheaton Gateway, LLC ("HOC at Wheaton"), the manager and a member of Wheaton Gateway, LLC ("Wheaton Gateway"), a member of Wheaton Venture, LLC ("Wheaton Venture, LLC"), the sole member of HOC at 11250 Veirs Mill Road, LLC (the "Venture Entity"); and

WHEREAS, the Venture Entity own several properties known as the "Ambassador Property," the "Mattress Firm Property," and the "Lindsay Ford Property" (together, the "Property"); and

WHEREAS, the Commission desires to approve the calendar years 2022-2025 Predevelopment Budget in the amount of \$19,898,188.60 (the "22-25 Predevelopment Budget") to fund predevelopment costs related to the redevelopment of the Property and needed to continue with the design and planning options for the redevelopment plan; and

WHEREAS, the 22-25 Predevelopment Budget would be funded by a draw on the \$150 million PNC Bank, N.A. Real Estate Line of Credit ("PNC RELOC") by the Commission and loaned to HOC at Wheaton, a wholly owned subsidiary of HOC; and

WHEREAS, the Commission may make draws on the PNC RELOC at a contractual rate based on the London Interbank Offered Rate (“LIBOR”) index plus a spread.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes a draw from the PNC RELOC in the amount of \$19,898,188.60 at the contractual rate, which is based on the 30-day LIBOR plus a spread, to fund the 22-25 Predevelopment Budget, to be repaid, including cost of interest, from the proceeds of the construction or permanent financing closing at a future date.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or their designee, is hereby authorized, without any further action on its part, to take any and all actions necessary and proper to carry out the transactions and actions contemplated herein, including the execution of any documents related thereto.

3. **Elizabeth House III, LP – EH-III: Selection of a Property Name in Accordance with HOC’s Naming Guidelines**

Marcus Ervin, Director of Real Estate Development, provided the presentation.

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Simon. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, and Simon. Commissioner Merkowitz abstained.

RESOLUTION NO.: 22-61

Re: Approval of the Naming and Branding in Accordance with HOC Naming Guidelines for Elizabeth House III

WHEREAS, Elizabeth House III (the “Property”) is a 267-unit development for seniors (including replacement housing for the current Elizabeth House residents) and will include the South County Regional Recreation and Aquatic Center, and a Senior Resource Center/Primary Care Facility that will be operated by Holy Cross Hospital; and

WHEREAS, the Property is owned by Elizabeth House III Limited Partnership, a Maryland limited partnership (the “Partnership”), which is ultimately controlled by the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) as the sole member of the Partnership’s general partner; and

WHEREAS, staff, in alignment with the Guidelines for Naming of HOC Properties and Facilities (the “Guidelines”), developed a permanent name for the Property; and

WHEREAS, the recommended permanent name aligns with the general principles set forth in the Guidelines, including: having a strong positive image that withstands the test of time; having appropriate regard for the Property’s location and history; and recognizing outstanding accomplishments by individuals for the good of the community.

NOW, THEREFORE, BE IT RESOLVED, that the Housing Opportunities Commission of Montgomery County, on behalf of itself and on behalf of the Partnership, as the sole member of its general partner, approves “The Leggett” as the permanent name for the Property.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, on behalf of itself and on behalf of the Partnership, as the sole member of its general partner, that HOC’s

Executive Director, or their designee, is authorized to take any and all other actions necessary and proper to carry out the actions contemplated herein, including the execution of any documents related thereto.

Based upon this report and there being no further business to come before this session of the Commission, the Commission adjourned the open session at 6:31 p.m.

Respectfully submitted,

Chelsea Andrews
Secretary-Treasurer

/pmb
Attachment(s)
1 – Exhibit A, B, C, & D (Available upon request)

Approved: August 10, 2022

EXHIBIT A

Chapter 4

ESTABLISHING PREFERENCES AND MAINTAINING THE WAIT LIST [24 CFR Part 5, Subpart D;

982.54(d)(1); 982.204, 982.205, 982.206]

INTRODUCTION

It is HOC's objective to ensure that families are placed in the proper order on the wait list and selected from the wait list for admission in accordance with the policies in this Administrative Plan.

This chapter explains how HOC will administer its consolidated wait list for all of its housing programs, including the tenant-based and project-based voucher wait lists, hereinafter referred to as the consolidated list or master list. The tenant-based wait list has ~~five~~ **six** local preferences that HOC adopted to meet local housing needs, define the eligibility criteria for the preferences, and explain HOC's system of applying them. The wait list for housing subsidized with project-based vouchers is maintained as a sub list within the consolidated list. Any family selected to be housed utilizing a project-based voucher is only eligible for a specific bedroom sized unit based on their family size.

By maintaining an accurate wait list, HOC is able to perform the activities, which ensure that an adequate pool of qualified applicants is available, so that program funds are used in a timely manner. Each family on the tenant-based wait list may also have its name on the project-based wait list.

A. MANAGING THE WAIT LIST

Opening and Maintaining the Wait List

Opening of the wait list will be announced with a public notice stating that applications for public housing, Housing Choice Voucher and all other wait lists maintained by the **Housing Opportunities Commission of Montgomery County (HOC)** will again be accepted. The public notice will state where, when, and how to apply. The notice will be published in a local newspaper of general circulation and also by any available minority media, including social media. The public notice will state any limitations on who may apply. Wait lists for all sub-jurisdictions and Countywide will be opened and closed at the same time.

The notice will state that applicants already on wait lists for other housing programs must apply separately for this program and such applicants will not lose their place on other wait lists when they apply for public housing. The notice will include the Fair Housing logo and slogan, and will be in compliance with Fair Housing requirements.

HOC intends for the wait list to remain open indefinitely; however, if the Executive Director decides to close the list, the closing of the wait list will also be announced with a public notice. This public notice will state the date the wait list will be closed, and it will be published in a local newspaper of general circulation and by any available minority media, including social media.

Organization of the Wait List

In July 2015, HOC merged its existing sub-jurisdictional wait lists for the Housing Choice Voucher program and all other housing programs into one combined wait list, referred to herein interchangeably as merged list, master list, merged master list, or wait list, except as specifically noted.

In conjunction with the merge of all of HOC's wait lists, HOC opened its merged master wait list for all programs, and left the merged list open indefinitely or until such time as a determination is made by the Executive Director that there is cause to close the wait list, at which time proper notice will be posted in a local newspaper of general circulation and by any available minority media, including social media.

Only one application may be submitted and it must be submitted by the head of household or his/her designee.

The wait list is maintained in accordance with the following guidelines:

1. The application will be a permanent file. Any contact between HOC and the applicant will be documented in the electronic applicant file.
2. All applications will be maintained in order of date and time of application, and applicable preference(s).
3. Under the merged wait list, one master list is maintained electronically through a proprietary program. All applications and updates to an application are submitted electronically through a proprietary on-line web portal. Paper and telephone submissions are not permitted. To the extent an applicant requires assistance, upon request, staff from HOC is available to assist with electronic submissions.
4. All applicants must give notice of any changes to their application within two weeks of a change. Changes include: change of mailing address, change of email address, change of phone number, change in family composition, change in income, or changes in factors affecting preference points. As noted in paragraph 3, all changes must be done electronically because paper and telephone submissions are not accepted. To the extent an applicant requires assistance, upon request, staff from HOC is available to assist with electronic update submissions.
5. The master wait list is updated daily and applicants' wait list profiles are accessible via the internet on a 24-hour basis.
6. For the Housing Choice Voucher program, HOC maintains one merged master list in order of date-time stamp and any applicable preference(s). However, within the master list there are sub-sorted separate lists for certain programs and properties. This includes the Choice Mobility wait

list for those customers eligible for

project-based to tenant-based subsidy conversion. See Chapter 22 of this Administrative Plan for more information.

7. HOC entered into Housing Assistance Payments (HAP) contracts to subsidize units at several properties that are operated by third-party managers and/or owners. The individual, property-specific wait lists for these properties are included within the master list but are sorted separately to only reflect applicants who satisfy the various property and programmatic eligibility criteria. More specifically, the details regarding these property-specific wait lists are as follows:
 - i. HOC maintains separate wait lists for Arcola Towers, Elizabeth House, Holly Hall, and Waverly House, which are housing facilities operated for the benefit of senior and/or disabled customers.
 - ii. HOC entered into a HAP contract to subsidize units at Emory Grove, Ken- Gar, Parkway Woods, Sandy Spring Meadow, Seneca Ridge, Town Centre Place, and Washington Square as required as part of the Rental Assistance Demonstration (RAD) program, and required Housing Choice Vouchers. The individual wait lists created for these RAD properties are included in the merged master list but are sorted separately to reflect only those applicants who are eligible for these properties.
 - iii. HOC entered into HAP contracts to subsidize units at several properties that are managed by third-party managers and/or owners. These properties provide supportive services to at-risk populations in the form of Housing Choice Vouchers. Applicants for these programs must meet stringent requirements and are ranked by date and time of application only. The individual wait lists created for these properties are included in the merged master list but are sorted separately to reflect only those applicants who are eligible for these properties.
8. Contact between HOC and wait list applicants for the purposes of selection from the list is documented in the applicant's wait list file.

Implementation of RAD Wait List Provisions

Former public housing (PH) applicants and residents receive priority consideration on the site-based wait lists created within *HOC Housing Path*, HOC's electronic wait list. Prior to the opening of the HOC Housing Path wait list, HOC mailed to all former PH wait list applicants a post card notifying them of the new wait list and instructed them to submit an application. The following policies describe how former PH applicants and residents receive priority consideration for housing at all of HOC's RAD-converted properties and at properties with Project-Based Voucher (PBV) assistance provided using the non-competitive selection process created by the Housing Opportunities Through Modernization Act (HOTMA), and described in Chapter 22, Section G of this Administrative Plan.

In order to provide former PH applicants with the best opportunity to be housed at one of the RAD properties, HOC adopted and follows the procedures listed below:

- Analyze HOC Housing Path to identify former PH wait list applicants and residents that have submitted a new application.
- Issue notices to former PH wait list applicants and residents informing them that they are eligible to receive priority consideration for housing at RAD properties, and instruct them to respond to the notice if they would like to be considered.
- Former PH applicants and residents who respond, but have not submitted a new HOC Housing Path application will be instructed to do so.
- For those families who respond to the notice and/or have submitted a new HOC Housing Path application, HOC will create a separate pool of applications that will receive priority consideration for vacancies at HOC's RAD properties.
- As vacancies become available at RAD properties, applicants will be selected from the priority pool based on their date and time of application to Housing Path.

B. WAIT LIST CUSTOMERS (FAMILIES)

All wait list applicants are required to maintain an e-mail address. To the extent an applicant chooses to use the e-mail address of another person, the applicant is solely responsible for receiving information sent to the listed email address and lack of access to that account is not considered a valid excuse for missing notices. To the extent a family does not have an e-mail address, HOC can assist the family in obtaining a free email account. The applicant is responsible for notifying HOC of any change in their e-mail address. HOC maintains public use computers at all of its HUB locations. Public use computers are also widely available at other public locations such as local libraries. To the extent an applicant requires assistance, upon request, staff from HOC is available to assist with electronic submissions.

All wait list applicants are required to list an address in their Housing Path application. If the applicant is homeless or does not have a permanent address, the applicant can choose to list the address of another person, so long as it is not the address of a current voucher holder. This address is used to send any paper correspondence to the applicant, including required paperwork as part of the selection process. The applicant is solely responsible for receiving information sent to the listed address and lack of access to mail at that address is not considered a valid excuse for missing notices or paperwork. The applicant is responsible for notifying HOC of any change in address.

Treatment of Single Applicants

Single applicants are treated as any other eligible family on the wait list for the tenant-based and project-based voucher wait lists.

C. WAIT LIST [24 CFR 982.204]

Tenant-Based Voucher

HOC uses a consolidated wait list for the admission of all of its housing programs. The

consolidated list includes a sub list for admissions to the tenant-based voucher assistance program.

Except for Special Admissions, applicants are selected from the consolidated wait list in accordance with the policies, preferences, and income targeting requirements defined in this Administrative Plan.

HOC will maintain information that permits proper selection from the wait list. The wait list contains the following information for each applicant listed:

- . Applicant Name
- . Family Unit Size (number of bedrooms' family qualifies for under HOC's subsidy standards)
- . Date of application
- . Qualification for any local preference(s)
- . Racial or ethnic designation of the head of household
- . Targeted program qualifications

Project-Based Voucher

HOC maintains separate sub lists for admissions to the project-based voucher (PBV) assistance program. Any applicant that submits an application to the master wait list is also considered for inclusion on the PBV wait list.

Except for Special Admissions, applicants are selected from HOC's wait list in accordance with the policies, preferences, and income targeting requirements defined in this Administrative Plan.

Families are selected from the PBV wait list based on the bedroom size of the unit available at the time of selection.

