

CHAPTER 15

SPECIAL HOUSING TYPES, PROGRAMS, AND PILOTS

[24 CFR 982 Subpart M]

INTRODUCTION

The PHA may permit a family to use any of the special housing types discussed in this chapter. However, the PHA is not required to permit families receiving assistance in its jurisdiction to use these housing types, except that the PHA must permit use of any special housing type if needed as a reasonable accommodation for a person with a disability. The PHA also may limit the number of families who receive HCV assistance in these housing types and cannot require families to use a particular housing type. No special funding is provided for special housing types.

OHCD Policy

Families will only be permitted to use the voucher for the following: Homeownership, Group Home, VASH, Family Self-Sufficiency and manufactured special housing types, unless use is needed as a reasonable accommodation so that the program is readily accessible to a person with disabilities. Other special housing types are not permitted by OHCD.

Special housing types include single room occupancy (SRO), congregate housing, group homes, shared housing, cooperative housing, manufactured homes where the family owns the home and leases the space, and homeownership [24 CFR 982.601].

This chapter consists of a description of the housing type and any special requirements associated with it. Except as modified by this chapter, the general requirements of the HCV program apply to special housing types.

Part I: Single Room Occupancy

Part II: Congregate Housing

Part III: Group Homes

Part IV: Shared Housing

Part V: Cooperative Housing

Part VI: Manufactured Homes (including manufactured home space rental)

Part VII: Homeownership

Part VIII. Moderate Rehabilitation Program

Part IX. Veterans Administration Supportive Housing (VASH) Program

Part X. Family Self-Sufficiency

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PART I: SINGLE ROOM OCCUPANCY

[24 CFR 982.602 through 982.605]

15-I.A. OVERVIEW

A single room occupancy (SRO) unit provides living and sleeping space for the exclusive use of the occupant but requires the occupant to share sanitary and/or food preparation facilities with others. More than one person may not occupy an SRO unit. HCV regulations do not limit the number of units in an SRO facility, but the size of a facility may be limited by local ordinances.

When providing HCV assistance in an SRO unit, a separate lease and HAP contract are executed for each assisted person, and the standard form of the HAP contract is used

OHCD Policy

This housing type is not permitted by OHCD except for reasonable accommodation.

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15-I.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION

The payment standard for SRO housing is 75 percent of the zero-bedroom payment standard amount on the PHA's payment standard schedule.

The utility allowance for an assisted person residing in SRO housing is 75 percent of the zero-bedroom utility allowance.

The HAP for an assisted occupant in an SRO facility is the lower of the SRO payment standard amount minus the TTP or the gross rent for the unit minus the TTP.

OHCD Policy

This housing type is not permitted by OHCD except for reasonable accommodation.

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15-I.C. HOUSING QUALITY STANDARDS (HQS)

HQS requirements described in Chapter 8 apply to SRO housing except as modified below.

- *Access:* Access doors to the SRO unit must have working locks for privacy. The occupant must be able to access the unit without going through any other unit. Each unit must have immediate access to two or more approved means of exit from the building, appropriately marked and leading to safe and open space at ground level. The SRO unit must also have any other means of exit required by State or local law.
- *Fire Safety:* All SRO facilities must have a sprinkler system that protects major spaces. “Major spaces” are defined as hallways, common areas, and any other areas specified in local fire, building, or safety codes. SROs must also have hard-wired smoke detectors, and any other fire and safety equipment required by state or local law.

Sanitary facilities and space and security standards must meet local code requirements for SRO housing. In the absence of local code standards the requirements discussed below apply [24 CFR 982.605].

- *Sanitary Facilities:* At least one flush toilet that can be used in privacy, a lavatory basin, and a bathtub or shower in proper operating condition must be provided for each six persons (or fewer) residing in the SRO facility. If the SRO units are leased only to men, flush urinals may be substituted for up to one half of the required number of toilets. Sanitary facilities must be reasonably accessible from a common hall or passageway, and may not be located more than one floor above or below the SRO unit. They may not be located below grade unless the SRO units are located on that level.
- *Space and Security:* An SRO unit must contain at least 110 square feet of floor space, and at least four square feet of closet space with an unobstructed height of at least five feet, for use by the occupant. If the closet space is less than four square feet, the habitable floor space in the SRO unit must be increased by the amount of the deficiency. Exterior doors and windows accessible from outside the SRO unit must be lockable.

Because no children live in SRO housing, the housing quality standards applicable to lead based paint do not apply.

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PART II: CONGREGATE HOUSING

[24 CFR 982.606 through 982.609]

15-II.A. OVERVIEW

Congregate housing is intended for use by elderly persons or persons with disabilities. A congregate housing facility contains a shared central kitchen and dining area and a private living area for the individual household that includes at least a living room, bedroom and bathroom. Food service for residents must be provided.

If approved by the PHA, a family member or live-in aide may reside with the elderly person or person with disabilities. The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When providing HCV assistance in congregate housing, a separate lease and HAP contract are executed for each assisted family, and the standard form of the HAP contract is used.

OHCD Policy

This housing type is not permitted by OHCD except for reasonable accommodation.

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15-II.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION

The payment standard for an individual unit in a congregate housing facility is based on the number of rooms in the private living area. If there is only one room in the unit (not including the bathroom or the kitchen, if a kitchen is provided), the PHA must use the payment standard for a zero-bedroom unit. If the unit has two or more rooms (other than the bathroom and the kitchen), the PHA must use the 1-bedroom payment standard.

The HAP for an assisted occupant in a congregate housing facility is the lower of the applicable payment standard minus the TTP or the gross rent for the unit minus the TTP.

The gross rent for the unit for the purpose of calculating HCV assistance is the shelter portion (including utilities) of the resident's monthly housing expense only. The residents' costs for food service should not be included in the rent for a congregate housing unit.

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15-II.C. HOUSING QUALITY STANDARDS

HQS requirements as described in Chapter 8 apply to congregate housing except for the requirements stated below.

Congregate housing must have (1) a refrigerator of appropriate size in the private living area of each resident; (2) a central kitchen and dining facilities located within the premises and accessible to the residents, and (3) food service for the residents, that is not provided by the residents themselves.

The housing quality standards applicable to lead-based paint do not apply.

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PART III: GROUP HOME

[24 CFR 982.610 through 982.614 and HCV GB p. 7-4]

15-III.A. OVERVIEW

A group home is a state-licensed facility intended for occupancy by elderly persons and/or persons with disabilities. Except for live-in aides, all persons living in a group home, whether assisted or not, must be elderly persons or persons with disabilities. Persons living in a group home must not require continuous medical or nursing care.

A group home consists of bedrooms for residents, which can be shared by no more than two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents.

No more than 12 persons may reside in a group home including assisted and unassisted residents and any live-in aides.

If approved by the PHA, a live-in aide may live in the group home with a person with disabilities. The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When providing HCV assistance in a group home, a separate lease and HAP contract is executed for each assisted family, and the standard form of the HAP contract is used.

OHCD Policy

This housing type is permitted by OHCD.

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15-III.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION

Unless there is a live-in aide, the family unit size for an assisted occupant of a group home must be zero- or 1-bedroom, depending on the PHA's subsidy standard. If there is a live-in aide, the aide must be counted in determining the household's unit size.

The payment standard used to calculate the HAP is the lower of the payment standard for the family unit size or the pro rata share of the payment standard for the group home size. The pro rata share is calculated by dividing the number of persons in the assisted household by the number of persons (assisted and unassisted) living in the group home.

The HAP for an assisted occupant in a group home is the lower of the payment standard minus the TTP or the gross rent minus the TTP.

The utility allowance for an assisted occupant in a group home is the pro-rata share of the utility allowance for the group home.

The rents paid for participants residing in group homes are subject to generally applicable standards for rent reasonableness. The rent for an assisted person must not exceed the pro-rata portion of the reasonable rent for the group home. In determining reasonable rent, the PHA should consider whether sanitary facilities and facilities for food preparation and service are common facilities or private facilities.