HOC must maintain information that permits proper selection from the wait list. The wait list contains the following information for each PBV applicant listed:

- . Applicant Name
- . Family Unit Size (number of bedrooms' family qualifies for under HOC's subsidystandards)
- . Date of application
- . Qualification for any local preference(s)

. Racial or ethnic designation of the head of household

. Targeted program qualifications

D. SPECIAL ADMISSIONS [24 CFR 982.54(d)(e), 982.203]

If HUD awards HOC program funding that is targeted for specifically named families, HOC must admit these families under a Special Admission procedure.

Special admissions families are admitted outside of the regular wait list process. They may not have to qualify for any preferences, nor are they required to be on the program wait list. HOC administers two Special Programs and maintains separate records of these admissions.

The Family Unification Program (FUP):

The Family Unification Program (FUP) qualifies for special admissions as long as the individuals referred to HOC meet the program definition.

Family Unification Program-Eligible Family (A family that the Public Child Welfare Agency (PCWA) has certified as a family for whom a lack of adequate housing is a primary factor in the imminent placement of the family's child, or children, in out-of-home care, or in the delay of discharge of a child, or children, to the family from out-of-home care, and that the HOC has determined is eligible for a Housing Choice Voucher.)

Family Unification Program-Eligible Youth (A youth that the Public Child Welfare Agency (PCWA) has certified to be at least 18 years old and not more than 24 years old (has not reached his/her 25th birthday) who left foster care at age 16 or older and who does not have adequate housing, and that HOC has determined is eligible for a Housing Choice Voucher.)

Emergency Housing Vouchers (EHV):

HOC administers 118 Emergency Housing Vouchers (EHVs). Eligible EHV applicants are referred to HOC from the Continuum of Care (CoC) via the Department of Health and Human Services (HHS). HOC can accept direct referrals outside of HHS to facilitate an emergency transfer in accordance with the Violence Against Women Act (VAWA) as outlined in HOC's Emergency Transfer Plan, or if HHS lacks a sufficient number of eligible families to refer. HOC must enter into Memorandum of Understanding (MOU) with a Victims Service Provider (VSP) to accept EHV referrals apart from HHS.

HOC must maintain a separate waitlist for EHV referrals at initial leasing and for any turnover vouchers. HOC cannot issue an EHV subsequent to September 30, 2023. Provided that the re-issuance date is prior to September 30, 2023 the term of the EHV may extend beyond September 30, 2023.

EHV Eligibility Criteria:

Eligible applicants must meet one of the four eligibility categories:

- Homeless,
- At risk of homelessness,
- Fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking or human trafficking, or
- Recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability.

EHV customers are not required to meet the local residency preference to live or work in Montgomery County. Additionally, income targeting requirements are not applicable for EHV families. EHV households can range from extremely low incomes (30% AMI) to low incomes (80% AMI).

HOC cannot deny program admission for the following reasons, pursuant to Title 24 part 982.552 and 982.55 of the Code of Federal Regulations (CFR):

- If any member of the family has been evicted or terminated from federally assisted housing
- The family owes rent or other amounts owed to a Public Housing Authority ("PHA") in connection with Section 8 or Public Housing assistance
- The family has not reimbursed any PHA for amounts paid to an owner under a Housing Assistance Payment ("HAP") Contract for rent, damages to the unit or other amounts owed by the family under the lease
- The family breached an agreement with the PHA to pay amounts owed to a PHA, or amounts paid to an owner by a PHA
- The family would otherwise be prohibited admission under alcohol abuse standards established by the PHA
- The PHA determines that any household member is currently engaged in or has engaged in drug-related criminal activity, during a reasonable time before the admission

HOC will deny program admission for the following reasons pursuant to Title 24 part 982.553 of the CFR:

- If any member of the household has been convicted of drug-related criminal activity for the manufacture or production of methamphetamine on the premises of federally assisted housing
- If any member of the household is subject to a lifetime registration requirement under a

State sex offender registration program

- If any household member is currently engaged in, has engaged in violent criminal activity within the last 12 months
- If any household member has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program within the previous 12 months.
- If any household member engaged in or threatened abusive or violent behavior toward HOC personnel within the previous 12 months

Voucher Issuance/Lease Term

HOC will issue the EHV voucher for a term of 120 days. The initial lease term for EHV households can be for a period less than 12 months, regardless of whether the shorter term is the prevailing market practice.

Services

HOC will assist EHV households by providing the following services based on documented need based and funding availability:

- Housing Location - EHV applicants will receive housing location assistance from HOC and/or the CoC. This includes helping the family identify and visit available units, providing transportation assistance and directions, assisting with the completion of rental applications and HOC forms and helping to find an accessible unit that meets the needs of a disabled household.
- Transportation Assistance – HOC will provide transportation assistance to EHV households to help them view and select housing units. HOC will provide up to \$150 in transportation assistance per EHV household based on documented need and funding availability.
- Security Deposit - HOC will provide security deposit assistance to EHV households to help them secure housing. HOC will provide up to \$2,500 in security deposit assistance per EHV household based on documented need and funding availability. If refundable, the security deposit will be refunded to HOC for future use of eligible EHV households.
- Application Fee/Holding Fee - HOC will provide application and/or holding fee assistance to EHV households to help them secure housing. HOC will provide up to \$200 in application and/or holding fee assistance per EHV household based on documented need and funding availability.
- Moving Expenses - HOC will provide moving assistance to EHV households. HOC will provide up to \$1,800 moving expenses per EHV household based on documented need and funding availability.
- Essential Household Items - HOC will provide EHV households with assistance to secure essential household items. HOC will provide up to \$200 in assistance for essential household items per EHV household based on documented need and funding availability.
- Renters Insurance - HOC will provide EHV households with assistance to secure

renter's insurance. HOC will provide up to \$175 in assistance for renter's insurance per EHV household based on documented need and funding availability.

- Furniture - HOC will provide EHV households with assistance to secure furniture. HOC will provide up to \$1,000 in assistance for furniture per EHV household based on documented need and funding availability.

Portability

EHV applicants can immediately port to another jurisdiction of their choice. The requirement to have a legal domicile in Montgomery County at the time of the application submission is waived. HOC cannot restrict an EHV family from exercising portability options because they are a non-resident applicant.

If the EHV family moves to another jurisdiction that does not administer an EHV Program, the receiving PHA may absorb the family into its regular HCV program or bill the initial PHA.

If the EHV family moves to another jurisdiction that administers an EHV program, the receiving PHA may only absorb the EHV family with an available EHV allocated voucher. If the PHA does not have an EHV available to absorb the family, it must bill the initial PHA.

The EHV administration of the voucher is in accordance with the receiving PHA's EHV policies.

Initial Certification Exam

HOC can accept income calculations and verifications from third party providers or an examination that HOC conducted on behalf of the family for another subsidized housing program in lieu of conducting an initial examination of income as long as the income was calculated in accordance with the rules outlined at Title 24 CFR Part 5 within the last six months, and the family certifies there has been no change in income or the family composition in the interim. At the time of the family's annual reexamination, HOC must conduct the annual reexamination of income as outlined in 24 CFR 982.516.

EHV applicants may provide third-party documentation which represents the applicant's income within the 60-day period prior to admission or voucher issuance but is not dated within 60 days of HOC's request.

HQS Inspections

HOC can pre-inspect available units that EHV Families may be interested in leasing. If an EHV family selects a unit that passed a HQS inspection within 45 days of the date of the Request for Tenancy Approval (RFTA) Form, the unit may be approved as long as it meets all other conditions under Title 24 part 982.305 of the CFR.

Interim Examinations

When adding a family member after the EHV family has been placed under a Housing Assistance Payment (HAP) Contract, the regulations at 24 CFR 982.551(h)(2) apply. Other than the birth, adoption or court-awarded custody of a child, the HOC must approve additional family members and may apply its regular screening criteria in doing so.

EHV applicants may provide third-party documentation which represents the applicant's income within the 60-day period prior to admission or voucher issuance but is not dated within 60 days of HOC's request.

The following are examples of types of program funding that may be designated by HUD for families living in a specified unit.

1. A family displaced because of demolition or disposition of a public or Indian housing project;
2. A family residing in a multifamily rental housing project when HUD sells, forecloses or demolishes the project;
3. For housing covered by the Low Income Housing Preservation and Resident Homeownership Act of 1990;
4. A family residing in a project covered by a project-based Section 8 HAP contract at or near the end of the HAP contract term; and
5. A non-purchasing family residing in a HOPE 1 or HOPE 2 project.

Applicants who are admitted under Special Admissions, rather than from the wait list, are identified in HOC's database with special codes.

At turnover:

If a voucher issued to an FUP-eligible family or FUP-eligible youth under the FUP program is terminated, the voucher is reissued to the extent practicable, to another FUP-eligible family or FUP-eligible youth. If the award on turnover is not practicable, FUP vouchers may be used by HOC for such families based upon local needs.

If a customer served through Special Admissions in the FUP program is on an HOC Program Admissions Wait List (Tenant Based Voucher or Project Based Voucher), the client remains eligible on the wait list for the period of time the list is active. If a client is selected from the Program Wait List and utilizes the voucher, the FUP voucher is reissued, to the extent practicable, to another FUP-eligible family or FUP-eligible youth.

E. WAIT LIST PREFERENCES [24 CFR 982.207]

When a family is selected from the wait list, the family is invited to an interview and the verification process begins. It is at this point in time that the family's wait list preference(s) are verified. To qualify for a preference, an applicant must provide verification that shows he or she qualified either at the time of the initial application or at the time of selection from the wait list. However, placement based upon preference is dependent on the family still qualifying for the preference at the time of selection.

If the family no longer qualifies to be near the top of the list, because the family does not qualify for a preference, then the family's preference status is removed. Importantly, however, the family will remain on the wait list based upon their original date and time of application. HOC must notify the family in writing of this determination and give the family the opportunity for an informal hearing to appeal the decision.

Once a preference is verified, the family completes a full application, presents Social Security number information, citizenship/eligible immigrant information, and signs the Consent for Release of Information forms.

An applicant is not granted any local preference for the tenant-based and project-based voucher wait lists if any member of the family was evicted from housing assisted under a HUD 1937 Housing Act program during the past three years because of drug-related criminal activity or felonious charged criminal activity.

HOC will grant an exception to such a family if:

- The responsible member has successfully completed a rehabilitation program;
- The evicted person clearly did not participate in or know about the drug-related activity; and/or
- The evicted person no longer participates in any drug related criminal activity.

If an applicant makes a false statement in order to qualify for a local preference, HOC will deny the local preference.

F. **LOCAL PREFERENCES** [24 CFR 5.410]

HOC offers public notice when changing its preference system and the notices are publicized using the same guidelines as those for opening and closing the wait list.

HOC uses the following local preference system:

First Local Preference – Displacement: Families who are displaced as a result of a **fire, flood, natural disaster**, State or County redevelopment project, or a change in the nature of a project that is part of the County plan for maintaining affordable housing, and who are referred by the County Executive's Office. A signed certification from the County Executive's office is required for the family to qualify for this preference. [Two Points]

Second Local Preference – Residency preference for families who live, work, or have a bona fide offer to work in Montgomery County. To qualify for this preference, evidence is required either at the time of application or at the time of selection from the wait list. HOC will treat graduates of, or active participants in, education or training programs in Montgomery County as residents of Montgomery County if the education or training program is designed to prepare individuals for the job market. To qualify and satisfy this preference, graduates must have graduated after the initial application for housing. [One Point]

Third Local Preference – HUD funded 2006 Main Stream Disabled (MSD) program; 15 units.
[Two Points]

Fourth Local Preference – Veterans: Preference is given for ten (10) veterans and their families. The applicant must be at least 18 years old and a veteran.

HOC verifies the preference with a list of homeless veterans and their families provided by the Montgomery County Department of Health and Human Services (DHHS). [Three Points]

Fifth Local Preference – Families with Histories of Homelessness: Preference is given for ten (10) families with histories of homelessness who are currently housed within the Montgomery County Homeless Continuum of Care. The applicant must be at least 18 years old and have at least one minor child (under the age of 18) within the household.

HOC verifies the preference by receiving direct referrals from the Montgomery County Department of Health and Human Services (DHHS). [Three Points]

Sixth Local Preference – HUD funded 2017/2018 Mainstream Disabled (MSD) Grant program: Preference is given for Non-Elderly Disabled (NED) families who meet at least one of the following criteria:

1. Transitioning out of institutional or other segregated settings;
2. At serious risk of institutionalization;
3. Homeless; or
4. At risk of becoming homeless.

NED is defined as disabled persons aged 18-62 and can include any member of a household. Eligibility for this preference is initially indicated based on responses to questions on HOC's wait list, which are designed to capture these criteria. Once a NED family is called up for a subsidy based on this preference, HOC staff conducts comprehensive verification of the preference qualifications, as explained in Section M of this Chapter. [Three Points]

Treatment of Single Applicants

Single applicants are treated as any other eligible family on the wait list for the tenant-based and project-based voucher wait lists.