CHAPTER 15

15-III.C. HOUSING QUALITY STANDARDS

HQS requirements described in Chapter 8 apply to group homes except for the requirements stated below.

- *Sanitary Facilities:* A group home must have at least one bathroom in the facility, with a flush toilet that can be used in privacy, a fixed basin with hot and cold running water, and a shower or bathtub with hot and cold running water. A group home may contain private or common bathrooms. However, no more than four residents can be required to share a bathroom.
- *Food Preparation and Service:* Group home units must contain a kitchen and dining area with adequate space to store, prepare, and serve food. The facilities for food preparation and service may be private or may be shared by the residents. The kitchen must contain a range, an oven, a refrigerator, and a sink with hot and cold running water. The sink must drain into an approvable public or private disposal system.
- *Space and Security:* Group homes must contain at least one bedroom of appropriate size for every two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents.
- *Structure and Material:* To avoid any threat to the health and safety of the residents, group homes must be structurally sound. Elevators must be in good condition. Group homes must be accessible to and usable by residents with disabilities.
- *Site and Neighborhood:* Group homes must be located in a residential setting. The site and neighborhood should be reasonably free from hazards to the health, safety, and general welfare of the residents, and should not be subject to serious adverse conditions, such as:
 - Dangerous walks or steps
 - Instability
 - Flooding, poor drainage
 - Septic tank back-ups
 - Sewage hazards
 - Mud slides
 - Abnormal air pollution
 - Smoke or dust
 - Excessive noise
 - Vibrations or vehicular traffic
 - Excessive accumulations of trash - Vermin or rodent infestation, and - Fire hazards.

The housing quality standards applicable to lead-based paint do not apply.

CHAPTER 15

PART IV: SHARED HOUSING

[24 CFR 982.615 through 982.618]

15-IV.A. OVERVIEW

Shared housing is a single housing unit occupied by an assisted family and another resident or residents. The shared unit consists of both common space for use by the occupants of the unit and separate private space for each assisted family.

An assisted family may share a unit with other persons assisted under the HCV program or with other unassisted persons. The owner of a shared housing unit may reside in the unit, but housing assistance may not be paid on behalf of the owner. The resident owner may not be related by blood or marriage to the assisted family.

If approved by the PHA, a live-in aide may reside with the family to care for a person with disabilities. The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When providing HCV assistance in shared housing, a separate lease and HAP contract are executed for each assisted family, and the standard form of the HAP contract is used.

OHCD Policy

This housing type is not permitted by OHCD except for reasonable accommodation.

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15-IV.B. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION

The payment standard for a family in shared housing is the lower of the payment standard for the family unit size or the pro rata share of the payment standard for the shared housing unit size.

The pro rata share is calculated by dividing the number of bedrooms available for occupancy by the assisted family in the private space by the total number of bedrooms in the unit.

The HAP for a family in shared housing is the lower of the payment standard minus the TTP or the gross rent minus the TTP. The utility allowance for an assisted family living in shared housing is the pro rata share of the utility allowance for the shared housing unit.

The rents paid for families living in shared housing are subject to generally applicable standards for rent reasonableness. The rent paid to the owner for the assisted family must not exceed the pro-rata portion of the reasonable rent for the shared unit. In determining reasonable rent, the PHA should consider whether sanitary and food preparation areas are private or shared.

CHAPTER 15

15-IV.C. HOUSING QUALITY STANDARDS

The PHA may not give approval to reside in shared housing unless the entire unit, including the portion of the unit available for use by the assisted family under its lease, meets the housing quality standards.

HQS requirements described in Chapter 8 apply to shared housing except for the requirements stated below.

- *Facilities Available for the Family:* Facilities available to the assisted family, whether shared or private, must include a living room, a bathroom, and food preparation and refuse disposal facilities.
- *Space and Security:* The entire unit must provide adequate space and security for all assisted and unassisted residents. The private space for each assisted family must contain at least one bedroom for each two persons in the family. The number of bedrooms in the private space of an assisted family must not be less than the family unit size. A zero-bedroom or 1-bedroom unit may not be used for shared housing.

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PART V: COOPERATIVE HOUSING

[24 CFR 982.619]

15-V.A. OVERVIEW

This part applies to rental assistance for a cooperative member residing in cooperative housing. It does not apply to assistance for a cooperative member who has purchased membership under the HCV homeownership option, or to rental assistance for a family that leases a cooperative housing unit from a cooperative member.

A cooperative is a form of ownership (nonprofit corporation or association) in which the residents purchase memberships in the ownership entity. Rather than being charged “rent” a cooperative member is charged a “carrying charge.”

When providing HCV assistance in cooperative housing, the standard form of the HAP contract is used.

OHCD Policy

This housing type is not permitted by OHCD except for reasonable accommodation.

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15-V.B. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION

The payment standard and utility allowance are determined according to regular HCV program requirements.

The HAP for a cooperative housing unit is the lower of the payment standard minus the TTP or the monthly carrying charge for the unit, plus any utility allowance, minus the TTP. The monthly carrying charge includes the member's share of the cooperative debt service, operating expenses, and necessary payments to cooperative reserve funds. The carrying charge does not include down payments or other payments to purchase the cooperative unit or to amortize a loan made to the family for this purpose.

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15-V.C. HOUSING QUALITY STANDARDS

All standard HQS requirements apply to cooperative housing units. There are no additional HQS requirements.

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PART VI: MANUFACTURED HOMES

[24 CFR 982.620 through 982.624, FR Notice 1-18-17]

15-VI.A. OVERVIEW

A manufactured home is a manufactured structure, transportable in one or more parts, which is built on a permanent chassis, and designed for use as a principal place of residence. HCV assisted families may occupy manufactured homes in two different ways.

1. A family can choose to rent a manufactured home already installed on a space and the PHA must permit it. In this instance program rules are the same as when a family rents any other residential housing, except that there are special HQS requirements as provided in 15-VI.D below.
2. HUD also permits an otherwise eligible family that owns a manufactured home to rent a space for the manufactured home and receive HCV assistance with the rent for the space. The PHA may, but is not required to, provide assistance for such families.

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15-VI.B. SPECIAL POLICIES FOR MANUFACTURED HOME OWNERS WHO LEASE A SPACE

Family Income

In determining the annual income of families leasing manufactured home spaces, the value of the family's equity in the manufactured home in which the family resides is not counted as a family asset.

Lease and HAP Contract

There is a separate Tenancy Addendum (Form 52642-a) and separate HAP Contract (Form 52642) for this special housing type.

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15-VI.C. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION [FR Notice 1-18-17]

Payment Standards

The PHA payment standard for manufactured homes is determined in accordance with 24 CFR 982.505 and is the payment standard used for the PHA's HCV program. It is based on the applicable FMR for the area in which the manufactured home space is located.

The payment standard for the family is the lower of the family unit size (voucher size) or the payment standard for the number of bedrooms in the manufactured home.

Utility Allowance

The PHA must establish utility allowances for manufactured home space rental. For the first 12 months of the initial lease term only, the allowance must include an amount for a utility hook-up charge if the family actually incurred a hook-up charge because of a move. This allowance will not be given to a family that leases in place. Utility allowances for manufactured home space must not include the costs of digging a well or installing a septic system.

If the amount of the monthly assistance payment for a family exceeds the monthly rent for the manufactured home space (including the owner's monthly management and maintenance charges), the PHA may pay the remainder to the family, lender or utility company.

Space Rent

The rent for the manufactured home space (including other eligible housing expenses) is the total of:

- The rent charged for the manufactured home space;
- Owner maintenance and management charges for the space;
- The monthly payments made by the family to amortize the cost of purchasing the manufactured home, including any required insurance and property taxes; and
- The applicable allowance for tenant-paid utilities.

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Amortization Costs

The monthly payment made by the family to amortize the cost of purchasing the manufactured home is the debt service established at the time of application to a lender for financing the purchase of the manufactured home if monthly payment are still being made. Any increase in debt service due to refinancing after purchase of the home may not be included in the amortization cost. Debt service for set-up charges incurred by a family may be included in the monthly amortization payments made by the family. In addition, set-up charges incurred before the family became an assisted family may be included in the amortization cost if monthly payments are still being made to amortized the charge.