G. INCOME TARGETING

In accordance with the Quality Housing and Work Responsibility Act of 1998, each fiscal year HOC reserves a minimum of seventy-five (75) percent of its Section 8 new admissions for families whose incomes do not exceed thirty (30) percent of the area median income (AMI). HUD refers to these families as “extremely low-income families.” HOC must admit families who qualify under the

Extremely Low-Income limit to meet the income targeting requirement, regardless of preference. This policy applies to the tenant-based and project-based voucher waitlists.

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

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

H. INITIAL DETERMINATION OF LOCAL PREFERENCE QUALIFICATION

[24 CFR 5.415]

May 2017

At the time of application, an applicant's entitlement to a local preference may be made on the following basis:

An applicant's certification that they qualify for a preference is accepted without verification at the pre-application. When the family is selected from the wait list for the final determination of eligibility, the preference is verified. To Qualify for the preference, an applicant must provide verification that shows he or she qualified either at the time of the pre-application or at the time of certification.

If the preference verification indicates that an applicant does not qualify for the preference, the applicant is returned to the wait list (tenant-based or project-based) without the local preference, and given an opportunity for an office meeting.

I. TARGETED FUNDING [24 CFR 982.203]

When HUD awards special funding for certain family types, families who qualify are placed on the regular wait list. When a specific type of funding becomes available, the tenant-based and project-based voucher wait lists are searched for the first available family meeting the targeted funding criteria. HOC reserves the right to use this assistance under the "Interim Use" policy. [See Glossary under "Interim Use" for definition].

Applicants who are admitted under targeted funding which are not identified as a Special Admission are identified by codes in the automated system. HOC has the following "Targeted" Programs:

- Veterans Affairs Supportive Housing (VASH)
- Mainstream Allocation Plan for Persons with Disabilities
- Voucher allocation for Non-Elderly Persons with Disabilities in Support of Designated Housing Plans

For any voucher allocation for Non-Elderly Persons with Disabilities (NED) in Support of

Designated Housing Plans, HOC identifies a non-elderly disabled family, as defined by HUD, on HOC's wait list that will not be housed due to an approved or submitted Designated Housing Plan.

At turnover:

Re-issuance upon turnover of vouchers in the Non-Elderly Persons with Disabilities in Support of Designated Housing Plans 2008 allocation will be to Non-Elderly Persons with Disabilities on the wait list.

5.410] **Change in Circumstances**

Changes in an applicant's circumstances while on the wait list may affect the family's entitlement to a preference. Applicants are required to update their on-line application when their circumstances of change.

Cross-Listing of Different Housing Programs and Section 8 [24 CFR 982.205(a)]

HOC maintains a consolidated master wait list for all of its housing programs. An applicant is considered for admission to any program for which they are eligible until such time that documentation is presented which establishes a customer as ineligible for a given housing program(s). If a customer is determined ineligible for the voucher program, their application is maintained on the consolidated wait list so that they may continue to be considered for other housing opportunities.

Other Housing Assistance [24 CFR 982.205(b)]

Other housing assistance means a federal, State, or local housing subsidy, as determined by HUD, including public housing.

HOC may not take any of the following actions because an applicant has applied for, received, or refused other housing: [24 CFR 982.205(b)]

- . Refuse to list the applicant on the wait list for tenant-based voucher assistance;

J. PREFERENCE AND INCOME TARGETING ELIGIBILITY [24 CFR

- . Deny any admission preference for which the applicant is currently qualified;
- . Change the applicant's place on the wait list based on a preference, date of application, or other factors affecting selection under HOC's selection policy; or
- . Remove the applicant from the wait list.

However, HOC may remove the applicant from the wait list for tenant-based assistance if HOC has offered the applicant assistance under the Project-Based Voucher program.

K. ORDER OF SELECTION [24 CFR 982.207(e)]

HOC's method for selecting applicants from a preference category leaves a clear audit trail which can be used to verify that each applicant was selected in accordance with the method specified in the Administrative Plan. **Tenant-Based Voucher Wait List**

Local Preferences

HOC provides the following system to apply local preferences:

Each preference receives an allocation of points. The more preference points an applicant receives, the higher the applicant's position on the wait list.

Among Applicants with Equal Preference Status

Among applicants with equal preference status, the tenant-based voucher wait list was organized by the lottery selection process for the first 365 days after the wait list was opened in the summer of 2015. Thereafter, applicants with equal preference status on the tenant-based voucher wait list are organized by date and time stamp.

Project-Based List

HOC provides the following system to apply local preferences:

Each preference receives an allocation of points. The more preference points an applicant receives, the higher the applicant's position on the wait list.

The PBV sub list is organized by family size and the corresponding bedroom size as follows:

- . One and two person families are eligible for a one-bedroom unit.
- . Three and four person families are eligible for a two- bedroom unit.
- . Five and six person families are eligible for a three- bedroom unit.
- . Seven and eight person families are eligible for a four- bedroom unit.

Exceptions to this policy are made in accordance with HOC's policies of reasonable accommodation for persons with disabilities.

The number of persons per bedroom is subject to compliance with the Montgomery County Code, Chapter 26-5, Space, Use, and Location. Paragraph (b) of Chapter 26-5 is shown below:

b) *Floor area, sleeping.* In every dwelling unit of two or more rooms, every room occupied for sleeping purposes by one occupant must contain at least 70 square feet of habitable space, and every room occupied for sleeping purposes by more than one occupant must contain at least 50 square feet of habitable space for each occupant. However, in a mobile home every room occupied for sleeping purposes by one occupant must contain at least 50 square feet of habitable space; by 2 occupants, at least 70 square feet of habitable space; and by more than 2 occupants, at least an

additional 50 square feet of habitable space for each additional occupant.

Among Applicants with equal preference status, the PBV wait list is organized by the regular date-time selection process for each bedroom size.

L.1 PROJECT-BASED VOUCHER REFERRALS

Applicants referred to HOC for housing subsidy through PBVs by way of Offender Reentry programs sponsored by the Silver Spring Interfaith Housing Coalition and Threshold Services, Inc. are granted an eligibility criminal background exception. The participant does not have rights to the HOC Grievance Procedures.

The eligibility exception is not extended to the following individuals:

1. Persons convicted of manufacturing or producing methamphetamine;
2. Any person evicted from federally assisted housing for a serious violation of the lease (and for three years following the eviction);
3. Any person who fails to sign and submit consent forms to obtain information in accordance with the Administrative Plan Part 5, subparts B and F;
4. Any person required under HUD regulation to establish citizenship or eligible immigration status;
5. Any person subject to a life time registration requirement under a state sex offender registration program; and
6. Any persons convicted for violent felonies.

L.2 PROJECT-BASED VOUCHER REFERRALS

In an effort to minimize displacement of families, if a unit that is to be included in the PBV contract is occupied by an eligible family, the in-place family must be placed on the program wait list. When eligibility is determined, the family must be given an absolute selection preference and referred to the project owner for an appropriately size PBV contract.

A preference will be extended through the PBV program (only) for services offered. In selecting families, HOC may give a preference to disabled families who need services offered at a particular project. This preference (more specifically a referral) is limited to the population of families with disabilities that significantly interfere with their ability to obtain and maintain themselves in housing who, without appropriate supportive services, are not able to maintain themselves in housing.

Selection of applicants in the targeted funding Family Unification Program (FUP) 2008 allocation are completed in conjunction with referrals from the Montgomery County Department of Health and Human Services (MCHHS). HOC will accept families certified by the MCHHS as eligible applicants for FUP. HOC will compare the names provided with the names on the current HOC wait list. Any referred family on the HOC wait list is served first. Those families referred and not on the HOC wait list will be added to the wait list and served based on date of referral or on a first come first served basis.

M. **FINAL VERIFICATION OF PREFERENCES** [24 CFR 5.415]

Preference information on pre-applications is updated as applicants are selected from the wait list. At that time, HOC will obtain necessary verifications of preference(s) at the interview and by third party verification.

Subsection A – Secondary Review/Credit Checks

Before issuing vouchers to applicant families, HOC requests a credit report of all new applicant families, all adults (persons 18 years of age and older) who will reside in the assisted household. The credit report is reviewed by HOC. Applicant households claiming they have zero income automatically undergo a credit check review. The information contained in the credit check is used to confirm the information provided to HOC by the family. Specially, the credit report is used to confirm:

1. **Employment:** A credit report will list any employers the applicant has listed in any recent credit applications. If the credit report reveals employment for any adult household member within the last 12 months that was not disclosed, the family will be asked to provide additional documentation to resolve the discrepancy. Failure to disclose current employment may result in denial of participation in the Housing Choice Voucher and Section 8 programs.
2. **Aliases:** A credit report can provide information on other names that have been used for the purposes of obtaining credit. Common reasons for use of other names include a recent marriage or a divorce. If an alias has not been disclosed to HOC, the family will be asked to provide additional evidence of the legal identity of all adult family members.
3. **Current and previous addresses:** A credit report can provide a history of where the family has lived. This is particularly important because HOC provides a residency preference. If the family has provided one address to HOC and the credit report indicates a different address, the family will be asked to provide additional proof of residency. This may include a history of utility bills, bank statements, school enrollment records for children, credit card statements, and/or other relevant documentation. Failure to provide adequate proof could result in denial of the residency preference.
4. **Credit card and loan payments:** A credit report will usually include a list of the family's financial obligations. Examples of the items that may show up include car loans, mortgage loans, student loans, and credit cards payments. HOC will review this information to confirm the

income and asset information provided by the family. If the family's current financial obligations (total amount of current monthly The applicant fails to respond to an electronic or written request for information or payments) exceed the amount of income reported by the family, HOC will ask the family to disclose how they are currently meeting their financial obligations. Accounts that have been charged off or are significantly delinquent are not included in this calculation. Failure to provide adequate proof of income could result in denial of participation in the Housing Choice Voucher and Section 8 programs.

5. **Multiple Social Security Numbers:** A credit report may list multiple Social Security numbers if an adult family member has used different Social Security numbers to obtain credit. If the credit report information does not match the information provided by an adult family member, the family member or head of household will be required to obtain written confirmation of the Social Security number that was issued to him/her from the Social Security Administration.

Applicant families are not issued vouchers until all discrepancies between the information provided by the applicant family and the information contained in the credit report have been cleared by the applicant family and approved by HOC.

When discrepancies are found, the family will be contacted by HOC. In most cases, the family will be allowed a maximum of ten (10) business days to provide the additional information. On a case-by-case basis, as a reasonable accommodation, the family may be granted additional time. If additional time is granted, the family receives written notification of the new deadline. No second or additional extensions will be granted. Failure to provide the required information to HOC could result in denial of participation in the Housing Choice Voucher and Section 8 Programs.

When the credit report reveals multiple discrepancies which require interview appointments, HOC will schedule up to two interview appointments. An additional appointment may be scheduled as a reasonable accommodation. Failure to appear at the interview session could result in denial of participation in the Housing Choice Voucher and Section 8 Programs.

N. **PREFERENCE DENIAL** [24 CFR 5.415]

If HOC denies a preference, HOC notifies the applicant in writing of the reasons why the preference was denied and offer the applicant an opportunity for an informal review to appeal the decision. If the preference denial is upheld as a result of the review, or the applicant does not request a review, the preference is removed from the applicant's entry on the wait list, returning the applicant to their regular date-time positioning. Applicants may exercise other rights if they believe they are a victim of discrimination.

If the applicant falsifies documents or makes false statements in order to qualify for any preference, they will be removed from the wait list.

O. **REMOVAL FROM THE WAIT LIST AND PURGING** [24 CFR 982.204(c)] HOC will not

remove an applicant's name from the wait list unless:

1. The applicant requests in writing that their name be removed; a request

to declare their continued interest in the program;

P. The applicant does not meet either the eligibility or suitability criteria for the program.

Q. The applicant refuses two housing units without good cause.

Obligation to Annually Confirm Application Information

Each year, or at such time as HOC determines reasonable, HOC will issue notice to all applicants on the wait list requesting that each applicant confirm their continued interest in remaining on the wait list. Failure to renew the information in a timely manner will result in removal from the wait list.

HOC will provide notice to wait list applicants to confirm their continued interest and set a date by which their renewal must be completed. HOC will send notices thirty days, fifteen days, five days, and one day prior to the date when that renewal or confirmation is due.

All notices under this Section are sent by HOC electronically to the last known e-mail address listed on the application. Wait list applicants may also request text message notifications. If a family does not have an e-mail address, HOC can assist the family in obtaining a free email account. It will be the applicant's sole responsibility to check that email account from time to time and to respond to any email and/or SMS text from HOC. To the extent an applicant requires assistance, upon request, staff from HOC is available to assist with electronic submissions.

Should an applicant not respond to the request to confirm their continued interest in remaining on the wait list by renewing their application or to their notification of selection for a program for any reason, prior to the established deadline, the applicant is removed from the wait list. Reasons for non-response, resulting in removal from the list, include (but are not limited to) negligence in completing the electronic update/application in a timely manner and relocation resulting in a return of the e-notice to HOC with no forwarding email address provided. Applicants removed from the wait list will receive a notification identifying their removal from Housing Path.