Housing Assistance Payment

The HAP for a manufactured home space under the housing choice voucher program is the lower of the payment standard minus the TTP or the manufactured home space rent (including other eligible housing expenses) minus the TTP.

Rent Reasonableness

Initially, and annually thereafter the PHA must determine that the rent for the manufactured home space is reasonable based on rents for comparable manufactured home spaces. The PHA must consider the location and size of the space, and any services and maintenance to be provided by the owner. By accepting the monthly HAP check, the owner certifies that the rent does not exceed rents charged by the owner for comparable unassisted spaces in the manufactured home park or elsewhere.

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15-VI.D. HOUSING QUALITY STANDARDS

Under either type of occupancy described in 15-VI.A above, the manufactured home must meet all HQS performance requirements and acceptability criteria discussed in Chapter 8 of this plan. In addition, the following requirement applies:

Manufactured Home Tie-Down

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

CHAPTER 15

PART VII: HOMEOWNERSHIP

[24 CFR 982.625 through 982.643]

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

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

There are two forms of homeownership assistance described in the regulations: monthly homeownership assistance payments and single downpayment assistance grants. However, PHAs may not offer downpayment assistance until and unless funding is allocated by Congress. Since this has not happened, only monthly homeownership assistance may be offered.

Homeownership is defined as monthly homeownership assistance.

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

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

OHCD Policy

OHCD will offer a First-Time Homebuyer Homeownership monthly homeownership payment for families that receive HCV assistance and meet the qualifications.

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

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

- The family must have been admitted to the Housing Choice Voucher program.
- The family must qualify as a first-time homeowner.
- The family must meet the Federal minimum income requirement. The family must have a gross annual income equal to the Federal minimum wage multiplied by 2000, based on the income of adult family members who will own the home. The PHA may establish a higher income standard for families. However, a family that meets the federal minimum income requirement (but not the PHA's requirement) will be considered to meet the minimum income requirement if it can demonstrate that it has been pre-qualified or pre-approved for financing that is sufficient to purchase an eligible unit.

OHCD Policy

OHCD will not establish a higher minimum income standard for disabled and/or non-disabled families.

- For disabled families, the minimum income requirement is equal to the current SSI monthly payment for an individual living alone, multiplied by 12.
- For elderly or disabled families, welfare assistance payments for adult family members who will own the home will be included in determining whether the family meets the minimum income requirement. It will not be included for other families.
- The family must satisfy the employment requirements by demonstrating that one or more adult members of the family who will own the home at commencement of homeownership assistance is currently employed on a full-time basis (the term 'full-time employment' means not less than an average of 30 hours per week); and has been continuously so employed during the year before commencement of homeownership assistance for the family.
- The employment requirement does not apply to elderly and disabled families. In addition, if a family, other than an elderly or disabled family includes a person with disabilities, the PHA must grant an exemption from the employment requirement if the PHA determines that it is needed as a reasonable accommodation.
- The family has not defaulted on a mortgage securing debt to purchase a home under the homeownership option.
- The family also satisfies all initial requirements established under section 15-VII.C.

OHCD Policy

- The HCV Homeownership Program is designed as a First-Time Homebuyer Program.
- No household or persons anticipated to occupy the proposed property had ownership (within the past 3 years) or currently has interest in residential property anywhere in the United States, foreign land or country.

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- Adult household members who will legally share the financial responsibility for the 1st Trust financing has not received Payday Loans, Cash advances, Title loans or have negative checking and/or savings account balances within the last 6 months prior to applying for the program.
- The family must have a middle credit scores at or above 660 to be eligible for selection or current VHDA minimum score requirement.
- The family must have all credit cards, old debt and medical collections paid off.
- The family must have a 6-month reserve for mortgage payment (escrow, etc.)
- The family must have all bills paid on time for one year.
- The family must be able to provide funds amounting to 3% of the sales price.
- Provide certification that the family has not filed for bankruptcy within the last 7 years.
- The family must show that they have secured their own financing for the home purchase and OHCD must approve the lender.
- Has obtained a recommendation from at least one prior landlord that the family is a good candidate for homeownership assistance and has no record of delinquent rent or damage claims while the family occupied the rental housing.
- The family must be in good standing with OHCD.
- Gross yearly income level is 2.5 times the Payment Standard for Voucher size.
- Debt rations 32/40.

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

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

If the PHA limits the number of families that may participate in the homeownership option, the PHA must establish a system by which to select families to participate. (see 15-VII.B. Family Eligibility)

OHCD Policy

On January 2005, OHCD began the Housing Choice Voucher Homeownership option on a pilot basis to assist a maximum of 15 families. The Homeownership was initially offered to those families participating in the Welfare to Work or the Family Self-Sufficiency program. Following the pilot the program was offered to all HCV participants. Preference will be given to FSS participants who are expected to graduate within 2 months. The limit of participants remains at 15. Selected families must be approved by both the Supervisor and Director. OHCD will review each of the families yearly to determine the progress they are making towards reducing their need for subsidies by increasing family income. Also, OHCD will assess the impact of the homeownership option on the cost to administer the HCV program.

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

In order for a unit to be eligible, the PHA must determine that the unit satisfies all of the following requirements:

- The unit must meet HUD's "eligible housing" requirements. The unit may not be any of the following:
 - A public housing or Indian housing unit;
 - A unit receiving Section 8 project-based assistance;
 - A nursing home, board and care home, or facility providing continual psychiatric, medical or nursing services;
 - A college or other school dormitory;
 - On the grounds of penal, reformatory, medical, mental, or similar public or private institutions.
- The unit must be under construction or already exist at the time the family enters into the contract or sale.
- The unit must be a one-unit property or a single dwelling unit in a condominium.
- The unit must have been inspected by the PHA and by an independent inspector designated by the family.
- The unit must meet Housing Quality Standards (HQS) (see Chapter 8).

The PHA must not approve the unit if the PHA has been informed that the seller is debarred, suspended, or subject to a limited denial of participation.

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

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

OHCD Policy

Once a family completes the required homeownership and housing counseling program and receives a certificate of completion, the family will have 60 days to find a home, execute a contract, get the home inspection and go to settlement.

During this period, the family will continue to receive HCV rental assistance in accordance with any active lease and HAP contract until the family vacates the rental unit for its purchased home.

If 60 days is not sufficient, the family may apply for extensions of 60 days upon documentation of need. All request for extensions must be submitted in writing to the PHA prior to the expiration of the period for which the extension is being requested. The PHA will approve or disapprove the extension request within 10 business days. The family will be notified of the PHA's decision in writing.

Total maximum search time is 120 days. If the family is unable to locate a property within 120 days, they are no longer eligible for the program and will be sent notification that their time has expired and they can reapply after one year from the date of notification.

The home selected must be an existing home or under construction and located within Prince William County. The home must be fee simple.

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

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

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

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

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

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

OHCD Policy

For HCV Homeownership assistance and before final eligibility determination and purchases, the family must attend a homeownership housing counseling program that will be provided by OHCD through the Virginia Cooperative Extension Office who are an approved HUD housing counseling agency. The program will include the following:

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1. Home Maintenance
2. Budgeting and Money Management
3. Credit Counseling
4. How to negotiate a contract for a home that conforms with OHCD requirements
5. How to locate financing, including pros and cons of different types of financing
6. How to find a home, including information about homeownership opportunities, schools and transportation
7. Advantages of homeownership in an area that does not have a high concentration of low-income families and how to locate homes in these areas
8. Information about the Real Estate Settlement Procedures Act (RESPA), State and federal truth and lending laws, and how to identify and avoid loans with oppressive terms and conditions
9. Information on Fair Housing including fair housing lending and local fair housing enforcement agencies, and
10. Post-Settlement counseling.

A Certificate of completion of the Homeownership and Housing Counseling must be provided to OHCD prior to final determination of eligibility for the HCV Homeownership Program.

CHAPTER 15

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

Home Inspections

The PHA may not commence monthly homeownership assistance payments for a family until the PHA has inspected the unit and has determined that the unit passes HQS.

OHCD Policy

After the family locates a home they wish to purchase and submits a copy of their purchase offer/contract, the PHA will conduct a housing quality standard (HQS) inspection within 10 business days. Any items found not to meet HQS must be repaired before the unit can be determined eligible for the Homeownership Program.

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

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

The PHA may disapprove a unit for assistance based on information in the independent inspector's report, even if the unit was found to comply with HQS.

OHCD Policy

After the family has selected a home and before commencement of homeownership assistance, there are two mandatory inspections.

For the first inspection, the family must hire and pay for the cost of an independent professional home inspector who is qualified to report and to inspect the home for physical defects to assess the adequacy and life span of the major building components, building systems, appliances and other structural components. A copy of the inspection report must be provided to the family and OHCD. The inspector must be a member of the American Society of Home Inspectors (ASHI) or other recognized professional society, or a licensed engineer. The inspector must not be a PHA employee. Once the inspection is completed, the lender will review the inspection report for accuracy and completeness. Based on these inspections, the family and OHCD will determine if there are any pre-purchase repairs that need to be discussed and decided upon by the seller and the family, the severity of the repairs, and whether the purchase transaction makes sense in light of the overall condition of the home and the likely cost of repairs and capital expenditures.

CHAPTER 15

Second, the home must pass an initial OHCD Housing Quality Standard (HQS) inspection that will be performed by OHCD. The inspection is the normal initial HQS inspection conducted by OHCD for the Tenant-Based Rental Assistance Program.

OHCD considers the home inspection requirement to be a critical step in the home selection process. The professional home inspection will disclose independent data concerning the age and condition of the home, especially those components of the home such as the roof, heating and air conditioning, and appliances that must be replaced based on the age and condition of the home. The affordability model will be used to measure the family's ability to pay housing and non-housing cost and replacement of the home's major systems and components.

The Statement of Family Obligations will include a requirement that the family maintain the unit once purchased in accordance with Federal HQS which requires an annual/biennial inspection. Any notice of deficiency would need to be corrected within the time limit specified in the notice. Failure to do so may result in termination of benefits under the program.

Contract of Sale

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

- Specify the price and other terms of sale by the seller to the purchaser;
- Provide that the purchaser will arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected by the purchaser and OHCD;
- Provide that the purchaser is not obligated to purchase the unit unless the inspection is satisfactory to the purchaser;
- Provide that the purchaser is not obligated to pay for any necessary repairs;
- Contain a certification from the seller that the seller has not been debarred, suspended, or subject to a limited denial of participation under CFR part 24;
- Disclosure of Information on Lead-Based Paint and Lead-Based Hazards, and
- Condition of acquiring 1st trust financing.

Disapproval of a Seller

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

CHAPTER 15

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

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

OHCD Policy

OHCD requires that families acquire financing from one of VHDA's participating lenders and must approve all financing before purchase.

Families, Lenders, and Counselors must consider the following when selecting a Mortgage Product:

OHCD does not permit balloon payment and variable interest rate loans for homeowner financing.

1. Seller financing is prohibited.
2. Financing for purchase of a home under its HCV homeownership program must be provided, insured, or guaranteed by the State or Federal government, comply with secondary mortgage market underwriting requirements, or comply with generally accepted private sector underwriting standards; or if the purchase of a home is financed with FHA mortgage insurance, financing is subject to FHA mortgage insurance requirements.

The mortgage the family applies for must require a minimum downpayment of at least 3% of the sales prices with 1% of the downpayment coming from the purchaser's personal funds. OHCD will not require that the family have any more than the minimum 1% of their own money in the transaction. However, in cases where a lender is requiring a larger amount, the family may be held to the underwriting guidelines set by the lending institution.

A family's may request to utilize its Family Self-Sufficiency escrow account for downpayment and/or closing cost when purchasing a unit under the HCV homeownership option if homeownership is a goal.

CHAPTER 15

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

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

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

The family must comply with the following obligations:

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

OHCD Policy

Post-purchase requirements are found in the Statement of Homeowner Obligations Form (HO-103). See Exhibit 15-1. If *Key to Own Participants* do not meet these responsibilities the participants may be terminated from the HCV Homeownership Program. Any inspection conducted by OHCD will be performed every other year. The family will be required to make the repairs to bring the property into HQS compliance.

An assisted family, or members of the family, may not receive Section 8 tenant-based assistance while receiving another housing subsidy, for the same unit or for different unit under any duplicative Federal, State or local housing assistance program.

CHAPTER 15

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

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

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

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

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

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

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

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

OHCD Policy

The maximum term for OHCD HCV Homeownership assistance will be for 15 years if the 1st trust financing is 20 years or longer. If elderly or disabled family makes application for the Homeownership assistance, the assistance will be for the life of the loan. If the family ceases to qualify as disabled or elderly family, the maximum term of assistance will be 15 years from when the homeownership assistance commenced along with an additional 6 months of homeownership assistance.

CHAPTER 15

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

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

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

The PHA may pay the homeownership assistance payments directly to the family, or at the PHA's discretion, to a lender on behalf of the family.

OHCD Policy

OHCD housing assistance payment will be paid directly to the family. It will be the family's responsibility to make the entire payment to the lender. OHCD may make an exception if the family requests the payment to go directly to the lender, and this arrangement is acceptable to the mortgage company. If the assistance payment exceeds the amount due to the lender, OHCD must pay the excess to the family.

If during the 15-year eligibility period, the family goes to zero HAP, Homeownership assistance for a family terminates automatically 180 calendar days after the last homeownership assistance payment on behalf of the family. However, the PHA may grant relief from this requirement in those cases where automatic termination would result in extreme hardship for the family.

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

OHCD Policy

In order for OHCD to consider granting relief from the requirement to automatically terminate homeownership assistance 180 days following OHCD's last housing assistance payment on behalf of the family, the family must submit a request to OHCD at least 30 days prior to the date of automatic termination. The request must include an explanation of the circumstances that will cause an extreme hardship for the family (e.g., the imminent loss of income or employment) as well as documentation supporting the request. OHCD will determine on a case-by-case basis whether to grant relief from the requirement and for what period of time. In no case will OHCD postpone termination beyond an additional 90 days.

CHAPTER 15

Homeownership expenses only include amounts allowed by the PHA to cover:

- Principal and interest on initial mortgage debt and any mortgage insurance premium incurred to finance purchase of the home;
- Real estate taxes and public assessments on the home;
- Home insurance;
- The PHA allowance for maintenance expenses;
- The PHA utility allowance for the home;
- For a condominium unit, condominium operating charges or maintenance fees assessed by the condominium homeowner association.

OHCD Policy

Homeownership expenses only include amounts

- Monthly Homeownership Payments – This includes principal and interest on initial mortgage debt, taxes and insurance, and any mortgage insurance premium, if applicable.
- Utility Allowance – OHCD utility allowance for the unit, based on the current HCV utility allowance table based upon the voucher size or unit whichever is less.
- Monthly Maintenance /Repair Allowance – The monthly maintenance/repair allowance will be the annual amount divided by twelve. The annual allowance will be set at .5% of the purchase price.
- Monthly Co-op/Condominium Assessment – If applicable, the monthly amount of co-op or condominium association operation and maintenance assessment.
- Monthly Principal & Interest on Debt Improvements – Principal and interest for major home repair, replacement, or improvements if applicable.

CHAPTER 15

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

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

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

OHCD Policy

A family may qualify to move outside of OHCD's jurisdiction with continued tenant-based assistance under the voucher program if **all** of the following criteria apply:

1. For homeownership assistance, the receiving PHA must be absorbing a voucher homeownership program, and be accepting new homeownership families.
2. The family must sell its current home and pay all mortgages and liens on the property in order to purchase and port to another home.
3. The receiving PHA:
 - Will have the same administrative responsibilities of the initial PHA except that some administrative functions (e.g. issuance of a voucher or execution of a tenancy addendum) do not apply.
 - Must absorb the family into its voucher program.
 - Will determine if financing and physical condition of the unit is acceptable and all homeownership policies apply.
 - The maximum term of homeownership assistance applies to the cumulative time the family has received homeownership assistance. The total must **not** exceed the maximum term of 15 years unless elderly or disabled.