Missed Appointments

All applicants who fail to keep a scheduled appointment with HOC are sent a written notice of termination of the process for eligibility. That written notification of termination may be sent as an attachment to an e-mail.

HOC will allow the family to reschedule an appointment for good cause. Generally, no more than one opportunity is given to reschedule without good cause, and no more than two opportunities are given for good cause. When good cause exists for missing an appointment, HOC will work closely with the family to find a more suitable time. Applicants are advised of their right to an informal review before being removed from the wait list.

Notification of Negative Actions

Any applicant whose name is being removed from the wait list will be notified by HOC, in writing, that they have ten (10) calendar days from the date of the written correspondence to present mitigating circumstances or request an informal review. The letter will also indicate that their name will be removed from the wait list if they fail to respond within the timeframe specified. HOC's system of removing applicant names from the wait list will not violate the rights of persons with disabilities. If an applicant claims that their failure to respond to a request for information or updates was caused by a disability, HOC will verify that there is in fact a disability, that the disability is what caused the failure to respond, and then provide a reasonable accommodation. An example of a reasonable accommodation would be to reinstate the applicant on the wait list based on the date and time of their original application.

Purging the Wait List

HOC will update and purge its wait list as needed to ensure that the pool of applicants reasonably represents the interested families for whom HOC has current information, i.e. applicant's address, family composition, income category, and preference.

EXHIBIT B

Chapter 7

VERIFICATION PROCEDURES

[24 CFR Part 5, Subparts B, D, E and F; 982.108]

INTRODUCTION

HUD regulations require that the factors of eligibility and Total Tenant Payment/Family Share be verified by the PHA. PHA staff will obtain written verification from independent sources whenever possible, or will document in tenant files why third party verification was impossible to obtain.

Applicants and program participants must provide true and complete information to the PHA whenever information is requested. The PHA's verification requirements are designed to maintain program integrity. This Chapter explains the PHA's procedures and standards for verification of preferences, income, assets, allowable deductions, family status, and changes in family composition. The PHA will obtain proper authorization from the family before requesting information from independent sources.

A. METHODS OF VERIFICATION AND TIME ALLOWED [24 CFR982.516]

The PHA will verify information through the five methods of verification acceptable to HUD in the following order:

1. Upfront Income Verification through HUD's Enterprise Income Verification system, see HOC's EIV policy
2. Third-Party Written Verification
3. Third-Party Oral Verification
4. Review of Documents
5. Certification/Self-Declaration

The PHA will verify information through a secondary review through third party credit reports.

The PHA will allow 14 days for return of third-party verifications and 14 days to obtain other types of verifications before going to the next method. The PHA will document the file as to why third party written verification was not used.

For applicants, verifications may not be more than 60 days old at the time of voucher issuance. For participants, they are valid for 60 days from date of receipt.

Upfront Income Verification (W-UIV)

The verification of income, before or during a family re-examination, through an independent

source that systemically and uniformly maintains income information in a computerized form for a large number of individuals.

The UIV data is used to validate client reported income and supplement client provided documents. When the client disputes the UIV data, the PHA must request written third party verification.

Acceptable Verification:

UIV plus current client provided documents or

UIV plus current client provided documents plus written third-party verification

Tenant-provided documents should be dated within the last 120 days of the reexamination, pay stubs should be current and consecutive.

The PHA will use state or federal records of child support payments to document and calculate income

Projecting Annual Income through UIV:

When UIV data is not substantially different than client-reported income:

If UIV data is less than client reported income, use client provided documents to calculate anticipated annual income.

If UIV data is greater than client reported income, use UIV data to calculate anticipated annual income, unless client can provide the PHA with acceptable documentation to verify a change in circumstances.

When UIV data is substantially different than client reported income:

The PHA must request written third-party verification from the discrepant income source.

Third-Party Written Verification

Third-party verification is used to verify information directly with the source. Third-party written verification forms will be sent and returned via first class mail. The family will be required to sign an authorization for the information source to release the specified information.

Verifications received electronically directly from the source are considered third party written verifications.

Third-Party Oral Verification

Oral third-party verification will be used when written third party verification is delayed or not possible. When third-party oral verification is used, staff will be required to complete a

Certification of Document Viewed or Person Contacted form, noting with whom they spoke, the date of the conversation, and the facts provided. If oral third party verification is not available, the PHA will compare the information to any documents provided by the Family. If provided by telephone, the PHA must originate the call.

Review of Documents

In the event that third-party written or oral verification is unavailable, or the information has not been verified by the third party within two weeks, the PHA will annotate the file accordingly and utilize documents provided by the family as the primary source if the documents provide complete information.

All such documents, excluding government checks, will be photocopied and retained in the applicant file. In cases where documents are viewed which cannot be photocopied, staff viewing the document(s) will complete a Certification of Document Viewed or Person Contacted form or document.

The PHA will accept the following documents from the family provided that the document is such that tampering would be easily noted:

- Printed wage stubs
- Computer print-outs from the employer
- Signed letters (provided that the information is confirmed by phone)
 - Other documents noted in this Chapter as acceptable verification The PHA will

accept photocopies after review of the original documents.

If third-party verification is received after documents have been accepted as provisional verification, and there is a discrepancy, the PHA will utilize the third party verification.

The PHA will not delay the processing of an application beyond 14 days because a third party information provider does not return the verification in a timely manner.

Self-Certification/Self-Declaration

When verification cannot be made by third-party verification or review of documents, families will be required to complete a self-certification.

Subsection — Secondary Review/Credit Checks

The Housing Authority uses credit reports obtained from a third party source as a secondary review of income verifications for all adult household members (non-student persons 18 years of age and older) who reside in the assisted household and claim zero income. The secondary review includes a comparison between the information contained in the credit report, for each adult household member and the information provided by the family to the Housing Authority for eligibility purposes (Personal Declaration). Specifically, the Housing Authority reviews the credit report to verify:

Employment: If the credit report reveals employment during the subsidized period that has not been disclosed to the Housing Authority, the family will be required to provide documentation that the employment did not occur or provide information regarding the amount of earnings received during the employment period. If a family contends that the employment was made up for the purposes of obtaining credit or was erroneously placed on the credit report, the family must supply a letter from the employers listed confirming such information. If the family failed to disclose employment for a period longer than six months, the Housing Authority may purpose termination of the family's housing assistance and seek repayment of any overpayment. If the family failed to disclose employment for less than six months, the family will be required to attend a counseling interview and re-sign all program documents reinforcing the family's obligations. The family will also be required to repay any housing subsidy overpayment. A recurrence of this violation could result in termination from the Housing Choice Voucher and Section 8 programs.

Assets: The credit report information will be used to verify assets, particularly large items such as real property. If the credit report reveals that the family owns property, the family will be required to provide the appropriate documentation regarding the property. If all documentation confirms that the family or any household member owns real estate property that was purposely concealed, the Housing Authority will propose termination of assistance and seek repayment of any overpayment amount.

Aliases: A credit report can provide information on other names that have been used for the purposes of obtaining credit. Common reasons for use of other names include a recent marriage or a divorce. If an alias has not been disclosed to the Housing Authority, the family will be asked to provide additional evidence of the legal identity of all adult family members.

Current and previous addresses: A credit report can provide a history of where the family has lived. This is particularly important because the Housing Authority provides a residency preference. If the family has provided one address to the Housing Authority and the credit report indicates a different address, the family will be asked to provide additional proof of residency. This may include a history of utility bills, bank statements, and school enrollment records for children, credit card statements or other relevant documentation. Failure to provide adequate proof could result in denial of the residency preference.

Credit card and loan payments: A credit report will usually include a list of the family's financial obligations. Examples of the items that may show up include car loans, mortgage loans, student loans and credit cards payments. The Housing Authority will review this information to confirm the income and asset information provided by the family. If the family's current financial obligations (total amount of current monthly payments) exceed the amount of income reported by the family, the Housing Authority will ask the family to disclose how they are currently meeting their financial obligations. Accounts that have been charged off or are significantly delinquent are not included in this calculation. Failure to provide adequate proof of income could result in denial of participation in the Housing Choice Voucher and Section 8 programs.

Multiple Social Security Numbers: A credit report may list multiple Social Security numbers if an adult family member has used different Social Security numbers to obtain credit. If the credit report information does not match the information provided by an adult family member, the family

member or head of household will be required to obtain written confirmation of the Social Security number that was issued to him/her from the Social Security Administration.

A family will not be issued a voucher until all discrepancies between the information provided by the applicant family and the information contained in the credit report have been cleared by the applicant family and approved by the Housing Authority. When discrepancies are found, the family will be contacted by the Housing Authority. In most cases, the family will be allowed a maximum of ten business days to provide the additional information. On a case-by-case basis, as a reasonable accommodation, the family may be granted additional time. If additional time is granted, the family receives written notification of the new deadline. No second or additional extension will be granted. Failure to provide the required information to the Housing Authority could result in denial of participation in the Housing Choice Voucher and Section 8 Programs. When the credit report reveals multiple discrepancies which require interview appointments, the Housing Authority will schedule up to two interview appointments. An additional appointment may be scheduled as a reasonable accommodation. Failure to appear at the interview session could result in denial of participation in the Housing Choice Voucher and Section 8 Programs.

B. RELEASE OF INFORMATION [24 CFR 5.230]

Adult family members will be required to sign the HUD 9886 Release of Information/Privacy Act form.

In addition, family members will be required to sign specific authorization forms when information is needed that is not covered by the HUD form 9886, Authorization for Release of Information/Privacy Act Notice.

Each member requested to consent to the release of specific information will be provided with a copy of the appropriate forms for their review and signature.

Family refusal to cooperate with the HUD prescribed verification system will result in denial of admission or termination of assistance because it is a family obligation to supply any information and to sign consent forms requested by the PHA or HUD.

C. COMPUTER MATCHING

Where allowed by HUD and/or other State or local agencies, computer matching will be done.

The PHA will utilize the HUD established Enterprise Income Verification (EIV)/Upfront Income Verification (UIV) tool for obtaining Social Security benefits, Supplemental Security Income, benefit history and tenant income discrepancy reports from the Social Security Administration (Refer to EIV policy).

A. INITIAL LEASE UP [24 CFR 5.233]

For each New Admission (form HUD-50058 action type 1) Income Report

- . PHAs must review the Income Report to confirm/validate family-reported income within 90 days of the admission date.

Any income discrepancies must be resolved with the family within 30 days of the Income Report date

For each Historical Adjustment (form HUD-50058 action type 14) Income Report

- . PHAs must review the Income Report to confirm/validate family-reported income within 90 days of the PIC submission date
- . Any income discrepancies must be resolved with the family within 30 days of the Income Report date

When computer matching results in a discrepancy with information in the PHA records, the PHA will follow up with the family and verification sources to resolve this discrepancy. If the family has unreported or underreported income, the PHA will follow the procedures in the Program Integrity Addendum of the Administrative Plan.

D. ITEMS TO BE VERIFIED [24 CFR 982.516]

All income not specifically excluded by the regulations.

Full-time student status including High School students who are 18 or over.

Current assets including assets disposed of for less than fair market value in preceding two years.

Child-care expense where it allows an adult family member to be employed or to further his/her education.

Total medical expenses of all family members in households whose head or spouse is elderly or disabled.

Disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus for a disabled member of the family, which allow an adult family member to be employed.

Disability for determination of preferences, allowances or deductions.

U.S. citizenship/eligible immigrant status. "Preference" status.

Familial/Marital status when needed for head or spouse definition.

Verification of Reduction in Benefits for Noncompliance:

The PHA will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance before denying the family's request for rent reduction.

E. VERIFICATION OF INCOME [24 CFR 982.516]

This section defines the methods the PHA will use to verify various types of income.

Employment Income

Verification forms request the employer to specify the: Dates of employment

Amount and frequency of pay Date of the last pay increase

Likelihood of change of employment status and effective date of any known salary increase during the next 12 months

Year to date earnings

Estimated income from overtime, tips, bonus pay expected during next 12 months. Acceptable methods of verification include, in this order:

1. Employment verification form completed by the employer.
2. Four current consecutive pay stubs or earning statements, which indicate the employee's gross pay, frequency of pay or year to date earnings.
3. W-2 forms plus income tax return forms.

Self-certification or income tax returns signed by the family may be used for verifying self-employment income, or income from tips and other gratuities.

Employment verification must reflect a home base in Montgomery county or 51 percent of business is conducted within Montgomery county.

Applicants claiming self-employment income must provide documentation that 51 percent of the business is conducted within Montgomery county.

Applicants and program participants may be requested to sign an authorization for release of information from the Internal Revenue Service for further verification of income.

In cases where there are questions about the validity of information provided by the family, the PHA will require the most recent federal income tax statements.

Where doubt regarding income exists, a referral to IRS for confirmation will be made on a case-by-case basis.

Social Security, Pensions, Supplementary Security Income (SSI), Disability Income

Acceptable methods of verification include, in this order:

1. Utilize the HUD established Enterprise Income Verification (EIV)/Upfront Income Verification (UIV) tool for benefits, benefit history and tenant income discrepancy reports from the Social Security Administration (Refer to EIV policy).
2. Benefit verification form completed by agency providing the benefits.
3. Award or benefit notification letters prepared and signed by the providing agency.
4. Computer report electronically obtained or in hard copy.