Note: All portability policies that are in place for the HCV rental assistance program are applicable to the HCV homeownership program. All homeownership program eligibility criteria will apply, i.e. the family must be a participant with the PHA's rental program for one year and in good standing, etc.

CHAPTER 15

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

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

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

- If the PHA has insufficient funding to provide continued assistance.
- In accordance with 24 CFR 982.638, regarding denial or termination of assistance.
- In accordance with PHA's policy regarding number of moves within a 12-month period. PHA must deny the family permission to move to a new unit with continued voucher rental assistance if:
- The family defaulted on an FHA-insured mortgage; and
- The family fails to demonstrate that the family has conveyed, or will convey, title to the home, as required by HUD, to HUD or HUD's designee; and the family has moved, or will move, from the home within the period established or approved by HUD.

OHCD Policy

OHCD will not allow a family receiving homeownership assistance to purchase another home because the HCV Homeownership Program is designed as a First-Time Homebuyer Program. To be a First-Time Homebuyer no household or persons anticipated to occupy the proposed property had ownership (within the past 3 years) or currently has interest in residential property anywhere in the United States, foreign land or country.

Please see 15-VII.L. PORTABILITY requirements.

The family can receive a tenant-based voucher assistance if **all** of the following criteria are met:

1. The family has not had a mortgage loan default.
2. The family sells its current home under the HCV homeownership assistance.
3. There are no recapture provisions associated with the family's home; therefore, the family may keep any profits or proceeds from the sale of the home
4. All eligibility criteria applicable to the first home purchase are met. The only exception to the eligibility requirements is that the family would not meet the first-time homebuyer requirement.
5. The maximum term of homeownership assistance applies to the cumulative time the family has received homeownership assistance. The total must **not** exceed the maximum term of 15 years.

OHCD will only allow one move by the family during any one-year period.

CHAPTER 15

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

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

The PHA may also deny or terminate assistance for violation of participant obligations described in 24 CFR Parts 982.551 or 982.633 and in accordance with its own policy, with the exception of failure to meet obligations under the Family Self-Sufficiency program as prohibited under the alternative requirements set forth in FR Notice 12/29/14.

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

OHCD Policy

OHCD will terminate a family's homeownership assistance if the family violates any of the homeownership obligations listed in Section I, as well as for any of the reasons listed in Section 2 of form HUD-52649. Statement of Homeowner Obligations Housing Choice Homeownership Voucher Program.

In making its decision to terminate homeownership assistance, OHC will consider alternatives as described in Section 12.II.C and other factors described in Section 12-II.D. Upon consideration of such alternatives and factors, OHCD may, on a case-by-case basis, choose not to terminate.

Termination notices will be sent in accordance with the requirements and policies set forth in Section 12.II.F.

CHAPTER 15

PART VIII. SECTION 8 MODERATE REHABILITATION PROGRAM [24 CFR Part 882]

15-VIII.A. OVERVIEW

The purpose of the Moderate Rehabilitation Program (MRP) is to upgrade substandard rental housing and to provide rental subsidies for low-income families. As outlined in 24 CFR Part 882, existing structures of various types may be appropriate for this program including single-family houses, multi-family structures and group homes.

OHCD Policy

OHCD does not administer the Section 8 Moderate Rehabilitation Program.

CHAPTER 15

PART IX. HUD - VETERANS ADMINISTRATION SUPPORTIVE HOUSING (VASH)

[Federal Register, May 6 and May 19, 2008]

15-IX.A. OVERVIEW

The HUD-VASH Program is a collaborative effort between the US Department of Housing and Urban Development and the Veterans Affairs Department. It's a national initiative that provides permanent housing and supportive services to homeless veterans. The OHCD will administer the HUD Veterans Affairs Supportive Housing Vouchers ("HUD-VASH") in accordance with this Administrative Plan, 24 CFR part 982, and subsequent HUD notices, guidance, or regulations that amends or supersedes Docket No. FR-5213-N-01. OHCD partners with Veterans Affairs. The goal of the Program is to combine Section 8 rental assistance vouchers with case management and clinical services provided by the Veterans Affairs Department (VAD) at its medical centers to enable homeless veterans to re-integrate in the community to lead healthy, productive lives.

OHCD Policy

OHCD administers the Veterans Administration Supportive Housing (VASH) program by following the above Federal Register Notices and subsequent HUD guidance.

CHAPTER 15

15-IX.B. ELIGIBILITY AND SELECTION

The Veterans Affairs Department will screen homeless veterans for eligibility for the HUD-VASH Program, in accordance with its screening criteria, except for income eligibility and sex offender status. Eligible homeless veterans that agree to participate in case management will be referred to OHCD for voucher issuance. OHCD will determine if income eligible in accordance with 24 CFR 982.201 and section 3.11.A of this Administrative plan, and may deny if not income eligible. Though OHCD is not required to include HUD-VASH Vouchers in the income targeting requirements, the OHCD may choose to include the admission of extremely low income HUD-VASH families in its income targeting numbers for the fiscal year in which the HUD-VASH families are admitted.

The OHCD will screen for sex offender status and will deny admission if the homeless veteran is a sex-offender with a lifetime registration requirement. If another family member in the household is the lifetime registrant – family may be eligible for voucher if the family member subject to the registration requirement is removed from the household. No other eligibility priorities or preferences are applicable and the OHCD shall not deny HUD-VASH applicants admission for any other grounds.

CHAPTER 15

15-IX.C. INTITIAL TERM OF THE VOUCHER

The HUD-VASH voucher must have an initial search term of 120 days. See Section 5-II.E for all the policies regarding initial term extension and suspension and expiration.

CHAPTER 15

15-IX.D INITIAL LEASE TERM

Initial lease terms may be less than one-year for HUD-VASH Participants.

CHAPTER 15

15- IX.E. ELIGIBLE HOUSING

HUD-VASH Families are permitted to live in private housing rental units.

CHAPTER 15

15-IX.F CASE MANAGEMENT REQUIREMENTS

A condition of eligibility for a HUD-VASH voucher is that the VASH participant must receive case management services as verified by the VAD. The VAD screens homeless Veterans to determine eligibility for the HUD-VASH program as established by Veteran's Affairs national office; identifies the social service and medical need of the homeless veteran; ensures that the veteran receive ongoing case management, health services, and other supportive services as identified; and maintains records as required by HUD and Veterans Affairs. A HUD VASH family's HCV assistance must be terminated if the family refuses, without good cause, to participate in required case management as determined by the VAD.

CHAPTER 15

15-IX. G. PORTABILITY OF HUD-VASH VOUCHERS

The HUD-VASH Family may initially lease up, or move under portability provisions. If the the “initial PHA’s partnering VAD will still be able to provide the needed case management services because of the proximity, the receiving PHA must process the move in accordance with the Portability policies of 24 CFR 982.355 and OHCD’s policies in Chapter 10 of this Administrative Plan. However, the receiving PHA must bill the initial PHA; the receiving PHA does not have the option to absorb the HUD-VASH Family under this situation.

If a VASH Family wants to move where it will not be possible for the initial PHA’s partnering VAD to provide case management services, the VAD must first determine whether the HUD-VASH Family could be served by another VAD that is participating in the program, and the receiving PHA must have a HUD-VASH voucher available for this Family. If the above conditions are met, the VASH Family must be absorbed by the receiving PHA. Upon absorption, the OHCD’s HUD-VASH voucher will be available to lease to a new HUD-VASH eligible Family referred by the partnering VAD.

CHAPTER 15

15-IX.H. TRANSFER FROM HUD-VASH TO TENANT BASED VOUCHER ASSISTANCE

If the VAD determines that the VASH Family no longer requires case management the OHCD may offer the Family a regular tenant-based voucher in the tenant based program to free up the HUD-VASH voucher for another homeless veteran family. The offer of tenant-based assistance is pending funding availability and a VASH family that is offered a regular tenant-based voucher will be subject to the eligibility requirements outlined in Chapter 3 of this Administrative Plan.

CHAPTER 15

15-IX.I. PROJECT BASED ASSISTANCE OF HUD-VASH VOUCHERS

OHCD does not offer Project Based Assistance for the HUD VASH Vouchers.

CHAPTER 15

15-IX.J SEMAP, VMS AND MTW REPORTING

HUD-VASH vouchers are administered in accordance with HUD-VASH notices. The VASH Vouchers are monitored in VMS separately from all other Tenant Based vouchers and they will not be included in the SEMAP leasing indicator denominator because they are dependent on referrals from VAD. HUD VASH Vouchers are not fungible under OHCD's MTW agreement and must be reported separately from MTW vouchers. The code "VASH" will be recorded in section 2n of the HUD-50058 form to indicate in PIC

CHAPTER 15

PART X. FAMILY SELF-SUFFICIENCY PROGRAM

15-X.A. PROGRAM OBJECTIVES [24CFR 984.102]

The objective of the FSS program is to reduce the dependency of low-income families on public or welfare assistance and on Section 8, low income public housing, or any Federal, State, or local rent or homeownership subsidies. Under the FSS program, low-income families are provided opportunities for education, job training, counseling, and other forms of social service assistance, while living in assisted housing, so that they may obtain the education, employment, and social skills necessary to achieve self-sufficiency, as defined in § 984.103 of this subpart A. HUD measures the success of a PHA's FSS program not only by the number of families who achieve self-sufficiency, but also by "the number of FSS families who, as a result of participation in the program, have family members who obtain their first job, or who obtain higher paying jobs; no longer need benefits received under one or more welfare programs; obtain a high school diploma or higher education degree; or accomplish similar goals that will assist the family in obtaining economic independence."

The Office of Housing and Community Development (OHCD) implemented its Family Self Sufficiency (FSS) Program for Housing Choice Voucher Participants for both the County and Manassas City in 1992 with the first families enrolled in 1993. June 2001 the City of Manassas/Manassas Park FSS Plan became independent of Prince William County. Each jurisdiction continues separate Action Plans. OHCD works with social service agencies, schools, businesses, and other local partners to help FSS Participants access services including but not limited to:

- child care
- transportation
- education and training
- employment
- home-ownership counseling

CHAPTER 15

15-X.B. ELIGIBILITY AND RECRUITMENT

The FSS Program is open for all HCV participants. OHCD periodically surveys all HCV participants to determine their interest in the program. The Coordinator for FSS discusses the FSS Program opportunity when applicants and participants attending their initial and transfer voucher briefings. The HCV Housing Program Specialist discusses the FSS opportunity with participants during their annual Recertification appointments. Applicants and participants who are interested in the program are invited to schedule an appointment to meet with the Coordinator to make application for the FSS Program.

CHAPTER 15

15-X.C. NEEDS ASSESSMENT, INDIVIDUAL TRAINING AND SERVICES PLAN AND FSS CONTRACT

The PHA employs a Coordinator for FSS, whose primary responsibility is to work with FSS Families. The Coordinator completes a needs assessment of every participating FSS individual, to determine the services needed for the individual to achieve the goal of self-sufficiency. The Coordinator uses the needs assessment to develop an Individual Training and Services Plan (hereafter called a Service Plan) for the family. The Service Plan identifies the family's "ultimate goal", along with interim goals to meet the "ultimate" goal; outlines the activities the family needs to undertake to meet the interim goals; identifies the services the family may require to assist in completing the activities, and estimates time frames for completing activities, interim goals, and achievement of the family's "ultimate" goal. Upon completion of Service Plan, the Coordinator will prepare the family's FSS Contract of Participation. The FSS Contract includes the effective date, term, responsibilities of the Family and of the PHA and provisions for establishing an escrow account. After the Coordinator meets with the family and explains the Service Plan and FSS Contract, the family commits by signing the plan and the contract. The term of the FSS Contract is for five years and may be extended for up to two years.

CHAPTER 15

15-X.D. MONITORING AND CASE MANAGEMENT

The Coordinator monitors the Service Plan during the term of the FSS Contract and provides case management and program services to the family. The Coordinator links the FSS Participant Family with services and provides support to help the Family achieve its goals. Individual appointments are scheduled as necessary and the FSS Coordinator is also available by telephone for crisis intervention to help the Family achieve the goals set forth in the FSS Contract. FSS Participants are required to keep at least 2 appointments per year, although many Participants will meet with their FSS Coordinator on a much more frequent basis. Workshops are held for FSS Participants throughout the year and include topics such as budgeting, credit repair, employment search, educational opportunities, owner and neighbor relations, and homeownership.

CHAPTER 15

15-X.E. ESCROW ACCOUNT

The FSS Program requires the PHA to establish and maintain an interest bearing FSS escrow account for each participating family. An escrow credit, based on increases in earned income of the family, is credited to this account by the PHA during the term of the FSS contract. Escrow deposits are made by the PHA on the assumption of rent paid by the tenant. If a participating family does not pay their rent to their landlord the escrow funds may be forfeited because failure to comply with the lease is a family obligation under the FSS program. Nonpayment of rent is grounds for terminating a family's FSS participation and subsidy and forfeiture of the escrow. The Coordinator will provide each FSS Participant Family with an annual accounting of the status of their escrow funds at the end of each fiscal year.

The PHA may make a portion of this escrow account available to the family during the term of the contract to enable the family to complete an interim goal, such as education. These amounts must be approved in advance by Supervisor and Director. If the PHA terminates the FSS contract, or if the family fails to complete the contract before its expiration, the family's FSS escrow funds are forfeited. If an FSS participant is terminated from the HCV Program at any point during the term of the FSS contract, or if the participant family is still receiving 'cash assistance' (welfare benefits) at the end of the term of the Contract of Participation, the family's accumulated escrow account will be returned to OHCD. (Welfare benefits, for purposes of the FSS program only, means income assistance from Federal or State welfare programs. Welfare assistance does NOT include: Supplemental Security Income (SSI), Social Security Disability Insurance (SSDI), child support, Food Stamps and emergency rental and utilities assistance, or other payments from Social Security (24 CFR Ch. IX §984.105).)

Interim Disbursements

The early use of funds may be requested to assist the family in complying with the FSS Contract and becoming Self Sufficient (e.g. pay school cost). Escrow funds may not be used prior to the completion of the contract to pay money owner to OHCD or the landlord. However, upon completion of the Contract, OHCD may withhold from the final escrow disbursement any amounts owed to OHCD.

None-allowable use of escrow funds are:

- Past due rent to current landlord;
- Current or past due utilities accrued while a participant in the HCV program; or
- Security deposit

Number of Interim Disbursements

Eligible categories for interim disbursements are discussed in detail in the following section. Only ONE interim disbursement from any eligible category will be approved during the family's participation in the Family Self Sufficiency program for a maximum of one interim disbursement per calendar year.

CHAPTER 15

Processing Timeframe and Procedures

Processing timeframes for all escrow disbursements will be 30 days or less. The processing timeframe starts once the request is provided to the FSS Coordinator. Interim disbursement request are evaluated by the FSS Coordinator for validity and applicability to the completion of a specific goal in the Contract of Participation. At the time of the submitted request, documentation must be submitted by the family to substantiate the request. The Coordinator must review the client's progress under the Contract of Participation to determine if the family meets the requirements to be able to submit a request. Once an escrow request is approved by the Coordinator it also must also be approved by the Supervisor and Director.