Unemployment Compensation

Acceptable methods of verification include, in this order:

1. Utilize the HUD established Enterprise Income Verification (EIV)/Upfront Income Verification (UIV) tool for benefits and benefit history reports from the Unemployment Compensation agency.
2. Verification form completed by the unemployment compensation agency.
3. Computer report electronically obtained or in hard copy, from unemployment office stating payment dates and amounts.
4. Payment stubs.

Welfare Payments or General Assistance

Acceptable methods of verification include, in this order:

1. PHA verification form completed by payment provider.
2. Written statement from payment provider indicating the amount of grant/payment, start date of payments, and anticipated changes in payment in the next 12 months.
3. Computer-generated Notice of Action.
4. Computer-generated list of recipients from Welfare Department.

Alimony or Child Support Payments

Acceptable methods of verification include, in this order:

1. Copy of a separation or settlement agreement or a divorce decree stating amounts and types of support and payment schedules.
2. State or federal records of child support payments.

3. A notarized statement or affidavit signed by the person providing the support. This document must include amount of support, pay or name, address, and phone number
4. Copy of 3 latest check and/or payment stubs from Child Support Enforcement. For verbal third party the PHA must record the date, amount, and number of the check.
5. Family'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.

If payments are irregular, the family must provide:

A copy of the separation or settlement agreement, or a divorce decree stating the amount and type of support and payment schedules.

A statement from the agency responsible for enforcing payments to show that the family has filed for enforcement.

A notarized affidavit from the family indicating the amount(s) received.

A welfare notice of action showing amounts received by the welfare agency for child support.

A written statement from an attorney certifying that a collection or enforcement action has been filed.

Net Income from a Business

In order to verify the net income from a business, the PHA will view IRS and financial documents from prior years and use this information to anticipate the income for the next 12 months.

Acceptable methods of verification include:

1. IRS Form 1040, including:
Schedule C (Small Business) Schedule E (Rental Property Income) Schedule F (Farm Income)
2. 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.
3. Audited or un-audited financial statement(s) of the business.
4. Credit report or loan application.
5. Documents such as manifests, appointment books, cashbooks, bank statements, and receipts will be used as a guide for the prior 180 days (or lesser period if not in business for 90 days) to project income for the next 12 months. The family will be advised to maintain these documents in the

future if they are not available.

6. Family's self-certification as to net income realized from the business during previous years.

Child Care Business

If an applicant/participant is operating a licensed day care business, income will be verified as with any other business.

If the applicant/participant is operating a "cash and carry" operation (which may or may not be licensed), the PHA will require that the applicant/participant complete a form for each customer which indicates: name of person(s) whose child (children) is/are being cared for, phone number, number of hours' child is being cared for, method of payment (check/cash), amount paid, and signature of person.

If the family has filed a tax return, the family will be required to provide it.

The PHA will conduct interim reevaluations every year and require the participant to provide a log with the information about customers and income.

If childcare services were terminated, third-party verification will be sent to the parent whose child was cared for.

Recurring Gifts

Acceptable methods of verification include, in this order:

- A notarized statement or affidavit signed by the person providing the assistance giving the purpose, date and value of gifts. This document should include the pay or name, address and phone number.
- A self-certification provided by the family that contains the following information: The person who provides the gift, the value of the gifts, the dates of the gifts and the purpose of the gifts.

Zero Income Status

Families claiming to have no income will be required to execute verification forms to determine that forms of income such as unemployment benefits, TANF, SSI, etc. are not being received by the household.

The PHA will request information from the State Employment Development Department.

The PHA will run a credit report if information is received that indicates the family has an unreported income source.

Full-time Student Status

Only the first \$480 of the earned income of full time students, other than head, co-head, or spouse, will be counted towards family income.

Financial aid, scholarships and grants received by full time students is not counted towards family income.

Verification of full time student status includes:

Written verification from the registrar's office or other school official; or school records which show a sufficient number of credits to be considered a full-time student by the educational institution attended.

School records, such as an official report card, indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution.

F. INCOME FROM ASSETS [24 CFR 982.516]

***VERIFICATION OF ASSESTS**

Asset Accounts with Interest Income and Dividends with current balance exceeding \$1,000 Acceptable methods of verification include, in this order:

1. Verification forms from a financial institution or broker.
2. Passbook, account statements, certificate of deposit, bonds, or financial statements completed by a financial institution or broker including current interest rates and dividends.
3. Broker's statements showing value of stocks or bonds and the earnings credited the family. Earnings can be obtained by oral broker's verification or current newspaper quotations.
4. IRS Form 1099 from the financial institution provided that the PHA must adjust the information to project earnings expected for the next 12 months.

Interest Income from Mortgages or Similar Arrangements

Acceptable methods of verification include, in this order:

1. Amortization schedule showing interest for the 12 months following the effective date of the certification or recertification.
2. A letter from an accountant, attorney, real estate broker, the buyer, or financial institution stating interest due for the next 12 months. (A copy of the check paid by the buyer to the family is not sufficient unless of a breakdown of interest is present.

Net Rental Income from Property Owned by Family

Acceptable methods of verification include, in this order:

1. IRS Form 1040 with Schedule E (Rental Income)
2. A copy of latest rent receipts, leases, or other documentation of rent amounts.
3. Documentation of allowable operating expenses of the property: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.
4. Lessee's written statement verifying rent payments to the family and family's self- certification as to the net income realized.

Verification for assets to determine the current cash value

(the net amount the family would receive if the assets were converted to cash).

Quotes from a stock broker or realty agent as to the net amount family would receive if they liquidated securities or real estate.

Real estate tax statements if the approximate current cash value can be deduced from the assessment.

Financial statements from business assets

Copies of closing documents showing the selling price and the distribution of the sales proceeds.

Appraisals of personal property held as an investment.

Family's self-certification describing assets or cash held at the family's home or in a safe deposit boxes.

Assets Disposed of for Less than Fair Market Value (FMV) During the Two Years Preceding the Effective Date of Certification or Recertification

For all Certifications and Recertifications, the PHA will obtain the Family's certification as to whether any member has disposed of assets for less than fair market value during the two years preceding the effective date of the certification or recertification.

If the family certifies that they have disposed of assets for less than fair market value, verification if required that shows: (a) all assets disposed of for less than FMV, (b) the date they were disposed of, (c) the amount the family received, and (d) the market value of the assets at the time of disposition. Third party verification will be obtained whenever possible.

H. VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME

[24 CFR 982.516]

Child Care Expenses

Written verification from the person who receives the payments is required. If the child care provider is an individual, s/he must provide a statement of the amount they are charging the family for their services. Additionally, the family must provide two months of cancelled checks or cancelled cashier money orders verifying the child care costs.

Verifications must specify the child care provider's name, address, telephone number, Social Security Number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods.

Family's certification as to whether any of those payments have been or will be paid or reimbursed by outside sources.

Medical Expenses

Families, who claim medical expenses will be required to submit a certification as to whether or not any expense payments have been, or will be, reimbursed by an outside source. All expense claims will be verified by one or more of the methods listed below:

Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, of (a) the anticipated medical costs to be incurred by the family and regular payments due on medical bills; and (b) extent to which those expenses will be reimbursed by insurance or a government agency.

Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.

Written confirmation from the Social Security Administration of Medicare premiums to be paid by the family over the next 12 months. A computer printout will be accepted.

For attendant care:

A reliable, knowledgeable professional's certification that the assistance of an attendant is necessary as a medical expense and a projection of the number of hours the care is needed for calculation purposes.

Attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family or agency (or copies of canceled checks the family used to make those payments) or stubs from the agency providing the services.

Receipts, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next 12 months.

Copies of payment agreements or most recent invoice that verify payments made on outstanding medical bills that will continue over all or part of the next 12 months.

Receipts or other record of medical expenses incurred during the past 12 months that can

be used to anticipate future medical expenses, which includes regular visits to doctors or dentists, for "general medical expenses". For non-prescription drugs verification is needed from a medical professional stating that these drugs are prescribed is also needed along with receipts. One time, nonrecurring expenses from the previous year will not be included.

The PHA will use mileage at the IRS rate, or cab, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment.

Assistance to Persons with Disabilities [24 CFR 5.611(c)] In All Cases:

Written certification from a reliable, knowledgeable professional that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function sufficiently independently to enable another family member to be employed.

Family's certification as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.

Attendant Care:

Attendant's written certification of amount received from the family, frequency of receipt, and hours of care provided.

Certification of family and attendant and/or copies of canceled checks family used to make payments.

Auxiliary Apparatus:

Receipts for purchases or proof of monthly payments and maintenance expenses for auxiliary apparatus.

In the case where the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

I. VERIFYING NON-FINANCIAL FACTORS [24 CFR 982.153(b) (15)]

Verification of Legal Identity

In order to prevent program abuse, the PHA will require applicants to furnish verification of legal identity for all family members.

The documents listed below will be considered acceptable verification of legal identity for adults. If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.

Certificate of Birth, naturalization papers.

- Church issued baptismal certificate
- Current, valid Driver's license
- U.S. military discharge (DD 214)
- U.S. passport
- Department of Motor Vehicles Identification Card
- Hospital records

Documents considered acceptable for the verification of legal identity for minors may be one or more of the following:

- Certificate of Birth
- Adoption papers
- Custody agreement
- Health and Human Services ID
- School records

Verification of Marital Status

Verification of divorce status will be a certified copy of the divorce decree, signed by a Court Officer.

Verification of a separation may be a copy of court-ordered maintenance or other records.

Verification of marriage status is a marriage certificate.

Familial Relationships (pages 7-16 and 7-17)

Certification will normally be considered sufficient verification of family relationships. In cases where reasonable doubt exists, the family may be asked to provide verification.

The following verifications will always be required if applicable:

- Verification of relationship:
- Official identification showing names
- Birth Certificates
- Baptismal certificates
- Verification of guardianship is:
 - Court-ordered assignment
 - Verification from social services agency

Verification of Permanent Absence of Family Member

If an adult member who was formerly a member of the household is reported permanently absent by the family, the PHA will consider any of the following as verification:

Husband or wife institutes divorce action. Husband or wife institutes legal separation.

Order of protection/restraining order obtained by one family member against another.

Proof of another home address, such as utility bills, canceled checks for rent, driver's license, or lease or rental agreement, if available.

Statements from other agencies such as social services or a written statement from the landlord or manager that the adult family member is no longer living at that location.

If the adult family member is incarcerated, a document from the Court or correctional facility should be obtained stating how long they will be incarcerated.

Verification of Change in Family Composition

The PHA may verify changes in family composition (either reported or unreported) through letters, telephone calls, utility records, inspections, landlords, credit data, school, employment, or DMV records, and other sources. In cases of domestic violence, stalking, or dating violence, HOC will accept a final order of protection, peace order, or similar court order to remove a household member.

If the family is unable to obtain the above documentation, HOC will accept documentation from the U.S. Postal Service that indicates that the removed household member does not receive mail at the program unit address and a notarized statement from the head of household, the former member or both.

Verification of Disability

Verification of disability must be receipt of SSI or SSA disability payments under Section 223 of the Social Security Act or 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7) or for those who do not receive disability benefits the disability can be verified by appropriate diagnostician such as physician, psychiatrist, psychologist, therapist, rehab specialist, or licensed social worker, using the HUD language as the verification format.

Verification of Citizenship/Eligible Immigrant Status [24 CFR 5.508, 5.510, 5.512, 5.514]

To be eligible for assistance, individuals must be U.S. citizens or eligible immigrants. Individuals who are neither may elect not to contest their status. Eligible immigrants must fall into one of the categories specified by the regulations and must have their status verified by Immigration and Naturalization Service (INS). Family members must declare their status once. Assistance cannot be delayed, denied, or terminated while verification of status is pending except that assistance to applicants may be delayed while the PHA hearing is pending.

Citizens or Nationals of the United States are required to sign a declaration under penalty of perjury.

The PHA will require citizens to provide documentation of citizenship. Acceptable documentation will include at least one of the following original documents:

United States birth certificate
United States Passport
Resident alien/registration card

Other appropriate documentation as determined by the PHA

Eligible Immigrants who were Participants and 62 or over on June 19, 1995, are required to sign a declaration of eligible immigration status and provide proof of age.

Non-citizens with eligible immigration status must sign a declaration of status and verification consent form and provide their original immigration documents which are copied front and back and returned to the family. The PHA verifies the status through the INS SAVE system. If this primary verification fails to verify status, the PHA must request within 10 days that the INS conduct a manual search.

Ineligible family members who do not claim to be citizens or eligible immigrants must be listed on a statement of ineligible family members signed by the head of household or spouse.

Non-citizen students on student visas are ineligible members even though they are in the country lawfully. They must provide their student visa but their status will not be verified and they do not sign a declaration but are listed on the statement of ineligible members.