Threshold Requirements to be Met Before a Request Can be Submitted

- At the time of the family's request, the family must have escrowed a full 12-months. This 12-month period can be consecutive or cumulative.
- At the time of the family's request, the family must have strictly adhered to the program's requirements for the past 12-months unless exceptions have been made due to truly extenuating circumstances. If a family exercises portability into Prince William County jurisdiction, and request a disbursement in less than 12-months of participation in Prince William County program, then the family must have adhered to program requirements for a total of 12-months in the originating jurisdiction or combined with the time contiguous to time in Prince William County before receiving an interim disbursement of funds.
- All request must have the signature of all adult members of the household since every adult member's earned income is considered for eligibility and rent and therefore escrow determination.
- All request must be linked to a specific goal or activity on the Contract of Participation and justification must be presented to show how the disbursement will help complete the goal or activity.
- At the time of the family's request, all activities must have been completed in the Contract of Participation, and all interim goals met on schedule according to the Contract. Those completed activities and completed interim goals must be identified as part of the escrow request. If there is any activity or interim goal that has not been completed within the scheduled timeframe on the Contract of Participation, the Contract must be amended before the request is submitted to OHCD.
- The amount requested cannot exceed 25% of the account balance at the time of the request.

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Eligible Categories for Interim Disbursements

Medical – Interim disbursements can be used for current medical expenses (anticipated or actual). However, medical expenses that are requested to be paid with escrow funds cannot be medical expenses that have been deducted as an allowance from income for the purpose of rent calculation. To be considered a medical request, it cannot have become a collection issue.

Valid and Required Documentation: Statement from family requesting disbursement, amount and which goal will be accomplished with the request; a statement attesting that no existing insurance can cover the expense and that the family is not receiving a deduction for same medical expensed from housing and state/bill from medical provider.

Credit – Disbursement can be used to clear up derogatory credit issues which affect the family's credit score, and therefore the ability to achieve homeownership or obtain transportation at reasonable interest rates. At the time of the request, family must be active and compliant in debt reduction plan.

Valid and Required Documentation: Statement from family requesting disbursement, amount which goal will be accomplished with the request; and proof of enrollment and status in debt reduction plan.

Education – Interim disbursements can be used to pay for educational expenses for goals that are outlined in the Contract of Participation. Education expenses that are requested to be paid from escrow funds cannot be expenses that are eligible for tax deduction, or have been covered by any financial assistance received or anticipated. This includes employer reimbursement expenses.

Valid and Required Documentation: Statement from family requesting disbursement, amount, which goal will be accomplished with the request and certification that the educational expenses for which the escrow funds have been requested will not be paid by another party; and verifiable proof of enrollment or completion.

Transportation – Disbursement can be used for car purchase, down payment or repairs to cars or other transportation expenses, such as Omnilink or VRE faire, only if it is not being reimbursed by the employer or another social services entity.

Valid and Required Documentation: Statement from family requesting disbursement outlining need and which goal(s) will be accomplished with the request. Proof of anticipated purchase or estimate from mechanic on legitimate stationary/form; proof of ownership for the car for which repair request are submitted; and statement attesting that stated repairs will only be paid by escrow funds instead of insurance claim, etc., and if other sources pay for those same repairs in the immediate future, that escrow funds will be repaid within 30 days.

Homeownership – Disbursement can be used for earnest money, closing costs or other expenses used in preparation for homeownership.

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Valid and Required Documentation: A valid sales contract, and prequalification letter from a lender or supporting documentation from an OHCD First-Time Homebuyer representative. If the funds are granted, but the purchase does not go through to settlement and the family decided to continue to rent; then all funds granted toward purchase must be repaid to OHCD within 30 days.

Entrepreneurship – Interim disbursements can be used for the start-up or expansion of a business.

Valid and Required Documentation: Family must present a statement requesting the funds and which goal(s) the funds will help complete, a business plan reviewed by a counselor (Small Business Administration [SBA] or Service Corps of Retired Executives [SCORE]). In addition, the family must provide proof that they have attended a relevant business class or seminar within the past 6-months.

Actions Following Disbursement

Upon disbursement, each receipt must follow up with the FSS Coordinator and provide proof that the funds were used for the approved circumstance(s) within 10-business days.

Compliance Issues

If any family does not provide receipt within 10-business days to prove the disbursement was applied properly, the family must repay those funds within 60-days. Failure to provide receipts to prove the full disbursement was applied properly constitutes fraud and will be grounds for termination of participation in the FSS program and the HCV program. Termination proceedings will only be suspended if the family signs an acknowledgement of this debt for the amount that was spent properly and a repayment agreement to be repaid within 60-days of the disbursement. In addition, the family will not be allowed to request any additional interim disbursements during the Contract of Participation.

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15-X.F. FSS AND PORTABILITY

An FSS Family that chooses to move outside of Prince William County must meet with the Coordinator to determine the best course for their FSS participation. The following options may be available:

1. The family continues in OHCD's FSS Program if they are able to maintain services and activities outlined in the Service Plan.
2. The family may enter the FSS Program of the Receiving Housing Authority if this option is available. The family must demonstrate that they will be able to complete the FSS Plan in the new area. The family would enter into an FSS Contract with the Receiving Housing Authority for the term remaining on the family's contract with the OHCD. The OHCD will then terminate its contract with the family. If the receiving housing authority does not have a FSS Program, or has no opening within its FSS Program, or the family decides not to continue in the FSS Program, OHCD will terminate its FSS Contract with the family and any escrow funds will revert back to OHCD.

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15-X.G. FSS CONTRACT COMPLIANCE

The Service Plan will be monitored by the Coordinator. A Family Self Sufficiency Participant is required to meet with the Community Services Coordinator at least twice a year to determine if the family is complying with their plan. A FSS Participant who has not kept an appointment with the FSS Coordinator for one (1) year will be placed on probation. A FSS Participant who does not keep appointments for two (2) years will be terminated from the FSS Program. An FSS Participant must comply with the terms of the Lease, including payment of their rent share to the landlord. If the Coordinator determines that the family is not keeping appointments, is failing to actively participate in activities according to the time frames specified in their contract or if the family is in violation of any provision of their Contract of Participation, a conference will be scheduled to discuss the violation(s). At the conference, the Coordinator will attempt to resolve the matter by obtaining an understanding of why the participant family is not in compliance and determine if adjustments to goals, services, and/or the timetables are necessary and/or appropriate in an effort to help the participant family complete their FSS Contract. The participant family will be advised that the FSS Contract can be terminated and any escrow funds will be forfeited upon further violations of the FSS Contract. If the Coordinator is unable to reach a satisfactory resolution with the family, additional administrative action may be necessary. If additional violations of the FSS Contract occur, or the conference does not successfully resolve the matter, the Coordinator will propose termination of the FSS Contract. A letter proposing termination will be sent to the family by certified mail. The letter will state the reason(s) for the proposed termination and inform the participant that they have the right to request a conference if there is disagreement regarding the termination. The participant will be advised to put the request for a conference into writing within ten (10) days to the Community Services Coordinator.

At the conference, the participant may offer reasons to not terminate the FSS Contract. The Coordinator will discuss these reasons with his or her supervisor and provide recommendation to the supervisor. After the review with the supervisor, the participant family will be notified in writing within ten (10) business days of the decision to terminate the FSS Contract or to further modify the plan. If the decision is to terminate, the participant family will receive a 30-day notice of this action and will forfeit all funds in its escrow account. The OHCD will not terminate HCV assistance because of the participant family's failure to meet FSS responsibilities. Section 8 Assistance will be terminated only as provided by HUD and the OHCD in the manner applied to all Section 8 subsidy holders.

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15-X.H. FSS CONTRACT COMPLETION & EXTENSIONS

Completion of the FSS Contract occurs when:

- (a) The Family has fulfilled all of its responsibilities under the contract; or (b) 30% of the Family's monthly-adjusted income is equal to or greater than the Fair Market Rent amount for the unit size for which the Family is eligible, or the Gross rent for the unit rented; or (c) at any time during the term of the contract of Participation, the OHCD may determine that the Family has met its obligations under the FSS Contract.