Failure to Provide: If an applicant or participant family member fails to sign required declarations and consent forms or provide documents as required, they must be listed as an ineligible member. If the entire family fails to provide and sign as required, the family may be denied or terminated for failure to provide required information.

Time of Verification

For applicants, verification of U.S. citizenship/eligible immigrant status occurs at the same time as verification of other factors of eligibility for final eligibility determination.

The PHA will not provide assistance to any family prior to the affirmative establishment and verification of the eligibility of the individual or at least one member of the family.

The PHA will verify the U.S. citizenship/eligible immigration status of all participants no later than the date of the family's first annual reexamination following the enactment of the Quality Housing and Work Responsibility Act of 1998.

For family members added after other members have been verified, the verification occurs at the first recertification after the new member moves in.

Once verification has been completed for any covered program, it need not be repeated except that, in the case of port-in families, if the initial PHA does not supply the documents, the PHA must conduct the determination.

Extensions of Time to Provide Documents

The PHA will grant an extension of 30 days for families to submit evidence of eligible immigrant status.

Acceptable Documents of Eligible Immigration

The regulations stipulate that only the following documents are acceptable unless changes are published in the Federal Register:

Resident Alien Card (I-551)

Alien Registration Receipt Card (I-151) Arrival-Departure Record (I-94)

Temporary Resident Card (I-688) Employment Authorization Card (I-688B)

Receipt issued by the INS for issuance of replacement of any of the above documents that shows individual's entitlement has been verified

A birth certificate is not acceptable verification of status. All documents in connection with U.S. citizenship/eligible immigrant status must be kept 5 years.

The PHA will verify the eligibility of a family member at any time such eligibility is in question, without regard to the position of the family on the waiting list.

If the PHA determines that a family member has knowingly permitted another individual who is not eligible for assistance to reside permanently in the family's unit, the family's assistance will be terminated for 36 months, unless the ineligible individual has already been considered in prorating the family's assistance.

Verification of Social Security Numbers [24 CFR 5.216]

Social security numbers must be provided as a condition of eligibility for all family members if they have been issued a number, except any member who is older than 62 as of Jan 31, 2010 and receiving assistance as of that date.

At the time any change in family composition is reported to HOC, each new family member will be required to produce a Social Security card or original document issued by a federal or state government agency that provides the Social Security Number of the individual along with other identifying information. HOC will accept HUD prescribed documentation of this information.

If an applicant or participant is able to disclose the Social Security Number but cannot meet the documentation requirements, the applicant or participant cannot become a participant or continue as a participant until the applicant or participant can provide the complete and accurate Social Security Number assigned to each member of the household.

HOC permits a 90-day period during which an applicant family may become a program participant, even if the family lacks the documentation necessary to verify the Social Security Number (SSN) of a family member under the age of six (6) years old. An extension of one additional 90-day period must be granted if HOC determines that, in its discretion, the applicant's failure to comply was due to circumstances that could not reasonably have been foreseen and were outside of the control of the applicant. For example, an applicant may be able to demonstrate timely submission of a request for a Social Security Number, in which case processing time would be the cause of the delay. If the applicant family does not produce the required documentation within the authorized time period, HOC must impose appropriate penalties, in accordance with the Code of Federal Regulations at 24 CFR 5.218.

If merited, HOC will offer a grace period and/or an extension. HOC will implement this provision just as it currently implements the provision for program participants. Specifically, an applicant family with a child under the age of six (6) years may become a participant family, even if the Social Security Number for the child has not been verified at the time of admission. If the Social Security Number has still not been verified at the end of the initial 90-day period, then HOC must determine whether a 90-day extension is merited. If it is not merited, then HOC must follow the provisions of 24 CFR 5.218. If a 90-day extension is merited, then HOC must either verify the Social Security Number for the child by the end of the 90-day extension period or follow the provisions of 24 CFR 5.218.

Failure to provide the required documentation during the recertification process will result in an incomplete recertification action and may subject the family to termination of housing assistance.

Medical Need for Larger Unit

A written certification that a larger unit is necessary must be obtained from a reliable, knowledgeable professional, such as a doctor, social worker, or caseworker.

EXHIBIT C

Chapter 8

VOUCHER ISSUANCE AND BRIEFINGS

[24 CFR 982.301, 982.302]

INTRODUCTION

The PHA's goals and objectives are designed to assure that families selected to participate are equipped with the tools necessary to locate an acceptable housing unit. Families are provided sufficient knowledge and information regarding the program and how to achieve maximum benefit while complying with program requirements. When eligibility has been determined, the PHA will conduct a mandatory briefing to ensure that families know how the program works. The briefing will provide a broad description of owner and family responsibilities, PHA procedures, and how to lease a unit. The family will also receive a briefing packet that provides more detailed information about the program including the benefits of moving outside areas of poverty and minority concentration. This Chapter describes how briefings will be conducted, the information that will be provided to families, and the policies for how changes in the family composition will be handled.

A. ISSUANCE OF VOUCHERS [24 CFR 982.204(d), 982.54(d)(2)]

When funding is available, the PHA will issue Vouchers to applicants whose eligibility has been determined. The number of Vouchers issued must ensure that the PHA stays as close as possible to 100 percent lease-up. The PHA performs a monthly calculation electronically to determine whether applications can be processed, the number of Vouchers that can be issued, and to what extent the PHA can over-issue (issue more Vouchers than the budget allows to achieve lease-up).

The PHA may over-issue Vouchers only to the extent necessary to meet leasing goals. All Vouchers that are over-issued must be honored. If the PHA finds it is over-leased, it must adjust future issuance of Vouchers in order not to exceed the ACC budget limitations over the fiscal year.

B. BRIEFING TYPES AND REQUIRED ATTENDANCE [24 CFR 982.301]

Initial Applicant Briefing

Briefings will be conducted in English.

The purpose of the briefing is to explain how the program works and the documents in the Voucher holder's packet to families so that they are fully informed about the program. This will enable them to utilize the program to their advantage, and it will prepare them to discuss it with potential owners and property managers.

The PHA will not issue a Voucher to a family unless the household representative has attended a briefing and signed the Voucher. Applicants who provide prior notice of inability to attend a briefing will automatically be scheduled for the next briefing. Applicants who fail to attend 2 scheduled briefings, without prior notification and approval of the PHA, may be denied admission based on failure to supply information needed for certification. The PHA will conduct individual briefings for families with disabilities at their home, upon request by the family, if required for reasonable accommodation.

Briefing Packet [24 CFR 982.301(b)]

The documents and information provided in the briefing packet for the voucher program will comply with all HUD requirements. The PHA also includes other information and/or materials that are not required by HUD. This information will be provided at the applicant's Initial and the participant's Move Briefing.

The family is provided with the following information and materials

The term of the voucher, and the PHA policy for requesting extensions or suspensions of the voucher (referred to as tolling).

A description of the method used to calculate the housing assistance payment for a family, including how the PHA determines the payment standard for a family; how the PHA determines total tenant payment for a family and information on the payment standard and utility allowance schedule. How the PHA determines the maximum allowable rent for an assisted unit.

For a family that qualifies to lease a unit outside the PHA jurisdiction under portability procedures, the information must include an explanation of how portability works.

The HUD required tenancy addendum, which must be included in the lease.

The Request for Approval of Tenancy form, and a description of the procedure for requesting approval for a unit.

A statement of the PHA policy on providing information about families to prospective owners.

The PHA Subsidy Standards including when and how exceptions are made and how the voucher size relates to the unit size selected.

The HUD brochure on how to select a unit and/or the HUD brochure "A Good Place to Live" on how to select a unit that complies with HQS.

The HUD brochure on lead-based paint and information about where blood level testing is available.

Information on Federal, State and local equal opportunity laws and a copy of the housing discrimination complaint form. The PHA will also include the pamphlet "Fair Housing: It's Your Right" and other information about fair housing laws and guidelines, and the telephone numbers of the local fair housing agency and the HUD enforcement office.

A list of units available for the Section 8 program which is updated monthly and compiled by bedroom size.

If the family includes a person with disabilities, notice that the PHA will provide assistance in locating accessible units.

The Family Obligations under the program.

The grounds on which the PHA may terminate assistance for a participant family because of family action or failure to act.

PHA informal hearing procedures including when the PHA is required to offer a participant family the opportunity for an informal hearing, and how to request the hearing.

Information packet including an explanation of how portability works, including a list of neighboring housing agencies with the name, address and telephone number of a portability contact person at each for use by families who move under portability. (required for PHAs in MSAs)

A family participating in the project-based voucher program will be offered available tenant-based assistance either under the voucher program or under another comparable form of tenant-based assistance as defined by HUD

Information regarding the PHA's outreach program that assists families who are interested in, or experiencing difficulty in obtaining available housing units in areas outside of minority concentrated locations.

The HQS checklist.

Procedures for notifying the PHA and/or HUD of program abuses such as side payments, extra charges, violations of tenant rights, and owner failure to repair.

The family's rights as a tenant and a program participant. Requirements for reporting changes between annual recertifications. Information on security deposits and legal referral services.

Exercising choice in residency

Choosing a unit carefully and only after due consideration. The Family Self-Sufficiency program and its advantages.

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

Move Briefing

A full HUD-required move briefing will be held for participants who will be reissued a Voucher to move, and who have been recertified within the last 120 days, and have given notice of intent to vacate to their landlord. This briefing includes incoming and outgoing portable families. The briefings will be conducted in groups. Families who attend group briefings and still have the need for individual assistance will be referred to their Rental Assistance Specialist.

Owner Briefing

Briefing may be held for owners periodically. The purpose of the briefing is to assure successful owner participation in the program. Information provided will include the responsibilities and obligations of the three parties.

C. ENCOURAGING PARTICIPATION IN AREAS WITHOUT LOW INCOME OR MINORITY CONCENTRATION (Regional Opportunity Counseling (ROC) Grant)

At the briefing, families are encouraged to search for housing in non-impacted areas and the PHA will provide assistance to families who wish to do so.

The PHA has areas of poverty and minority concentration clearly delineated in order to provide families with information and encouragement in seeking housing opportunities outside highly concentrated areas.

The PHA provides information about facilities and services in neighboring areas such as schools, transportation, and supportive and social services.

The PHA will investigate and analyze when voucher holders are experiencing difficulties locating or obtaining housing units outside areas of concentration.

The assistance provided to such families includes:

- Providing families with a search record form to gather and record info.
- Direct contact with landlords.
- Counseling with the family.
- Providing information about services in various non-impacted areas.
- Meeting with neighborhood groups to promote understanding.
- Formal or informal discussions with landlord groups.
- Formal or informal discussions with social service agencies.
- Meeting with rental referral companies or agencies.
- Will meet with fair housing groups or agencies as needed or upon request.

D. ASSISTANCE TO FAMILIES WHO CLAIM DISCRIMINATION The PHA will give

participants a copy of HUD form 903 to file a complaint. **E. SECURITY DEPOSIT REQUIREMENTS**

[24 CFR 982.313] **Leases Effective Prior to October 2, 1995** -

The amount of Security Deposit that could have been collected by owners under contracts effective prior to October 2, 1995 is:

Under the pre-merger Certificate Program, the owner could have collected a Security Deposit in an amount not to exceed Total Tenant Payment or \$50.00, whichever is greater, for non-lease-in-place families.

For the pre-merger Voucher Program, the owner, at his/her discretion, could have collected a Security Deposit in an amount not to exceed (PHA policy):

The greater of 30% of adjusted monthly income or \$50 for non-lease-in-place families.

The amount charged to unassisted tenants may not exceed the maximum allowed under state or local law.

The greater of 30% of adjusted monthly income or [amount].

Leases Effective on or after October 2, 1995

The owner is not required to, but may collect a security deposit up to the maximum allowed by State and local law.

Security deposits charged to families may be any amount the owner wishes to charge, subject to the following conditions:

Security deposits charged by owners may not exceed those charged to unassisted tenants nor the maximum prescribed by State or local law.

For lease-in-place families, responsibility for first and last month's rent is not considered a security deposit issue. In these cases, the owner should settle the issue with the tenant prior to the beginning of assistance.

F. TERM OF VOUCHER [24 CFR 982.303, 982.54(d) (11)]

During the briefing session, each household will be issued a voucher which represents a contractual agreement between the PHA and the Family specifying the rights and responsibilities of each party. It does not constitute admission to the program which occurs when the lease and contract become effective.

Expirations

The Voucher is valid for a period of at least ninety (90) calendar days from the date of issuance. The family must submit a Request for Tenancy Approval and Lease within the ninety-day period unless an extension has been granted by the PHA.

If the Voucher has expired, and has not been extended by the PHA or expires after an extension, the family will be denied assistance. The family will not be entitled to a review or hearing. If the family is currently assisted, they may remain as a participant in their unit if there is an assisted lease/contract in effect.

Suspensions

When a Request for Approval of Tenancy is received, the PHA will deduct the number of days required to process the request from the 90-day term of the voucher.

Extensions

The PHA ~~will~~ **may** extend the term up to ~~150~~ **90** days from the **voucher expiration date**. ~~beginning of the initial term if the family needs and request an extension as a reasonable accommodation to make the program accessible to and usable by a family member with a disability.~~ If as a reasonable accommodation, the family needs an extension in excess of **180** days, they must request the **extension same** in writing, prior to the expiration date of the voucher. ~~The PHA may grant such a request.~~

A family may request an extension of the voucher time period. All requests for extensions must be received, in writing, prior to the expiration date of the voucher.

Extensions are permissible at the discretion of the PHA up to a maximum of an additional ~~60~~ **90** days primarily for these reasons:

- Extenuating circumstances such as hospitalization or a family emergency for an extended period of time which has affected the family's ability to find a unit within the initial 90-day period. Verification is required.
- The PHA is satisfied that the family has made a reasonable effort to locate a unit, including seeking the assistance of the PHA, throughout the initial 90-day period. A completed search record is required **including a minimum of 10 units viewed**.
- The family was prevented from finding a unit due to disability accessibility requirements or bedroom unit requirement. The Search Record is part of the required verification.

Assistance to Voucher Holders

Families who require additional assistance during their search may call the PHA Office to request assistance. Voucher holders will be notified at their briefing session that the PHA periodically updates the listing of available units and how the updated list may be obtained.

The PHA will assist families with negotiations with owners and provide other assistance related to the families' search for housing.

After the first 30 days of the search the family is required to maintain a search record.

G. VOUCHER ISSUANCE DETERMINATION FOR SPLIT HOUSEHOLDS

24 CFR 982.315]

In those instances, when a family assisted under the Section 8 program becomes divided into two otherwise eligible families due to divorce, legal separation, or the division of the family, and the new families cannot agree as to which new family unit should continue to receive the assistance, and there is no determination by a court, the Director of Rental Assistance shall consider the following factors to determine which of the families will continue to be assisted:

- Which of the two new family units has custody of dependent children.
- Which family member was the head of household when the Voucher was initially issued (listed on the initial application).
- The composition of the new family units, and which unit contains elderly or disabled members.
- Whether domestic violence was involved in the breakup.
- Which family members remain in the unit.
- Recommendations of social service professionals.

Documentation of these factors will be the responsibility of the requesting parties.

If documentation is not provided, the PHA will terminate assistance on the basis of failure to provide information necessary for a recertification.

H. REMAINING MEMBER OF TENANT FAMILY - RETENTION OF VOUCHER

[24 CFR 982.315]

To be considered the remaining member of the tenant family, the person must have been previously approved by the PHA to be living in the unit.

A live-in attendant, by definition, is not a member of the family and will not be considered a remaining member of the Family.

In order for a minor child to continue to receive assistance as a remaining family member:

- The court has to have awarded emancipated minor status to the minor, or
- The PHA has to have verified that social services and/or the Juvenile Court has arranged for another adult to be brought into the assisted unit to care for the child(ren) for an indefinite period.

A reduction in family size may require a reduction in the voucher family unit size.

I. SPLIT HOUSEHOLDS DURING PROGRAM PARTICIPATION

When families currently receiving assistance split, the current head of household retains continual voucher assistance. Remaining family members must separately apply when the waiting list is open to receive assistance.

EXHIBIT D

Chapter 21

HOUSING CHOICE VOUCHER HOMEOWNERSHIP OPTION A. GENERAL

PROVISIONS

The Housing Choice Voucher Homeownership Program of the Housing Opportunities Commission of Montgomery County, Maryland ("HOC") offers eligible participants in the Housing Choice Voucher program, including participants with portable vouchers, the option of purchasing a home with their Housing Choice Voucher assistance rather than renting. This is a program, which is limited to up to twenty-five (25). As many as three (3) slots are designated for households meeting HUD definition of disabled.

Participants will be chosen through the Commission-approved random selection and screening process.

Eligible applicants for the Housing Choice Voucher homeownership program must be participants in the Housing Choice Voucher rental program, may not owe HOC or any other Housing Authority an outstanding debt (unless they are making regular payments on the debt), and must meet the eligibility criteria set forth herein.

Housing Choice Voucher homeownership assistance may be used to purchase a home within Montgomery County (excluding the city of Rockville). HOC also will permit portability of Housing Choice Voucher homeownership assistance to another jurisdiction, provided the receiving jurisdiction operates and has an opening in Housing Choice Voucher homeownership program for which the Housing Choice Voucher homeownership applicant qualifies.

B. FAMILY ELIGIBILITY REQUIREMENTS

Participation in the Housing Choice Voucher homeownership program is voluntary. Each Housing Choice Voucher homeownership applicant must meet the general requirements for admission to the Housing Choice Voucher program as set forth in HOC's Administrative Plan. Such Housing Choice Voucher family also must be "eligible" to participate in the homeownership program. The additional eligibility requirements for participation in HOC's Housing Choice Voucher homeownership program include that the family must: (1) be a first-time homeowner or have a member who is a person with disabilities; (2) with the exception of elderly and disabled households, meet a minimum income requirement without counting income from "welfare assistance" sources; (3) with the exception of elderly and disabled households, meet the requisite employment criteria; (4) be a current participant in the Housing Choice Voucher program; (5) have fully repaid any outstanding debt owed to HOC or any other Housing Authority (unless they are making regular payments); (6) not defaulted on a mortgage securing debt to purchase a home under the homeownership option; and (7) not have any member who has a present ownership interest in a residence at the commencement of home- ownership

assistance.

1. First-Time Homeowner.

Each Housing Choice Voucher family, except families with a disabled member, must be a first-time homeowner. A "first-time homeowner" means that no member of the household has had an ownership interest in any residence during the three years preceding commencement of homeownership assistance.

However, a single parent or displaced homemaker who, while married, owned a home with a spouse (or resided in a home owned by a spouse), and no longer owns the home, is considered a "first-time homeowner" for purposes of the Housing Choice Voucher homeownership option; and the right to purchase title to a residence under a lease-purchase agreement is not considered an "ownership interest."

2. Minimum Income Requirement.

(a) Amount of Income.

At the time the family begins receiving homeownership assistance, the head of household, spouse, and/or other adult household members who will own the home must have a gross annual income of ~~\$24,000~~ \$40,000.

(b) Exclusion of Welfare Assistance Income.

With the exception of elderly and disabled families, HOC will disregard any "welfare assistance" income in determining whether the family meets the minimum income requirement. Welfare assistance includes assistance from Temporary Assistance for Needy Families ("TANF"), Supplemental Security Income ("SSI") that is subject to an income eligibility test, food stamps, general assistance, or other welfare assistance specified by HUD. The disregard of welfare assistance income under this section affects the determination of minimum monthly income in determining initial qualification for the homeownership program. It does not affect the determination of income-eligibility for admission to the Housing Choice Voucher program, calculation of the family's total tenant payment, or calculation of the amount of homeownership assistance payments.

3. Employment History.

With the exception of disabled and elderly households, each family must demonstrate that one or more adult members of the family who will own the home at commencement of homeownership assistance is employed full-time (an average of 30 hours per week) and has been so continuously employed for one year prior to execution of the sales agreement. In order to reasonably accommodate a family's enrollment in the program, HOC will exempt families that include a person with disabilities from this requirement. HOC's Executive Director may also consider whether and to

what extent an employment interruption is considered permissible in satisfying the employment requirement. The Executive Director may also consider successive employment during the one-year period and self-employment in a business.

4. Current Participant in Housing Choice Voucher Program.

Applicants for and new applicants and participants in the Housing Choice Voucher homeownership program must be current participants in the rental program and be in good standing with HOC.

5. Repayment of any Housing Authority Debts.

Applicants in the Housing Choice Voucher program shall be ineligible for participation in the Housing Choice Voucher homeownership program in the event any debt or portion of a debt remains owed to HOC or any other Housing Authority. Nothing in this provision will preclude Housing Choice Voucher participants that have fully repaid such debt(s) from applying for and participating in the Housing Choice Voucher homeownership program (unless they are making regular payments on the debt).

6. Additional Eligibility Factors.

(a) Elderly and Disabled Households.

Elderly and disabled families are exempt from the employment requirements set forth in Section B (3) above. In the case of an elderly or disabled family, HOC will consider income from all sources, including welfare assistance, in evaluating whether the household meets the minimum income required to purchase a home through the Housing Choice Voucher homeownership program.

(b) Participation in FSS Program.

In order to be selected for the homeownership program, all applicants, excluding those with disabilities, must have either successfully graduated from HOC's Family Self-Sufficiency (FSS) Program or be currently enrolled in HOC's FSS Program and completed two years of participation in HOC's Family Self-Sufficiency ("FSS") Program prior to completion of homeownership counseling, and be in good standing with the FSS Program, in order to apply for and participate in

the homeownership program. Persons with disabilities must have completed one year of participation in HOC's Family Self Sufficiency ("FSS") Program.

(c) Prior Mortgage Defaults.

If a head of household, spouse, or other adult household member who will execute the contract of sale, mortgage and loan documents has previously defaulted on a mortgage obtained through the Housing Choice Voucher home- ownership program, the family will be ineligible to participate in the homeownership program.

C. FAMILY PARTICIPATION REQUIREMENTS

Once a family is determined to be eligible to enroll in the program, it must comply with the following additional requirements: (1) complete a home- ownership counseling program approved by HOC prior to commencement of homeownership assistance; (2) within three years of completion of counseling, locate and contract for the home it proposes to purchase; (3) submit a sales agreement containing specific components to HOC for approval; (4) allow HOC to inspect the proposed homeownership dwelling to assure that the dwelling meets appropriate housing quality standards; (5) obtain an independent inspection covering major building systems; (6) obtain HOC approval of the proposed mortgage (which must comply with generally accepted mortgage underwriting requirements); and (7) enter into a written agreement with HOC to comply with all of its obligations under the Housing Choice Voucher program.

1. Homeownership Counseling Program.

A family's participation in the homeownership program is conditioned on the family attending and successfully completing a homeownership counseling program provided or approved by HOC prior to commencement of homeownership assistance. The homeownership and counseling program will include home maintenance; budgeting and money management; credit counseling; negotiating purchase price; securing mortgage financing; finding a home; and the advantages of purchasing and locating homes in areas that do not have a high concentration of low-income families.

The counseling agency providing the counseling program shall be approved either by HUD and/or HOC, or the program shall be consistent with the homeownership counseling provided under HUD's Housing Counseling program. HOC may require families to participate in a HOC-approved homeownership counseling program on a continuing basis.

2. Locating and Purchasing a Home.

(a) Locating a Home.

Upon approval for the Housing Choice Voucher home- ownership program and completion of counseling, a family shall have three years to settle on a home to purchase. A home shall be considered located if the family submits a signed sales agreement with the requisite components to HOC. During a Housing Choice Voucher participant's search for a home to purchase, the Housing Choice Voucher rental assistance shall continue pursuant to the Administrative Plan. If a Housing Choice Voucher participant family is unable to locate a home within the time approved by HOC, their Housing Choice Voucher rental assistance through the Housing Choice Voucher program shall continue.

(b) Type of Home.

A family approved for Housing Choice Voucher homeownership assistance may purchase the following type of homes within Montgomery County: a new or existing home with a purchase price at or below the FNMA/FHLMC Single Family Loan Limits, a single-family home, a condominium, a home in a planned use development, a cooperative, a loft or live/work unit, or a manufactured home to be situated on a privately owned lot or on a leased pad in a mobile home park. The home must already exist or be under construction at the time HOC determines the family eligible for homeownership assistance to purchase the unit. The family also may purchase a home in a jurisdiction other than Montgomery County, provided the Housing Authority in the receiving jurisdiction operates a Housing Choice Voucher homeownership program for which the Housing Choice Voucher homeownership applicant qualifies. In such a case, a family's participation in the Housing Choice Voucher home- ownership program will be subject to the Housing Choice Voucher homeownership program and policies of the receiving jurisdiction.

(c) Purchasing a Home.

Once a home is located and a sales agreement approved by HOC is signed by the family, the family shall have up to three (3) months, or such other time as is approved by HOC's Executive Director or set forth in the HOC- approved sales agreement, to purchase the home.

(d) Failure to Complete Purchase.

If a Housing Choice Voucher participant is unable to purchase the home within the maximum time permitted by HOC, HOC shall terminate the participant's enrollment in the home- ownership program. The family may

not re-apply for the Housing Choice Voucher homeownership program until they have completed two additional years of participation in the Housing Choice Voucher program following the initial determination of their eligibility for the homeownership option.

(e) Lease-Purchase

Lease-purchase agreements are not permitted.

(f) Down Payment

The family must meet a minimum homeowner down payment requirement of at least three percent of the purchase price for participation in the Voucher homeownership program. At least one percent of the purchase price must come from the family's personal resources.