A required goal for each Contract of Participation is the requirement that the Head of Household seek and/maintain suitable full time (32 or more hours per week) employment during the term of the Contract. The level of employment that the family begins the Contract with is the determination of what is suitable. For example, if the Head of Household begins the Contract working 40-hours per week that is considered acceptable. A drop to fewer hours is only acceptable if there are conditions that occur that are beyond the family's control. A final goal is for the Head of Household to be suitably employed at the end of the contract. The only exception to the employment component is if thirty percent (30%) of the family's monthly adjusted income equals or is greater than the Fair Market Rent amount for the unit size for which the family qualifies.

Seek Employment – Job ready participants must make a minimum number of job contacts per week as outline in their Contract of Participation. Job contacts need to be made in person and documented by the participant by completing a job lead sheet, which will be submitted to the FSS Coordinator. For some employment objectives, it would be acceptable for the participant to submit resumes to prospective employers and submit copies of the cover letter, confirmation letters for the receipt of resumes for particular positions or in other cases a list of employers to the FSS Coordinator as documentation of job search efforts.

Maintain Employment – Participants who became employed will be required to maintain employment. If conditions arise in which a participant thinks it is necessary to resign from employment, the participant is required to consult with the FSS Coordinator prior to resigning unless there are extenuating circumstances. The FSS Coordinator will examine the situation to ensure that all options have been explored which would permit the participant to continue employment, obtain another job with equal or better pay and benefits, or improve career potential.

Extension – Contracts of Participation can be extend for a total of two years. Extensions are granted for one-year increments. The conditions that allow an extension to be granted beyond five-years are as follows:

- Documented medical reasons
- Education completion requirements that exceed five-years
- Involuntary loss of employment for reasons beyond the control of the participant

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- Additional time to fulfill the interim goal that the family is welfare free for at least one-year period to the end of the contract.

At that time, the amount in the Family's escrow account, less any amount owed to the OHCD, will be paid to the Head of the Household; or the OHCD reserves the right to terminate the FSS Contract of Participation before its expiration date under the following circumstances:

- (1) On determination that the Head of Household or participating Family member failed to fulfill the contract or any extensions thereof;
- (2) The Family withdraws from the FSS Program;
- (3) By mutual consent of both parties;
- (4) By operation of law; or
- (5) When the participating Family is no longer receiving Section 8 Assistance, including termination from the Section 8 HCV Program for violation of family obligations.
- (6) The OHCD may declare the Contract null and void if resources and services necessary to complete the contract are not available. If resources and services aren't available, OHCD may release the escrow to the tenant.

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18-1.1. PROGRAM STATUS: PROBATION AND TERMINATION

Program status is the standing that the family has at any given time during participation in the FSS program, relative to full compliance with the rules and regulations of the FSS program and adherence to the Contract of Participation. For compliance to the rules and regulations of both the Housing Choice Voucher Program and the Family Self Sufficiency Program families are reviewed.

Good Standing – Families that are in good standing are in compliance with both the Housing Choice Voucher Program (HCV) and Family Self Sufficiency (FSS) Program rules and regulations and are making satisfactory progress in completing their contract.

Program Non-Compliance – Families that are non-compliant are either in jeopardy of losing their housing assistance due to violations of the HCV Program, or are non-compliant with the rules of the FSS Program. FSS Coordinator review cases on a regular basis to determine compliance. Once the FSS Coordinator reviews the case and finds it non-compliant, he/she makes a concerted effort to assist the family in restoring themselves in good standing. If the family fails to comply, the family will be referred to OHCD for possible termination of participation in the FSS Program and possible termination of participation in HCV Program.

Families referred to OHCD for non-compliance will be assessed for termination based on the nature of the offense; whether or not the family was on probation; and what opportunities the family has been given to comply with the Program.

Once assessed by OHCD, if probation is determined to be the best outcome, the family will be required to sign a Memorandum of Understanding reiterating their need to comply with the rules and regulations of the program; the project time period of the probation, and the potential outcomes of non-compliance with the probation. The family is then referred back to the FSS Coordinator. At the end of the probation period, the Coordinator will submit written certification to Supervisor and Director that the family has been restored to good standing, or to request termination.

Once Supervisor and Director has received a referral for termination, the tenant is issued a notice of termination from the FSS Program. The family is given the opportunity to have a face-to-face review of the circumstances. This review will be conducted by the FSS Review Panel. A three person subcommittee of the FSS Program Coordinating Committee can act as the FSS Review Panel. The Panel will decide:

1. If the family will be placed on probation; or
2. If there are sufficient grounds for formal termination in the FSS Program.

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Probation – If the family was formally on probation, there will not be a second probation allowed for the same circumstances. However, if the family has not received probation in the past, and the Review Panel determines that the family will be placed on probation, the Panel and family will review the circumstances and develop a plan to bring the family into compliance with the Contract. Probationary status begins once the Plan has been agreed upon. The participating family is then responsible for resuming contact with the FSS Coordinator within 48 hours. Probation status last for a minimum of three (3) months.

Termination – If the family is not referred for probationary status, the case is then referred to the FSS Coordinator for termination. The Coordinator processes the case for termination from the FSS Program and reviews the case for possible termination of HCV assistance.

If the family is referred for probation, and the family fails to comply with that status; the family is not afforded a second Review Panel meeting for the same circumstances. The case is then referred to Coordinator for termination from FSS Program and possibly the HCV Program.

Voluntary Withdrawal – If a family wishes to voluntarily withdraw from the program they must submit a written statement to the FSS Coordinator. The Coordinator will review the case and if circumstances warrant a withdrawal, will provide a summary for processing. If the Coordinator does not feel that the circumstances warrant a withdrawal, be termination instead, the summary will document that finding.

Under certain circumstances, the Coordinator may refer a voluntary withdrawal to the Review Panel for further consideration. If further consideration is not warranted, the FSS Coordinator will process a voluntary withdrawal from the FSS Program.

Housing Choice Voucher Participant Hearing Procedures – If a family in the FSS Program fails to comply, without good cause, with the Self Sufficiency Contract of Participation they may be terminated from both the FSS and HCV Program. If grounds are found to process the case for termination of both HCV and FSS assistance, there is the opportunity for the family to appeal the decision through a hearing process called an Informal Hearing.

Cases pending termination will be mailed a formal notice of termination stating the reason for the termination by OHCD. Participants who disagree with the decision and wish to request and Informal Hearing must make a written request for an Informal Hearing within 10-days of the date of the formal notice. Participants that do not request a hearing within 10-days; fail to appear for the Informal Hearing or fail to attempt to reschedule and Informal Hearing prior to the Hearing date, will waive all rights to an Informal Hearing.

At Informal Hearings, a lawyer or other representative may represent participants at their own expense. All parties have the right to discovery, to present evidence and may question any witness(es). The OHCD Hearing Officer will conduct the hearing. Factual determinations relating to the individual circumstances of the participant shall be based on a preponderance of evidence presented at the Hearing. The Hearing Officer shall furnish a copy of the written decision to the participant within 14-days from the date of the Hearing. The proposed action of termination will not transpire until the result of the Hearing are concluded.

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15-X.J. READMISSION POLICIES

Persons who have been terminated from FSS Program will not be permitted to participate in the FSS Program for one year from the date of termination. A new applicant must be completed and readmission approved. A review process may be inherent in the readmission process to determine if the family has learned from the experience that caused the termination; to review any steps the family has already undertaken and plans to take in the future to ensure their success as a readmitted family. Families can remain on the waiting list for a year before admission.

Families who have voluntarily withdrawn from the FSS Program must reapply to the waiting list and remain on the waiting list for no less than 6-months from the date of withdrawal, or when room becomes available, whichever is longer.

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15-X.K. FSS PROGRAM COORDINATING COMMITTEE

The FSS Coordinating Committee's function is to assist in securing commitments of public and private resources for the operation of the program; assist in developing and modifying the Action Plan; and modifying the Action Plan; and in implementing the Program.

Members of the FSS Coordinating Committee shall consist of the following members, required and voluntary.

Required Members

OHCD HCV Director or Supervisor

OHCD FSS Coordinator

OHCD Housing Program Specialist

Voluntary Members

DSS Representative

Non-profit Service Provider

Private/Business Representative

Public/Private Educational Training Institutions