3. Sales Agreement.

Prior to execution of the offer to purchase or sales agreement, the financing terms must be provided by the family to HOC for approval. The sales agreement must provide for inspection by HOC and the independent inspection referred to in Section C (4) and must state that the purchaser is not obligated to purchase unless such inspections are satisfactory to HOC. The contract also must provide that the purchaser is not obligated to pay for any necessary repairs. The sales agreement must provide that the purchaser is not obligated to purchase if the mortgage financing terms are not approved by HOC pursuant to Section C (6). The sales agreement must also contain a seller certification that the seller is not debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.

4. Independent Initial Inspection Conducted.

To assure the home complies with the housing quality standards of the Housing Choice Voucher program, homeownership assistance payments may not commence until HOC first inspects the home. An independent inspection of existing homes covering major building systems also must be completed by a professional selected by the family and approved by HOC. HOC will not pay for the independent inspection. The independent inspection report must be provided to HOC. HOC may disapprove the unit due to information contained in the report or for failure to meet federal housing quality standards.

5. Financing Requirements.

The proposed financing terms must be submitted to and approved by HOC prior to close of escrow. HOC will approve or disapprove the financing terms within five (5) business days. HOC shall determine the affordability of the family's proposed financing. In making such determination, HOC may take into account

other family expenses, including but not limited to child care, unreimbursed medical expenses, education and training expenses and the like. Certain types of financing, including but not limited to, balloon payment mortgages and adjustable rate mortgages, are prohibited and will not be approved by HOC. Seller-financing mortgages shall be considered by HOC on a case by case basis. If a mortgage is not FHA-insured, HOC will require the lender to comply with generally accepted mortgage underwriting standards consistent with those of HUD/ FHA, Ginnie Mae, Fannie Mae, Freddie Mac, the Federal Home Loan Bank of Atlanta, or other private lending institution.

A second trust for closing costs is permitted.

6. Family Compliance with Program Policies.

A family must agree, in writing, to comply with all family obligations under the Housing Choice Voucher program and HOC's homeownership policies. These obligations include (1) attending ongoing home- ownership counseling, if required by HOC; (2) complying with the mortgage terms; (3) not selling or transferring the home to anyone other than a member of the assisted family who resides in the home while receiving homeownership assistance; (4) not refinancing or adding debt secured by the home without prior approval by HOC; (5) not obtaining a present ownership interest in another residence while receiving home- ownership assistance; and (6) supplying all required information to HOC including, but not limited to, annual verification of household income, notice of change in homeownership expenses, notice of move-out, and notice of mortgage default. HOC's Homeownership Family Obligation policies are set forth in Appendix A. Once the home purchase is complete, the family becomes a participant in the HCV homeownership program.

D. AMOUNT OF ASSISTANCE

The amount of the monthly assistance payment will be based on three factors: the voucher payment standard for which the family is eligible, the monthly home- ownership expenses, and the family's household income. HOC will pay the lower of either the payment standard minus the total family contribution ("TFC") or the family's monthly homeownership expenses minus the TFC. The Housing Choice Voucher family will pay the difference.

1. Determining the Payment Standard.

The voucher payment standard is the fixed dollar amount the HOC annually establishes for a unit of a particular size located within the HOC jurisdiction. In the homeownership program, the initial payment standard will be the lower of either (1) the payment standard for which the family is eligible based on family size, or (2) the payment standard which is applicable to the size of the home the

family decides to purchase. The payment standard for subsequent years will be based on the higher of: (1) the payment standard in effect at commencement of the homeownership assistance, or (2) the payment standard in effect at the most recent regular reexamination of the family's income and size. The initial payment standard, for purposes of this comparison, shall not be adjusted even if there is a subsequent decrease in family size.

Exception rents, if in effect for the Housing Choice Voucher rental program, will also apply to the homeownership program.

2. Determining the Monthly Homeownership Expense.

Monthly homeownership expense includes all of the following: principal and interest on the initial mortgage and any mortgage insurance premium (MIP) incurred to finance the purchase and any refinancing of such debt; real estate taxes and public assessments; homeowner's insurance; maintenance expenses per HOC allowance; costs of major repairs and replacements per HOC allowance (replacement reserves); utility allowance per HOC's schedule of utility allowances; principal and interest on mortgage debt incurred to finance major repairs, replacements or improvements for the home including changes needed to make the home accessible; and homeowner association dues, fees or regular charges assessed, if any.

Homeownership expenses for a cooperative member may only include HOC approved amounts for the cooperative charge under the cooperative occupancy agreement including payment for real estate taxes and public assessments on the home; principal and interest on initial debt incurred to finance purchase of cooperative membership shares and any refinancing of such debt; home insurance; the allowances for maintenance expenses, major repairs and replacements and utilities; and principal and interest on debt incurred to finance major repairs, replacements, or improvements, including changes needed to make the home accessible.

3. Determining the Total Family Contribution

The TFC is that portion of the homeownership expense that the family must pay. It is generally 30% of the family's adjusted income plus any gap between the payment standard and the actual housing cost. All family income (including public assistance) will be counted to determine the family's adjusted monthly income for purposes of determining the amount of assistance.

4. Payment to Family or Lender.

HOC will provide the lender with notice of the amount of the housing assistance payment prior to close of escrow and will pay HOC's contribution towards the family's homeowner expense directly to the family unless otherwise required by the lender. The family will be responsible to submit the entire mortgage payment to the lender unless the lender requires direct payment of HOC's contribution.

**E. TERMINATION OF HOUSING CHOICE VOUCHER
HOMEOWNERSHIP ASSISTANCE**

1. Grounds for Termination of Homeownership Assistance.

- (a) Failure to Comply with Family Obligations under Housing Choice Voucher Program or HOC's Homeownership Policies.

A family's homeownership assistance may be terminated if the family fails to comply with its obligations under the Housing Choice Voucher program, HOC homeownership policies, or if the family defaults on the mortgage. If required, the family must attend and complete ongoing homeownership and housing counseling classes. The family must comply with the terms of any mortgage incurred to purchase and/or refinance the home. The family must provide HOC with written notice of any sale or transfer of any interest in the home, any plan to move out of the home prior to the move, the family's household income and homeownership expenses on an annual basis, any notice of mortgage default received by the family, and any other notices which may be required pursuant to HOC homeownership policies. Except as otherwise provided in this Section, the family may not convey or transfer the home to any entity or person other than a member of the assisted family while receiving homeownership assistance.

- (b) Occupancy of Home.

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

- (c) Changes in Income Eligibility.

A family's homeownership assistance may be changed in the month following annual recertification of the household income, but participation in the Housing Choice Voucher Homeownership program shall continue until such time as the assistance payment amounts to \$0 for a period of six

- (6) consecutive months.

- (d) Maximum Term of Homeownership Assistance.

Notwithstanding the provisions of Section E (1), subparagraphs (a) through (c), except for disabled and elderly families, a family may receive Housing Choice Voucher homeownership assistance for not longer than ten (10) years from the date of close of escrow unless the initial mortgage incurred to finance purchase of the home has a term that is 20 years or longer, in which case the maximum term is 15 years. Families that qualify as elderly at the commencement of homeownership assistance are not subject to a maximum term limitation. Families that qualify as disabled families at the commencement of homeownership assistance or at any time during the provision of homeownership assistance are not subject to a maximum term limitation. If a disabled family or elderly family ceases to qualify as disabled or elderly, the appropriate maximum term becomes applicable from the date homeownership assistance commenced provided, however, that such family shall be eligible for at least six additional months of homeownership assistance after the maximum term becomes applicable.

The time limit applies to any member of the household who has an ownership interest in the unit during any time that homeownership payments are made or is a spouse of any member of the household who has an ownership interest.

2. Procedure for Termination of Homeownership Assistance.

A participant in the Housing Choice Voucher Homeownership program is a family who has purchased a home in this program. Participants shall be entitled to the same termination notice and informal hearing procedures as set forth in the Administrative Plan of the HOC for the Housing Choice Voucher program.

E. CONTINUED PARTICIPATION IN HOUSING CHOICE VOUCHER PROGRAM

1. Default on FHA-Insured Mortgage.

If the family defaults on an FHA-insured mortgage, HOC may permit the family to move with continued Housing Choice Voucher rental assistance if the family demonstrates that it has (a) conveyed title to the home to HUD or its designee as required by HUD, and (b) moved from the home within the period established or approved by HUD.

2. Default on non-FHA-Insured Mortgage.

If the family defaults on a mortgage that is not FHA-insured, HOC may permit the family to move with continued Housing Choice Voucher rental assistance if the family demonstrates that it has (a) conveyed title to the home to the lender, to HOC or to its designee, as may be permitted or required by the lender; and (b)

moved from the home within the period established or approved by the lender and/or HOC.

3. Continued Housing Choice Voucher Rental Assistance

HOC will determine on a case-by-case basis, in compliance with federal law and regulations, if a family terminated from the home- ownership program will remain eligible Housing Choice Voucher rental assistance.

G. HOC ADMINISTRATIVE FEE

For each month that homeownership assistance is paid by HOC on behalf of the family, HOC shall be paid the ongoing administrative fee described in 24 C.F.R. §982.152(b).

H. WAIVER OR MODIFICATION OF HOMEOWNERSHIP POLICIES

The Executive Director of HOC shall have the discretion to waive or modify any provision of the Housing Choice Voucher homeownership program or policies not governed by statute or regulation for good cause or to comply with changes in HUD regulations or directives.

APPENDIX A: HOUSING CHOICE VOUCHER HOMEOWNERSHIP OBLIGATIONS

This form is to be signed by the home buyer(s) in the presence of the Housing Opportunities Commission's (HOC) Homeownership Program Coordinator. The Coordinator will explain any and all clauses which you, the home buyer(s), may not understand.

The following paragraphs describe your responsibilities under the Housing Choice Voucher Homeownership Program. If you or members of your household do not meet these responsibilities through your actions or your failure to act, you may be determined ineligible for or terminated from the Housing Choice Voucher Homeownership Program.

1. Family Obligations: You must comply with all Family Obligations of the Housing Choice Voucher Program, excepting only the prohibition against owning or having an interest in the unit. Family Obligations §§ 982.551(c),(d),(e),(f),(g) and (j) do not apply to the Housing Choice Voucher Homeownership Program.

2. Housing Counseling: All applicant family members (i.e. those who will be signing the purchase offer and loan documents) must satisfactorily complete a HOC provided or approved counseling program prior to commencement of homeownership assistance. HOC may require any or all applicant family members to attend additional housing counseling classes as a condition of continued assistance.

3. Employment History: With the exception of disabled and elderly households, each family must demonstrate that one or more adult members of the family who will own the home at commencement of homeownership assistance is employed full-time (an average of 30 hours per week) and has been so continuously employed for one year prior to execution of the sales agreement. In order to reasonably accommodate a family enrollment in the program, HOC will exempt families that include a person with disabilities from this requirement. HOC's Executive Director may also consider whether and to what extent an employment interruption is considered permissible in satisfying the employment requirement. The Executive Director may also consider successive employment during the one-year period and self-employment in a business.

4. Purchase Contract: You must include contract conditions in any Offer to Purchase that give HOC a reasonable time (a) to inspect the home for compliance with HUD's Housing Quality Standards, (b) to review and approve a professional home inspection report obtained by you from a HOC approved inspector, and (c) approve the terms of your proposed financing. Advise your real estate broker, agent or Realtor of these requirements. You must settle on a home within three years of completion of home ownership counseling.

5. Mortgage Obligations: You must comply with the terms of any mortgage incurred in the purchase of the property and must notify HOC's Homeownership Program Counselor within five (5) days of receipt of any late payment notice or default notice.

6. Occupancy: You must occupy the unit as your principal residence. You may not transfer, sell, or assign any interest in the property without HOC's prior written consent. You may not rent or lease any part of the premises without HOC's prior written consent. You must notify HOC in writing at least 30 days prior to moving out of the house for a period of 30 days or longer or prior to any sale, transfer, assignment, lease or other form of alienation of the assisted property.

7. Maintenance: You must maintain the property in a decent, safe and sanitary manner in compliance with County codes and other prevailing standards. You must allow HOC to inspect the property within one-week of a demand by HOC to conduct an inspection. You must correct any notice of deficiency issued by HOC within the time limit specified in the notice. If you fail to adequately maintain the property, HOC may divert the maintenance and replacement reserves portions, if applicable, of the Homeownership Assistance Payment to an escrow account to be used to pay for reasonable and necessary maintenance expenses.

8. Annual Re-examination: You must annually provide HOC with current information regarding family income and composition in a format required by HOC.

9. Refinancing: You must notify HOC in writing of any proposal to refinance the original purchase mortgage or of any proposal to encumber the property with secondary financing and obtain HOC's written approval of such financing prior to executing any loan documents.

10. Default: In the event of a default on your mortgage obligation, you must cooperate with HOC and the lender to minimize any loss to the lender in order to maintain your eligibility to continue as a participant in the Housing Choice Voucher Program.

By signing below, I attest that I have read and understand my obligations as an applicant and a participant in the Housing Choice Voucher Homeownership Program and I agree to abide by these responsibilities. I understand that HOC may determine me ineligible for homeownership assistance if I violate my obligations after the purchase of a home, but that I may request an informal hearing of any notice of termination prior to it becoming effective.